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## **VICON HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3878)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025**

#### **FINANCIAL HIGHLIGHTS**

*(for the year ended 31 March 2025)*

- Revenue was approximately HK\$303.9 million (2024: HK\$486.6 million)
- Gross profit was approximately HK\$20.6 million (2024: HK\$44.0 million)
- Profit for the year attributable to owners of the Company was approximately HK\$4.8 million (2024: HK\$8.3 million)
- Basic and diluted earnings per share was approximately HK1.01 cents per share (2024: HK1.72 cents per share)

#### **ANNUAL RESULTS**

The board (the “Board”) of directors (the “Directors”) of Vicon Holdings Limited (the “Company”) is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2025 (“FY2025” or “Current Year”), together with the comparative figures for the year ended 31 March 2024 (“FY2024” or “Last Year”) as follows:

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 March 2025*

		<b>2025</b>	2024
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Revenue	3	<b>303,919</b>	486,642
Cost of sales		<b>(283,295)</b>	(442,692)
Gross profit		<b>20,624</b>	43,950
Other income and other gain		<b>3,854</b>	6,772
Impairment losses recognised on trade and retention receivables		<b>(1,292)</b>	(7,536)
Impairment losses recognised on contract assets and contract deposits		<b>(6,215)</b>	(25,387)
Impairment loss recognised on intangible asset		<b>(1,602)</b>	–
Other administrative expenses		<b>(9,706)</b>	(10,842)
Operating profit		<b>5,663</b>	6,957
Finance costs		<b>(506)</b>	(558)
Profit before income tax		<b>5,157</b>	6,399
Income tax (expense)/credit	4	<b>(327)</b>	1,869
Profit for the year attributable to owners of the Company		<b>4,830</b>	8,268
Other comprehensive income		<b>–</b>	–
Profit and total comprehensive income attributable to owners of the Company		<b>4,830</b>	8,268
		<b>2025</b>	2024
		<b><i>HK cents</i></b>	<i>HK cents</i>
Earnings per share	5		
Basic		<b>1.01</b>	1.72
Diluted		<b>N/A</b>	N/A

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2025*

		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current Assets</b>			
Property, plant and equipment		<b>34,258</b>	43,047
Intangible asset		<b>1,110</b>	–
Financial assets at fair value through profit or loss		<b>8,361</b>	8,115
Deferred income tax assets		<b>904</b>	1,231
		<b>44,633</b>	52,393
<b>Current Assets</b>			
Trade and retention receivables	7	<b>94,839</b>	105,100
Prepayments, deposits and other receivables		<b>27,012</b>	8,051
Contract assets and contract deposits	8	<b>92,874</b>	86,585
Income tax recoverable		–	727
Pledged bank deposits		<b>4,637</b>	19,927
Unpledged time deposit with original maturity over three months when acquired		<b>30,000</b>	–
Cash and cash equivalents		<b>30,415</b>	35,635
		<b>279,777</b>	256,025
<b>Current Liabilities</b>			
Trade and retention payables	9	<b>34,285</b>	29,485
Other payables and accruals		<b>2,243</b>	1,408
Contract liabilities	8	<b>8,065</b>	2,258
Lease liabilities		<b>329</b>	906
Borrowings		<b>7,830</b>	7,830
		<b>52,752</b>	41,887
<b>Net Current Assets</b>		<b>227,025</b>	214,138
<b>Total Assets less Current Liabilities</b>		<b>271,658</b>	266,531
<b>Non-current Liabilities</b>			
Lease liabilities		<b>338</b>	41
Deferred income tax liabilities		–	–
		<b>338</b>	41
<b>Net Assets</b>		<b>271,320</b>	266,490
<b>Equity</b>			
Share capital	10	<b>4,796</b>	4,796
Reserves		<b>266,524</b>	261,694
<b>Equity attributable to Owners of the Company</b>		<b>271,320</b>	266,490

*Notes:*

**1. GENERAL INFORMATION**

The Company was incorporated in the Cayman Islands on 13 January 2016 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Office D, 16/F., MG Tower, 133 Hoi Bun Road, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries provide foundation works and ancillary services and leasing of construction machinery in Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("the Stock Exchange").

The functional currency of the Company is Hong Kong Dollar (HK\$). The consolidated financial statements are presented in HK\$ rounded to the nearest thousand, unless otherwise stated and were approved for issue on 26 June 2025.

**2. BASIS OF PREPARATION**

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), a collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretation issued by Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets which are measured at fair value at the end of the reporting period.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

**(a) Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the aforesaid amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Management performed an assessment and concluded that the change in accounting policy had no material impact on the Group and the catch-up profit or loss adjustment was immaterial.

**(b) New and amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>4</sup>

<sup>1</sup> No mandatory effective date yet determined but available for adoption.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual/reporting periods beginning on or after 1 January 2027.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs which are not yet effective, will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

#### (a) Revenue

Revenue represents the revenue from construction contracts for foundation works and ancillary services performed by the Group and the Group's leasing of construction machinery in the ordinary course of business. Revenue recognised are as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Foundation works and ancillary services	<b>297,879</b>	483,434
Leasing of construction machinery	<b>6,040</b>	3,208
	<b>303,919</b>	486,642

#### (b) Segment information

The executive directors of the Group are identified as the Group's chief operating decision-maker. The executive directors consider that the Group has two reportable operating segments, as follows:

- Construction work, which mainly represents foundation works and ancillary services; and
- Leasing of construction machinery

Segment revenue is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administrative costs, directors' salaries, other income and finance costs. This is the measure reported to the executive directors with respect to the resource allocation and performance assessment.

Segment assets mainly consist of current assets and non-current assets as disclosed in the consolidated statement of financial position except for cash and cash equivalents, income tax recoverable, deferred income tax assets and other corporate assets.

Segment liabilities mainly consist of current liabilities and non-current liabilities as disclosed in the consolidated statement of financial position except for deferred income tax liabilities, borrowings and certain corporate liabilities.

(i) *Segment revenue and results*

The following is an analysis of the Group's revenue and results by reportable operating segments.

**For the year ended 31 March 2025**

	<b>Construction work HK\$'000</b>	<b>Leasing of construction machinery HK\$'000</b>	<b>Total HK\$'000</b>
Segment revenue	<u>297,879</u>	<u>6,040</u>	<u>303,919</u>
Segment profit	<u>8,435</u>	<u>4,663</u>	13,117
Unallocated other income			3,854
Unallocated expenses			(7,893)
Unallocated depreciation			(1,813)
Impairment loss recognised on intangible asset			(1,602)
Finance costs			<u>(506)</u>
Profit before income tax			5,157
Income tax expense			<u>(327)</u>
Profit for the year			<u>4,830</u>
Segment profit is arrived at after charging:			
Depreciation	(6,729)	(1,351)	(8,080)
Impairment losses recognised on:			
– trade and retention receivables	(927)	(365)	(1,292)
– contract assets and contract deposits	<u>(6,215)</u>	<u>–</u>	<u>(6,215)</u>

For the year ended 31 March 2024

	Construction work <i>HK\$'000</i>	Leasing of construction machinery <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	483,434	3,208	486,642
Segment profit	8,420	2,607	11,027
Unallocated other income			6,772
Unallocated expenses			(8,452)
Unallocated depreciation			(2,390)
Finance costs			(558)
Profit before income tax			6,399
Income tax credit			1,869
Profit for the year			8,268
Segment profit is arrived at after charging:			
Depreciation	(7,564)	(519)	(8,083)
Impairment losses recognised on:			
– trade and retention receivables	(7,454)	(82)	(7,536)
– contract assets and contract deposits	(25,387)	–	(25,387)

(ii) *Segment assets and liabilities*

The following is an analysis of the Group's assets and liabilities by reportable operating segments.

Assets

	<b>Construction work HK\$'000</b>	<b>Leasing of construction machinery HK\$'000</b>	<b>Total HK\$'000</b>
<b>At 31 March 2025</b>			
Segment assets	<b>207,234</b>	<b>13,597</b>	<b>220,831</b>
Unallocated assets			<b>103,579</b>
Total assets			<b>324,410</b>
Addition to non-current assets			
Segment assets	<b>—</b>	<b>—</b>	<b>—</b>
Unallocated assets			<b>3,894</b>
Total			<b>3,894</b>
	<b>Construction work HK\$'000</b>	<b>Leasing of construction machinery HK\$'000</b>	<b>Total HK\$'000</b>
<b>At 31 March 2024</b>			
Segment assets	<b>245,491</b>	<b>6,108</b>	<b>251,599</b>
Unallocated assets			<b>56,819</b>
Total assets			<b>308,418</b>
Addition to non-current assets			
Segment assets	<b>—</b>	<b>—</b>	<b>—</b>
Unallocated assets			<b>1,306</b>
Total			<b>1,306</b>

The information provided to chief operating decision maker with respect to total assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment.

#### Liabilities

	<b>Construction work <i>HK\$'000</i></b>	<b>Leasing of construction machinery <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>At 31 March 2025</b>			
Segment liabilities	<b>42,350</b>	<b>–</b>	<b>42,350</b>
Borrowings			<b>7,830</b>
Other unallocated liabilities			<b>2,910</b>
Total liabilities			<b>53,090</b>
	<b>Construction work <i>HK\$'000</i></b>	<b>Leasing of construction machinery <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>At 31 March 2024</b>			
Segment liabilities	<b>31,743</b>	<b>–</b>	<b>31,743</b>
Borrowings			<b>7,830</b>
Other unallocated liabilities			<b>2,355</b>
Total liabilities			<b>41,928</b>

(c) **Geographical information**

**Revenue from external customers**

	2025 HK\$'000	2024 HK\$'000
Hong Kong	<u>303,919</u>	<u>486,642</u>

The revenue information reported above is based on the locations of the customers.

**Non-current assets**

	2025 HK\$'000	2024 HK\$'000
Hong Kong	<u>35,368</u>	<u>43,047</u>

The non-current assets information reported above is based on the location of the assets and excluded financial assets at fair value through profit or loss and deferred income tax assets.

(d) **Information about major customers**

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A	187,002	272,793
Customer B	N/A <sup>#</sup>	160,170
Customer C	31,520	N/A*
Customer D	<u>45,205</u>	<u>N/A*</u>

<sup>#</sup> The revenue from customer B for the year ended 31 March 2025 did not exceed 10% of the total revenue of the Group for that year.

\* The revenue from customer C and D for the year ended 31 March 2024 did not exceed 10% of the total revenue of the Group for that year.

#### 4. INCOME TAX (EXPENSE)/CREDIT

The amount of income tax (charged)/credited to profit or loss represents:

	2025 HK\$'000	2024 HK\$'000
Current income tax		
Hong Kong	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>
Deferred income tax (expenses)/credit	<u>(327)</u>	<u>1,869</u>
	<u>(327)</u>	<u>1,869</u>

No provision for Hong Kong profits tax for the year ended 31 March 2025 (2024: Nil) has been made in the consolidated financial statements as the Group has tax losses brought forward to offset against the assessable profits for Hong Kong profits tax both of the years presented, and the Group has no assessable profits that are subject to tax in the other jurisdiction for the year.

## 5. EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective years.

	2025	2024
Profit attributable to owners of the Company ( <i>HK\$'000</i> )	4,830	8,268
Weighted average number of ordinary shares in issue for the purpose of calculating basic earnings per share ( <i>'000</i> )	479,600	479,600
Basic earnings per share ( <i>HK cents</i> )	<u>1.01</u>	<u>1.72</u>

### (b) Diluted earnings per share

Diluted earnings per share is not presented as there were no potential ordinary shares in issue for both of the years ended 31 March 2025 and 2024.

## 6. DIVIDENDS

The Board did not recommend any payment of dividend in respect of the year ended 31 March 2025 (2024: Nil).

## 7. TRADE AND RETENTION RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	70,192	75,222
Less: loss allowance recognised	<u>(5,044)</u>	<u>(2,493)</u>
	65,148	72,729
Retention receivables	41,351	45,290
Less: loss allowance recognised	<u>(11,660)</u>	<u>(12,919)</u>
	29,691	32,371
Trade and retention receivables	<u>94,839</u>	<u>105,100</u>

The credit period granted to trade customers other than for retention receivables was within 30 days or due upon presentation of invoices. The terms and conditions in relation to the release of retention vary from contract to contract, which may be subject to practical completion, the expiry of the defects liability period or a pre-agreed time period. The Group does not hold any collateral as security.

At 31 March 2025 and 2024, the ageing analysis of the trade receivables, less loss allowance recognised, based on invoice date were as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
1 to 30 days	<b>8,765</b>	66,257
31 to 60 days	<b>49,371</b>	–
61 to 90 days	<b>594</b>	–
91 to 180 days	<b>470</b>	–
181 to 365 days	<b>1,736</b>	–
1 to 3 years	<b>4,212</b>	6,472
	<b>65,148</b>	72,729

At 31 March 2025 and 2024, the ageing analysis of the retention receivables, less loss allowance recognised, based on invoice date were as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
Within 1 year	<b>20,326</b>	10,867
Between 1 to 2 years	<b>7,931</b>	16,007
Between 2 to 5 years	<b>1,434</b>	5,139
More than 5 years	–	358
	<b>29,691</b>	32,371

## 8. CONTRACT ASSETS, CONTRACT DEPOSITS AND CONTRACT LIABILITIES

The Group has recognised the following assets and liabilities related to contracts with customers:

	2025 HK\$'000	2024 HK\$'000
<b>Contract assets</b>		
Provision of construction services	156,555	150,052
Less: loss allowance recognised	(69,705)	(64,873)
	<u>86,850</u>	<u>85,179</u>
<b>Contract deposits</b>		
Provision of construction services	7,901	1,900
Less: loss allowance recognised	(1,877)	(494)
	<u>6,024</u>	<u>1,406</u>
Total contract assets and contract deposits	<u>92,874</u>	<u>86,585</u>
<b>Contract liabilities</b>		
Provision of construction services	<u>8,065</u>	<u>2,258</u>

## 9. TRADE AND RETENTION PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	14,266	12,731
Retention payables	<u>20,019</u>	<u>16,754</u>
	<u>34,285</u>	<u>29,485</u>

The credit period granted by trade creditors was not more than 30 days.

At 31 March 2025 and 2024, the ageing analysis of the trade payables based on invoice date was as follows:

	2025 HK\$'000	2024 HK\$'000
1 to 30 days	<u>14,266</u>	<u>12,731</u>

## 10. SHARE CAPITAL

	<b>Par value</b> <i>HK\$</i>	<b>Number of ordinary shares</b> <i>'000</i>	<b>Nominal amount of ordinary shares</b> <i>HK\$'000</i>
Authorised:			
At 1 April 2023, 31 March 2024 and 31 March 2025	0.01	1,000,000	10,000
	<u>0.01</u>	<u>1,000,000</u>	<u>10,000</u>
	<b>Par value</b> <i>HK\$</i>	<b>Number of ordinary shares</b> <i>'000</i>	<b>Nominal amount of ordinary shares</b> <i>HK\$'000</i>
Issued and fully paid:			
At 1 April 2023, 31 March 2024 and 31 March 2025	0.01	479,600	4,796
	<u>0.01</u>	<u>479,600</u>	<u>4,796</u>

There were no changes in the issued share capital of the Company during the year ended 31 March 2024 and 31 March 2025.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Group is a specialist foundation contractor and focuses on design-and-build foundation projects in the Hong Kong private sector. Our foundation projects involve different types of construction works, such as piling construction, ELS works and pile cap construction in Hong Kong. The Group also engages in the provision of construction services including leasing of construction machinery.

### **BUSINESS REVIEW**

For FY2025, the Group recorded revenue of approximately HK\$303.9 million as compared to revenue of approximately HK\$486.6 million for FY2024, which represented a decrease of approximately HK\$182.7 million.

The decline of revenue for FY2025 was primarily driven by the decrease in revenue in the construction works segment for the reasons detailed below.

The majority of our revenue continued to come from projects where we acted as main contractor. Revenue contribution from these main contractor projects remained stable at approximately 96.6% in FY2025 as compared with approximately 95.2% in FY2024. The Group continued to act as main contractor in the newly awarded projects.

The amount of backlog revenue as at 31 March 2025 was approximately HK\$394.3 million (2024: HK\$229.4 million).

### **Foundation Works and Ancillary Services**

Foundation works mainly include mini-piling, percussive piling, rock socketed in steel H-pile and bored pile, together with pile cap. Ancillary services mainly include site formation and demolition works which covers clearance of the site, excavation, demolition of a building or any substantial part of a building.

During FY2025, there were 9 projects (FY2024: 10 projects) contributing revenue of approximately HK\$297.9 million (FY2024: HK\$483.4 million) to the Group.

The decrease in revenue was primarily because i) the Group completed certain projects with relatively higher contract sums during the Last Year; and ii) the new projects commenced during the Current Year were mainly in the beginning phases which contributed less revenue to the Group.

## **Leasing of construction machinery**

Leasing of construction machinery mainly include the rental of our construction machinery according to the requirements of the customers.

During FY2025, the revenue derived from leasing of construction machinery amounted to approximately HK\$6.0 million (FY2024: HK\$3.2 million), accounting for approximately 2.0% (FY2024: 0.7%) of our total revenue.

The increase in revenue from leasing of construction machinery of the Group was mainly due to the increase in the number of machinery rented out to our customers based on the progress of their construction works during FY2025.

## **Outlook and prospects**

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 22 December 2017 (the “Listing”). The Listing improved our reputation and provided additional capital to the Group to explore business opportunities.

Given the current challenges in the property market and high interest rates, the government has taken a careful approach to private residential land sales. Consequently, the Group has noticed a decline in the number of available foundation contract tenders from the private sector. This has led to increased competition in the foundation industry.

In the coming year, we believe the construction market in Hong Kong will remain under pressure due to persisting uncertainty in the economy and the property market environment. In addition, the industry is facing challenges due to a shortage of skilled labour and inflationary pressures, which are driving up project costs and cutting into profit margins. As a result, the construction market is expected to remain highly competitive as contractors vie for a limited number of development projects, resulting in shrinking profit margins. Despite these challenges, the government’s strategy to increase the public housing supply such as the launch of more projects in the Northern Metropolis, is expected to have a positive impact on the industry. We will continue to focus on “design and build” projects and maintaining a strong financial position to meet the requirements of future potential projects.

The Group is monitoring the tender for foundation projects available in the market. The Group will continue to submit tender for targeted and sizeable projects and to strengthen costs control measures in order to generate stable revenue and to reduce direct costs.

## **FINANCIAL REVIEW**

### **Revenue**

Our revenue decreased by approximately HK\$182.7 million, from approximately HK\$486.6 million for FY2024 to approximately HK\$303.9 million for FY2025.

The decrease in revenue was primarily because i) the Group completed certain projects with relatively higher contract sums during the Last Year; and ii) the new projects commenced during the Current Year were mainly in the beginning phases which contributed less revenue to the Group.

### **Cost of Sales**

Our direct costs decreased from approximately HK\$442.7 million for FY2024 to approximately HK\$283.3 million for FY2025, representing a decrease of approximately HK\$159.4 million. The decrease was in line with the decrease in revenue.

### **Gross profit and gross profit margin**

Our gross profit decreased by approximately HK\$23.4 million, from approximately HK\$44.0 million for FY2024 to gross profit of approximately HK\$20.6 million for FY2025.

Our gross profit margin decreased from approximately 9.0% for FY2024 to approximately 6.8% for FY2025.

The decrease in gross profit was mainly attributable to a decrease in profit margin of the newly awarded projects in FY2025 as the contract prices were affected by the keen competition in the Hong Kong foundation industry.

## **Other income**

Our other income, decreased from approximately HK\$6.8 million for FY2024 to approximately HK\$3.9 million for FY2025, which was mainly attributable to the recognition of one-off income of approximately HK\$4.8 million from the disposal of steel working platforms upon handover of construction sites to the respective contractors responsible for general building construction in our normal course of operation in FY2024, in which there was no such corresponding income recorded in FY2025. This was partially offset by the increase in interest income earned from approximately HK\$1.2 million for FY2024 to approximately HK\$3.2 million for FY2025.

## **Impairment losses recognised on financial assets**

Our impairment losses recognised on financial assets represents a provision for impairment loss allowance amounting to approximately HK\$7.5 million (FY2024: HK\$32.9 million), consisting of impairment losses recognised on trade and retention receivables of approximately HK\$1.3 million (FY2024: HK\$7.5 million) and impairment losses recognised on contract assets and contract deposits of approximately HK\$6.2 million (FY2024: HK\$25.4 million), which is made based on the management's latest assessment of risk of default in the Group's financial assets for FY2025. The decrease in the amounts of impairment losses on financial assets for FY2025 as compared with FY2024 was due to the general improvement in the credit profiles on financial assets.

In general, the Group holds progress meetings with customers and their consultants on a regular basis to communicate on progress during the course of the project. The Group conducts a thorough evaluation of its work done and the relevant payment status for each project.

The Group engaged an independent valuer to provide an independent opinion on the expected credit loss for its contract assets, contract deposits and trade and retention receivables as at 31 March 2025. The valuation was conducted based on the specific risk profile of each customer, the ageing pattern of the financial assets, historical credit loss percentage and the market credit loss percentage.

The Directors considered that the valuation model adopted, including the basis of valuation, assumptions made and valuation methodology used, were fair and reasonable and reflected an accurate estimate of the recoverability of the Group's contract assets, contract deposits and trade and retention receivables.

The Group continues to monitor the settlement status of contract assets, contract deposits and trade and retention receivables and will consider to write off the specific loss allowance for the respective items.

## **Impairment loss recognised on intangible asset**

Our impairment loss recognised on a club membership represents a provision for impairment loss allowance amounting to approximately HK\$1.6 million, based on its recoverable amount in the market.

**Other administrative expenses**

Our administrative expenses remained stable, at approximately HK\$9.7 million, from for FY2025 as compared to approximately HK\$10.8 million for FY2024, as the scale of the Group is consistent in both FY2025 and FY2024.

**Finance costs**

Our finance costs decreased by approximately HK\$0.1 million, or approximately 9.3%, from approximately HK\$0.6 million for FY2024 to approximately HK\$0.5 million for FY2025. Such decrease was mainly due to the repayments of certain finance leases during FY2025.

**Income tax (expense)/credit**

Our income tax (expense)/credit changed, from income tax credit of approximately HK\$1.9 million for FY2024 to income tax expense of approximately HK\$0.3 million for FY2025 mainly due to the utilisation of deferred tax assets for FY2025.

**Profit and total comprehensive income attributable to equity holders of the Company**

Based on the above factors, profit and total comprehensive income attributable to equity holders of the Company decreased by approximately HK\$3.5 million from approximately HK\$8.3 million for FY2024 to approximately HK\$4.8 million for FY2025.

**LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group has funded the liquidity and capital requirements primarily through retained profits, borrowings and cash inflows from operating activities.

As at 31 March 2025, the capital structure of the Group consisted of equity of approximately HK\$271.3 million (2024: HK\$266.5 million) and bank borrowings of approximately HK\$7.8 million (2024: HK\$7.8 million). For details, please refer to the paragraph headed “Bank borrowings” below.

As at 31 March 2025, the Company had 479,600,000 ordinary shares in issue and the Company’s issued share capital was HK\$4,790,000.

**Cash position and fund available**

During the year, the Group maintained a healthy liquidity position, with working capital being financed by our operating cash flows and bank borrowings.

As at 31 March 2025, our cash and cash equivalents were approximately HK\$30.4 million (2024: HK\$35.6 million). As at 31 March 2025, the Group also had HK\$4.6 million pledged bank deposits deposited for a bank to issue surety bonds in respect of our foundation projects (2024: HK\$19.9 million) and had HK\$30.0 million time deposit with original maturity of over three months when acquired (2024: Nil).

As at 31 March 2025, the current ratio of the Group was approximately 5.3 times (2024: 6.1 times).

### Bank borrowings

The Group generally meets its working capital requirement by cash flows generated from its operation and borrowings. The maturity and interest rate profile of the Group's borrowings are set out below.

(a) The maturity of borrowings is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 year	<b>7,830</b>	7,830

(b) The weighted average interest rates were as follows:

	<b>2025</b>	2024
Short-term bank loans	<b>4.81%</b>	5.13%

### GEARING RATIO

As at 31 March 2025, the Group's gearing ratio was approximately 2.9% (2024: 2.9%), calculated as the total borrowings divided by the total equity as at the end of the respective years and multiplied by 100%.

### NET CURRENT ASSETS

As at 31 March 2025, the Group had net current assets of approximately HK\$227.0 million (2024: HK\$214.1 million). The increase in net current assets position was mainly attributable to the receipts generated from operating activities during the year.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from the banks to meet its liquidity requirements. The Board is not aware of any liquidity issue that may cast significant doubt on the Group's ability to continue as a going concern.

### CAPITAL EXPENDITURES

The Group did not incur any capital expenditures during FY2025 (2024: HK\$1.2 million).

## **FOREIGN EXCHANGE EXPOSURE**

The Group mainly operates in Hong Kong and most of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the year ended 31 March 2025. The Board will review the Group's foreign exchange risk and exposure from time to time and will apply hedging where necessary.

## **CONTINGENT LIABILITIES**

As at 31 March 2025, the Group has given guarantees on performance bonds in respect of construction contracts in the ordinary course of business amounting to approximately HK\$4.6 million (2024: HK\$19.9 million). The performance bonds were secured by pledged bank deposits amounting to approximately HK\$4.6 million (2024: HK\$19.9 million). The performance bonds as at 31 March 2025 will be released in accordance with the terms of the respective construction contracts.

## **PLEDGE OF ASSETS**

As at 31 March 2025, a bank borrowing granted to the Group in respect of the key management insurance contract, with an amount of approximately HK\$7.8 million (2024: HK\$7.8 million) were guaranteed by (i) the Company; and (ii) charge over the Group's key management insurance contract with cash surrender value of approximately HK\$8.4 million (2024: HK\$8.1 million).

## **CAPITAL COMMITMENTS**

As at 31 March 2025, the Group did not have any capital commitments contracted but not provided for.

## **EMPLOYEES, TRAINING AND REMUNERATION POLICY**

As at 31 March 2025, the Group had a total of 22 employees (2024: 21). Total staff costs (including Directors' emoluments) for the year were approximately HK\$21.0 million (2024: HK\$20.6 million). The remuneration offered to employees generally includes salaries, medical benefits and bonuses. In general, the Group determines salaries of its employees based on each employee's qualification, position and seniority. The Group provides training to its employees according to the work requirements.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during FY2025.

## **SIGNIFICANT INVESTMENTS HELD**

The Group did not have any significant investments held as at 31 March 2025.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The Group did not have other plans for material investments or capital assets as at 31 March 2025.

## **CORPORATE GOVERNANCE**

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as its own code of corporate governance. The Board is of the opinion that the Company has complied with all applicable code provisions set out in the CG Code during the year ended 31 March 2025, except for a deviation from code provision C.2.1 of the CG Code..

Code provision C.2.1 of the CG Code, requires that the roles of chairman and chief executive officer be segregated and not performed by the same individual. Mr. Chow, the chairman of the Board, also serves as the chief executive officer, which constitutes a deviation from code provision C.2.1 of the CG Code.

The Board believes that it is appropriate and in the interests of the Company for Mr. Chow to take up both roles at the present stage as it helps to ensure consistent leadership within the Group and enable more effective and efficient overall strategic planning for the Group. The Board also believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high calibre individuals with not less than half the number thereof being independent non-executive directors. Therefore, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate in the circumstances.

## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code during the year ended 31 March 2025.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2025.

## **EVENTS AFTER THE REPORTING PERIOD**

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2025 and up to the date of this announcement.

## **REVIEW OF ANNUAL RESULT BY AUDIT COMMITTEE**

The Company has established the audit committee (the “Audit Committee”) on 30 November 2017 with written terms of reference in compliance with the Listing Rules as amended from time to time. The Audit Committee consists of three independent non-executive Directors. The Audit Committee has reviewed the Group’s consolidated financial statements for FY2025, including the accounting principles and practices adopted by the Group, as well as the risk management and internal control systems of the Group.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 March 2025 as well as the final results announcement of the Group for the year ended 31 March 2025. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group’s financial position for the year ended 31 March 2025.

## **SCOPE OF WORK OF CCTH CPA LIMITED**

The figures in respect of this preliminary announcement for the Group’s consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereon for the year ended 31 March 2025 have been agreed by the Group’s auditor, CCTH CPA Limited (“CCTH”), to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 March 2025. The work performed by CCTH in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by CCTH on the preliminary announcement.

## **FINAL DIVIDEND**

The Board did not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: Nil).

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the identity of the shareholders to attend and vote at the forthcoming annual general meeting of the Company to be held on Thursday, 11 September 2025, the register of members of the Company will be closed from Friday, 5 September 2025 to Thursday, 11 September 2025, both days inclusive, during which period no transfer of shares will be registered. All transfer documents accompanied by the relevant certificates must be lodged with the Company’s transfer office and share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 4 September 2025.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the Company's website at [www.vicon.com.hk](http://www.vicon.com.hk) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk). The 2025 annual report containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the aforesaid websites in due course.

By order of the Board  
**Vicon Holdings Limited**  
**CHOW Kwok Chun**  
*Chairman*

Hong Kong, 26 June 2025

*As at the date of this announcement, the executive Directors are Mr. Chow Kwok Chun and Mr. Leung Hing Wai and the independent non-executive Directors are Mr. Ip Ka Ki, Mr. Chan Wai Kit, Mr. Tse Ka Ching Justin and Ms. Tam Yuk Yu.*