
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stock broker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Wecon Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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WECON HOLDINGS LIMITED
偉工控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1793)

- (1) PROPOSED PAYMENT OF FINAL DIVIDEND
OUT OF SHARE PREMIUM ACCOUNT;**
- (2) PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES;**
- (3) RE-ELECTION OF RETIRING DIRECTORS;**
- (4) RE-APPOINTMENT OF AUDITOR; AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting (the “**AGM**”) of Wecon Holdings Limited (the “**Company**”) to be held at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong on Friday, 18 August 2023 at 10:00 a.m. is set out on pages 19 to 22 of this circular.

A form of proxy for use by the shareholders at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to read this circular and complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM, or any adjourned meeting should you so wish.

CONTENTS

	<i>Page</i>
DEFINITIONS	1-3
LETTER FROM THE BOARD	4-11
APPENDIX I – EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE .	12-15
APPENDIX II – BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION AT THE AGM	16-18
NOTICE OF ANNUAL GENERAL MEETING	19-22

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong on Friday, 18 August 2023 at 10:00 a.m., the notice of which is set out on pages 19 to 22 of this circular, or any adjournment thereof
“AGM Notice”	the notice convening the AGM set out on pages 19 to 22 of this circular
“Articles” or “Articles of Association”	the amended and restated articles of association of the Company adopted on 21 January 2019, and as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Wecon Holdings Limited (偉工控股有限公司) (Stock Code: 1793), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Companies Act”	the Companies Act (as revised) of the Cayman Islands, as amended, modified and supplemented from time to time
“Controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and in the Company’s case, means Mr. Tsang Ka Yip and Triple Arch Limited
“core connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Final Dividend”	the final dividend for the financial year ended 31 March 2023 of HK1.2 cents per Share recommended by the Board
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and deal with the Shares not exceeding the aggregate of 20% of the number of the issued Shares as at the date of the passing of the relevant resolution
“Latest Practicable Date”	17 July 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Memorandum”	the memorandum of association of the Company, as amended, supplemented or otherwise modified from time to time
“Register of Members”	the register of members of the Company
“Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to purchase or repurchase the Shares not exceeding the aggregate of 10% of the number of the issued Shares as at the date of the passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of the Company with nominal value of HK\$0.01 each
“Share Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Premium Account”	the share premium account within the equity section of the Company, the amount standing to the credit of which was approximately HK\$57,695,000 as at 31 March 2023 based on the audited consolidated financial statements of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Takeovers Code” the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong, as amended, supplemented or otherwise modified from time to time

“%” per cent

LETTER FROM THE BOARD



WECON HOLDINGS LIMITED

偉工控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1793)

Executive Directors:

Mr. Tsang Ka Yip

(Chairman and Chief Executive Officer)

Mr. Tsang Tsz Him Philip

Mr. Tsang Tsz Kit Jerry

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent non-executive Directors:

Dr. Lau Chi Keung

Mr. Chan Tim Yiu Raymond

Mr. Sze Kwok Wing Nigel

*Head Office and Principal Place of
Business in Hong Kong:*

18/F, Tung Hip Commercial Building,

244-252 Des Voeux Road Central,

Hong Kong

Hong Kong, 21 July 2023

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED PAYMENT OF FINAL DIVIDEND
OUT OF SHARE PREMIUM ACCOUNT;**
- (2) PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES;**
- (3) RE-ELECTION OF RETIRING DIRECTORS;**
- (4) RE-APPOINTMENT OF AUDITOR; AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with notice of the AGM and the relevant information regarding the resolutions to be proposed at the AGM relating to:

- (i) the payment of Final Dividend out of the Share Premium Account;
- (ii) the granting of the Issue Mandate to the Directors;

LETTER FROM THE BOARD

- (iii) the granting of the Repurchase Mandate to the Directors;
- (iv) the granting of the extension mandate to extend the Issue Mandate by the addition of an amount representing the number of the Shares purchased or repurchased by the Company pursuant to the Repurchase Mandate;
- (v) the re-election of retiring Directors; and
- (vi) the re-appointment of the auditor of the Company.

PROPOSED PAYMENT OF FINAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

As announced by the Company in its results announcement for the year ended 31 March 2023 dated 29 June 2023, the Board recommended the Final Dividend of HK1.2 cents per Share, subject to the approval of Shareholders at the AGM by way of ordinary resolution and the conditions of payments of the Final Dividend set out below. The total amount of Final Dividend payable is HK\$9,600,000. The Final Dividend is intended to be paid entirely out of the Share Premium Account pursuant to Article 134 of the Articles and in accordance with the Companies Act.

As at 31 March 2023, based on the audited consolidated financial statements of the Company, the amount standing to the credit of the Share Premium Account was approximately HK\$57,695,000. Subject to the fulfilment of the conditions set out in the paragraph headed “Conditions of the Payment of the Final Dividend out of the Share Premium Account” below, the Board proposed to use an amount of HK\$9,600,000 standing to the credit of the Share Premium Account for the payment of the Final Dividend pursuant to Article 134 of the Articles and the Companies Act. Following such payment there will be a remaining balance of approximately HK\$48,095,000 standing to the credit of the Share Premium Account.

(i) Reasons for the payment of Final Dividend out of the Share Premium Account

The Board considers that payment of the Final Dividend out of Share Premium Account can better utilise the idle balance maintained at the Share Premium Account. The Board believes that the use of HK\$9,600,000 from the Share Premium Account for the payment of the Final Dividend is beneficial to the Company and the Shareholders as a whole.

(ii) Effect of the payment of Final Dividend out of the Share Premium Account

The implementation of the payment of Final Dividend out of Share Premium Account does not involve any reduction in the authorised or issued share capital of the Company and it does not involve any reduction in the nominal value of the Shares or affect the trading arrangements concerning the Shares.

The Company recorded a consolidated profit and total comprehensive income for the year ended 31 March 2023 to the equity holders of the Company of approximately HK\$5.9 million. The payment of Final Dividend out of the Share Premium Account will not affect the underlying assets, business, operations, management or financial position of the Company or the proportionate interests of the Shareholders, other than related expenses incurred, which are immaterial. Save for the aforesaid

LETTER FROM THE BOARD

expenses, the Directors consider that the payment of Final Dividend out of the Share Premium Account will not cause any loss in the Shareholders' funds of the Company and will not have a material adverse effect on the financial position of the Company.

(iii) Conditions of the payment of the Final Dividend out of the Share Premium Account

The payment of the Final Dividend out of the Share Premium Account is conditional upon the following being fulfilled:

- (a) the passing of an ordinary resolution by the Shareholders approving the payment of the Final Dividend out of the Share Premium Account pursuant to Article 134 of the Articles at the AGM; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, or immediately after the Final Dividend, will be unable to pay its debts as they fall due in the ordinary course of business.

The above conditions cannot be waived. If the conditions set out above are not satisfied, the Final Dividend will not be paid.

(iv) Payment of Final Dividend out of the Share Premium Account

Subject to the fulfilment of the above conditions, the Final Dividend is expected to be payable on or around Monday, 4 September 2023 to the Shareholders whose names appear on the Register of Members of the Company at close of business on Friday, 25 August 2023, being the record date for determination of entitlement to the Final Dividend. In order to qualify for receiving the Final Dividend, all completed share transfer documents accompanied by the relevant share certificates must be lodged with Tricor Investor Services Limited, the Share Registrar and transfer office in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 23 August 2023. For further information in relation to the closure of the Register of Members for the purpose of determining the entitlement to the Final Dividend, please refer to the paragraph headed "Closure of Register of Members" below in this circular.

GENERAL MANDATES TO ISSUE SHARES

The Directors have been granted a general unconditional mandate to allot, issue and deal with the Shares pursuant to the ordinary resolution of the Shareholders passed on the previous annual general meeting of the Company held on 19 August 2022 (the "**Previous AGM**"). As at the Latest Practicable Date, such general mandate has not been utilised and will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted a general unconditional mandate to exercise all powers of the Company to allot, issue and deal with the Shares not exceeding the aggregate of 20% of the number of the issued Shares as at the date of the passing of the relevant resolution. As at the Latest Practicable Date, the total number of Shares in issue was 800,000,000. Subject to the passing of the proposed resolution, assuming that there would be no change to the number of issued Shares from the Latest

LETTER FROM THE BOARD

Practicable Date to the date of the AGM, the maximum number of new Shares which can be issued under the Issue Mandate will be 160,000,000 Shares, representing 20% of the number of the issued Shares as at the Latest Practicable Date.

Details of the Issue Mandate are set out in the ordinary resolution as referred to in resolution no. 6 of the notice of the AGM.

GENERAL MANDATES TO REPURCHASE SHARES

The Directors have been granted a general unconditional mandate to exercise all powers of the Company to purchase Shares pursuant to the ordinary resolution of the Shareholders passed at the Previous AGM. As at the Latest Practicable Date, such repurchase mandate has not been utilised and will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted a general unconditional mandate to exercise all powers of the Company to purchase or repurchase the Shares not exceeding the aggregate of 10% of the number of the issued Shares as at the date of the passing of the relevant resolution.

As at the Latest Practicable Date, the total number of Shares in issue was 800,000,000. Subject to the passing of the proposed resolution and assuming that there would be no change in the number of the issued Shares from the Latest Practicable Date up to the date of the AGM, the maximum number of shares which can be repurchased by the Company under the Repurchase Mandate would be 80,000,000 Shares, representing 10% of the number of the issued share as at the Latest Practicable Date.

An explanatory statement giving the particulars required under the Listing Rules in respect of the Repurchase Mandate to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision whether to vote for or against the resolution is set out in the Appendix I to this circular.

Details of the Repurchase Mandate are set out in the ordinary resolution as referred to in resolution no. 7 of the notice of the AGM.

The Issue Mandate and Repurchase Mandate will remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking or varying such mandate.

EXTENSION OF ISSUE MANDATES

In addition, if the Issue Mandate and the Repurchase Mandate are granted at the AGM, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the number of the Shares which may be allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the Directors pursuant to the Issue Mandate by the number of the Shares purchased or repurchased by the Company pursuant to the Repurchase Mandate.

LETTER FROM THE BOARD

Details of the extension of the Issue Mandate are set out in the ordinary resolution as referred to in resolution no. 8 of the notice of the AGM.

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board consisted of six Directors, namely:

Executive Directors	Date of appointment
Mr. Tsang Ka Yip (“ Mr. KY Tsang ”)	23 March 2018
Mr. Tsang Tsz Him Philip	25 June 2018
Mr. Tsang Tsz Kit Jerry	25 June 2018

Independent non-executive Directors

Dr. Lau Chi Keung	21 January 2019
Mr. Chan Tim Yiu Raymond	21 January 2019
Mr. Sze Kwok Wing Nigel (“ Mr. Sze ”)	21 January 2019

Pursuant to Article 84(1) of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

As such, Mr. KY Tsang will retire and, being eligible, will offer himself for re-election as an executive Director and Mr. Sze will retire and, being eligible, will offer himself for re-election as an independent non-executive Director at the AGM.

Biographical details of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

RECOMMENDATION OF THE NOMINATION COMMITTEE ON RE-ELECTION OF DIRECTORS

On 29 June 2023, the nomination committee of the Board (the “**Nomination Committee**”), having reviewed the composition of the Board, nominated Mr. KY Tsang and Mr. Sze to the Board for it to recommend to Shareholders for re-election at the AGM.

The nominations were made in accordance with the nomination policy and the objective criteria (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out under the board diversity policy of the Company, details of which are set out in the 2023 annual report of the Company. The Nomination Committee had also taken into account of the respective contributions of Mr. KY Tsang and Mr. Sze to the Board and their commitment to their roles. The Nomination Committee was satisfied with the independence of Mr. Sze, having regard to the independence criteria as set out in Rule 3.13 of the Listing Rules. Mr. Sze has been an independent non-executive Director since listing of the Shares on the Stock

LETTER FROM THE BOARD

Exchange. The Nomination Committee and the Board considered Mr. Sze's qualification as a qualified accountant and his rich experience in accounts and finance area will contribute to the diversity of the Board in terms of professional expertise and will bring insights from accounting perspective to the Board.

Mr. Sze, who is proposed to be re-elected as an independent non-executive Director of the Company, confirmed to the Company that he did not, as at the Latest Practicable Date, hold seven or more directorships in any listed companies. The biographical background of Mr. Sze is more particularly set out in Appendix II of this circular.

On 29 June 2023, the Board accepted Nomination Committee's nominations and recommended Mr. KY Tsang to stand for re-election as an executive Director and Mr. Sze to stand for re-election as an independent non-executive Director by Shareholders at the AGM. The Board considers that the re-election of Mr. KY Tsang and Mr. Sze as Directors is in the best interest of the Company and Shareholders as a whole. Each of Mr. KY Tsang and Mr. Sze abstained from the discussion and voting at the Board meeting regarding their respective nominations.

Further information about the Board's composition and diversity (including their gender, age, expertise, skills and qualifications) and Directors' attendance record at Board and Board committee meetings have been disclosed in the corporate governance report of the 2023 annual report of the Company.

RE-APPOINTMENT OF AUDITORS

Ernst & Young will retire as the independent auditors of the Company at the AGM and, being eligible, offer themselves for re-appointment. Details of the re-appointment of independent auditor are set out in the ordinary resolution no. 3 of the notice of AGM.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain identity of the shareholders who will be entitled to attend and to vote at the AGM, the Register of Members will be closed from Tuesday, 15 August 2023 to Friday, 18 August 2023 (both dates inclusive), the period during which no transfer of the Shares will be effected. In order to be eligible to attend and vote at the AGM, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar for registration not later than 4:30 p.m. on Monday, 14 August 2023.

To ascertain the entitlement of receiving the Final Dividend, the Register of Members will be closed from Thursday, 24 August 2023 to Friday, 25 August 2023, the period during which no transfer of the Shares will be effected, and, subject to the approval of the shareholders at the AGM approving the payment of the Final Dividend and satisfaction of the conditions set out above in this circular, the Final Dividend is expected to be paid on Monday, 4 September 2023. In order to qualify for receiving the Final Dividend, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar for registration not later than 4:30 p.m. on Wednesday, 23 August 2023.

LETTER FROM THE BOARD

AGM AND PROXY ARRANGEMENT

The notice convening the AGM to be held at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong on Friday, 18 August 2023 at 10:00 a.m. is set out on pages 19 to 22 of this circular. Ordinary resolutions will be proposed at the AGM for the purpose of considering and if thought fit, approving the resolutions proposed in the notice of the AGM.

A form of proxy for use by the Shareholders at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to read this circular and complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

VOTING AT THE AGM

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of a poll by the Shareholders. An announcement on the poll results will be made by the Company after the AGM, in the manner prescribed under Rule 13.39(5) of the Listing Rules, on the results of the AGM after being verified by the scrutineer.

To the extent that the Directors are aware, having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the proposed resolutions at the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors believe that all the proposed resolutions as set out in the notice of the AGM, namely, the proposed payment of Final Dividend out of the Share Premium Account, the proposed resolutions in relation to the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of retiring Directors and the re-appointment of the auditor of the Company are in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
WECON HOLDINGS LIMITED
Mr. Tsang Ka Yip
Chairman and Chief Executive Officer

This appendix serves as an explanatory statement, as required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules, to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to approve the grant of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, a total of 800,000,000 Shares were in issue. As at the Latest Practicable Date, the Company did not have any outstanding options, warrants and convertible securities to subscribe for the Shares.

Assuming that no further Shares are issued or repurchased during the period from the Latest Practicable Date until the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 80,000,000 Shares, representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

2. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases, depending on market conditions and funding arrangements at the time, may lead to enhancement of the net asset value of the Company and/or the earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. The number of the Shares to be repurchased on any occasion and the price and other terms on which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

3. SOURCE OF FUNDS AND IMPACT OF REPURCHASES

The Company is empowered by the Articles to repurchase its Shares. In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with the Listing Rules, the Memorandum, the Articles, the applicable laws of Cayman Islands and all other applicable laws, rules and regulations, as the case may be.

The Company may not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange in effect from time to time.

Subject to the foregoing, any repurchase of the Shares by the Company may be made out of profits of the Company, out of share premium, or out of the proceeds of a fresh issue of the Shares made for the purpose of the repurchase or, subject to the Companies Act, out of capital. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must be out of profits of the Company, out of the Company's share premium account before or at the time the Shares are repurchased, or subject to the Companies Act, out of capital.

As compared with the position disclosed in the audited consolidated financial statements of the Group as at 31 March 2023, the Directors consider that there could be a material adverse impact on the working capital and on the gearing level of the Company in the event that the proposed repurchases under the Repurchase Mandate were to be carried out in full during the proposed purchases period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing level which, in the opinion of the Directors, are from time to time appropriate for a Company.

4. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the proposed resolution for the Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws of the Cayman Islands.

5. INTENTION TO SELL SHARES

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates has any present intention, in the event that the proposed resolution for the Repurchase Mandate is approved by the Shareholders, to sell any of their Shares to the Company pursuant to the Repurchase Mandate.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell their Shares to the Company or has undertaken not to sell any of their Shares to the Company, in the event that the Company is authorised to make repurchases of the Shares.

6. CONSEQUENCES UNDER THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If, as a result of a repurchase of the Shares by the Company pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert (within the meaning under the Takeovers Code) could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any such consequence which may arise under the Takeovers Code if the Repurchase Mandate is exercised.

As at the Latest Practicable Date, the following Shareholders had interests representing 5% or more of the issued share capital of the Company:

Name	Capacity/Nature of interest	Number of Shares held/interested	Approximate percentage of total issued Shares	
			As at the Latest Practicable Date	If Repurchase Mandate is exercise in full
Triple Arch Limited ("Triple Arch")	Beneficial owner	600,000,000	75.0%	83.3%
Mr. Tsang Ka Yip ("Mr. KY Tsang") (Note 1)	Interest in a controlled corporation	600,000,000	75.0%	83.3%
Ms. Lai Yuk Lin, Eliza ("Ms. Lai") (Note 2)	Interest of spouse	600,000,000	75.0%	83.3%

Notes:

- (1) These shares are held by Triple Arch. Triple Arch is 100% beneficially owned by Mr. KY Tsang and therefore, Mr. KY Tsang is deemed to be interested in the same number of Shares held by Triple Arch under the SFO.
- (2) Ms. Lai is the spouse of Mr. KY Tsang. Therefore, Ms. Lai is deemed to be interested in the same number of Shares in which Mr. KY Tsang is interested for the purpose of the SFO.

The Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of the Shares which are in the hands of the public falling below 25% of the total number of the Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

7. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of twelve months prior to the date of Latest Practicable Date were as follows:

	Price per Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
July	0.201	0.200
August	0.198	0.179
September	0.204	0.130
October	0.180	0.142
November	0.172	0.150
December	0.250	0.148
2023		
January	0.178	0.170
February	0.184	0.142
March	0.180	0.169
April	0.198	0.170
May	0.182	0.169
June	0.204	0.175
July (up to the Latest Practicable Date)	0.181	0.175

8. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

APPENDIX II BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION AT THE AGM

The following are the particulars of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM.

EXECUTIVE DIRECTOR

Mr. Tsang Ka Yip

Mr. Tsang Ka Yip (“**Mr. KY Tsang**”), aged 70, was appointed as our Director on 23 March 2018 and was redesignated as our executive Director on 23 January 2019. Mr. KY Tsang is the chairman and chief executive officer of our Group, and a managing director of all our subsidiaries. He is responsible for the overall strategic planning and business development as well as executing the overall operation of our Group.

Mr. KY Tsang has over 44 years of experience in civil engineering, building and construction industry. Prior to founding our Group, Mr. KY Tsang worked as a project manager in various construction contractors in Hong Kong, where he commenced his career in the engineering and construction industry. From July 1974 to August 1978, Mr. KY Tsang worked in Wong & Ouyang & Associates Architects and Engineers Hong Kong in contract section and was mainly responsible for contract administration, preparation of tender specification and tender documents. From August 1978 to October 1979, Mr. KY Tsang worked in T.K. Shen Construction Co. as a project manager and was mainly responsible for project supervision and liaising with clients. From October 1979 to February 1982, Mr. KY Tsang worked in Leon Eng. & Const. Co. Ltd. as a project manager; and was subsequently promoted to executive director and was mainly responsible for project supervision. Mr. KY Tsang worked in Hing Lee Construction Co., Ltd as contract manager from March 1982 to February 1984 and was mainly responsible for contract administration, project management, site personnel management, preparation of building estimates and all works in connection with tender documents.

Mr. KY Tsang obtained Certificate of Land Surveying and Higher Certificate of Building Technology from The Hong Kong Polytechnic in July 1973 and November 1975 respectively. Mr. KY Tsang also obtained an Industrial Management Diploma from Institution of Industrial Managers in August 1983. In March 2017, Mr. KY Tsang also received a Master’s Degree for Engineering Management from University of Technology, Sydney. Since October 2017, Mr. KY Tsang has been admitted as fellow of Hong Kong Institute of Construction Manager. Mr. KY Tsang is one of the controlling shareholders, and the father of Mr. Tsang Tsz Him Philip and Mr. Tsang Tsz Kit Jerry.

Mr. KY Tsang was as a member of the Registered Contractors’ Disciplinary Board Panel by the Housing, Planning and Lands Bureau from 1999 to 2005. From 2007 to 2009, Mr. KY Tsang had also been appointed as the Vice Chairman of Building Committee of The Hong Kong Construction Association. From 2008 to 2009, Mr. KY Tsang served as the President of Rotary Club of Hong Kong Northwest. In 2013 to 2015, Mr. KY Tsang assumed the office of a Board Director of Tung Wah Group of Hospitals. Since April 2017, Mr. KY Tsang was admitted as Council Member of Hong Kong Construction Association. Since April 2017, Mr. KY Tsang has become the Vice Chairman of the Small & Medium Enterprise Committee of Hong Kong Construction Association. Mr. KY Tsang is appointed as a member of the Appeal Tribunal Panel by Planning and Lands Branch of the Development Bureau for a period of three years from December 2021 to November 2024. Since November 2016, Mr. KY Tsang held the post of an independent manager of the Incorporated Management Committee by TWGHs Tsui Tsin Tong School.

APPENDIX II BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION AT THE AGM

Mr. KY Tsang has entered into a service agreement with the Company pursuant to which he has agreed to act as an executive Director for a fixed term of three years commencing from 27 February 2019, the date of listing of the Company and renewable automatically for successive terms of one year upon the expiry of the then current term, subject to early termination by either party in accordance with the terms thereof. Mr. KY Tsang is entitled to an annual remuneration of HK\$1,950,000 with discretionary bonus. Such remuneration was determined in accordance with the duties and functions performed by Mr. KY Tsang within the Group under the aforesaid service agreement. Mr. KY Tsang is subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

Save as disclosed above, to the best of the knowledge of the Directors having made all reasonable enquiries, Mr. KY Tsang (i) has not held any other directorships in the last three years in any listed public company in Hong Kong or overseas; and (ii) has no interests in any Shares within the meaning of Part XV of the SFO.

Save as disclosed above, to the best of the knowledge of the Directors having made all reasonable enquiries, there is no other information relating to Mr. KY Tsang that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor are there any other matters concerning Mr. KY Tsang that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Sze Kwok Wing Nigel

Mr. Sze Kwok Wing Nigel (“**Mr. Sze**”), aged 66, was appointed as our independent non-executive Director on 21 January 2019. He is primarily responsible for providing independent advice to our Board. He is currently a director of J&J Investments Limited and an independent non-executive director of Pacific Textiles Holdings Limited, which is a company listed in Hong Kong (Stock Code: 1382) since January 2007.

Mr. Sze has over 42 years of experience in business and administrative management. Mr. Sze worked as an internal auditor in Ford Motor Company from 1980 to 1982. From 1982 to 1985, he worked as an assistant finance manager in National Mutual. He then joined CITIBANK N.A. as a group financial controller (private banking, Asia Pacific) from 1986 to 1989 and was subsequently promoted as business head marketing (island central zone – Hong Kong) before he left CITIBANK N.A. in 1993. From 1993 to 1995, he worked as a head of private banking (Hong Kong booking centre) at American Express Bank. He then joined Morgan Stanley Asia Ltd as an executive director (private client sales department – Hong Kong & Taiwan) from 1995 to 2001. From 2001 to 2007, he worked as a chief executive officer (global wealth management, private banking, Asia Pacific) at Barclays Bank Plc. From 2007 to 2009, he re-joined CITIBANK N.A. as an investment and product head (global wealth management, Asia Pacific). He then joined EFG International Group as a deputy chief executive officer (EFG Bank, Asia Pacific) in 2009 and was subsequently promoted as a chief executive officer (EFG Asset Management, Asia Pacific) before he left the group in 2013. From 2014 to 2015, he joined Julius Baer as a managing director and country head (China and Hong Kong).

Mr. Sze has been admitted as a fellow of CPA Australia since January 2007 and was licensed as a responsible officer for conducting type 9 regulated activities by the Securities and Futures Commission of Hong Kong since September 2017.

**APPENDIX II BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS
PROPOSED FOR RE-ELECTION AT THE AGM**

In May 1980, Mr. Sze received the Bachelor of Business Studies from Swinburne University (formerly known as Swinburne College of Technology), Australia. In August 2007, he obtained a Master's Degree in Business from University of Newcastle, Australia.

Mr. Sze has entered into a letter of appointment with the Company pursuant to which he has agreed to act as an independent non-executive Director for a fixed term of three years commencing from 27 February 2019 and renewable automatically for a successive term of three years, subject to early termination by either party in accordance with the terms thereof. Mr. Sze is entitled to an annual remuneration of HK\$200,000. Such remuneration was determined in accordance with the role and duties carried out by Mr. Sze as the independent non-executive Director under the aforesaid letter of appointment. Mr. Sze is subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

Save as disclosed above, to the best of the knowledge of the Directors having made all reasonable enquiries, Mr. Sze (i) has not held any other directorships in the last three years in any listed public company in Hong Kong or overseas; (ii) has no relationship with any other Directors, senior management, substantial or controlling shareholders of the Company; and (iii) has no interests in any Shares within the meaning of Part XV of the SFO.

Save as disclosed above, to the best of the knowledge of the Directors having made all reasonable enquiries, there is no other information relating to Mr. Sze that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor are there any other matters concerning Mr. Sze that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



WECON HOLDINGS LIMITED

偉工控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1793)

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**AGM**”) of Wecon Holdings Limited (the “**Company**”) will be held at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong on Friday, 18 August 2023 at 10:00 a.m. for the following purposes:

The capitalised terms used herein shall have the same meaning ascribed to them in the circular of the Company dated 21 July 2023 (the “**Circular**”).

ORDINARY RESOLUTIONS

As ordinary business to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors and independent auditor of the Company and its subsidiaries for the year ended 31 March 2023.
2. “**THAT:**
 - (a) The declaration and payment of a final dividend of HK1.2 cents per Share for the year ended 31 March 2023 (the “**Final Dividend**”) entirely out of the Share Premium Account to the Shareholders whose names appear on the Register of Members at the close of business on Friday, 25 August 2023, being the record date for determination of entitlement to the Final Dividend, be and is hereby approved; and
 - (b) any Director be and is hereby authorised to take such action, do such things and execute such further documents as the director may at his absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the payment of the Final Dividend.”
3. To re-appoint Ernst & Young as the auditor of the Company and to authorise the Board of the Company to fix their remuneration.
4.
 - (a) To re-elect Mr. Tsang Ka Yip as an executive Director of the Company.
 - (b) To re-elect Mr. Sze Kwok Wing Nigel as an independent non-executive Director of the Company.

NOTICE OF ANNUAL GENERAL MEETING

5. To authorise the Board of the Company to fix the remuneration of the Directors.
6. **“THAT:**
- a) a general unconditional mandate be and is hereby given to the Directors to exercise all powers of the Company to allot, issue and deal with shares of the Company or securities convertible into such shares or options, warrants or similar rights to subscribe for any such shares or such convertible securities (including the power to make or grant any offers, agreements or options (including bonds, warrants and debentures convertible into Shares of the Company) and rights of exchange or conversion which would or might require the exercise of all such powers) subject to a restriction that the aggregate number of securities allotted or agreed to be allotted, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) any scrip dividend schemes or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles;
 - (iii) the exercise of options granted under any share option scheme or other similar arrangement adopted by the Company for the grant or issue to the employees, officers, directors and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire shares of the Company;
 - (iv) the exercise of any right of subscription or conversion under the terms of any bonds, warrants or debentures which may be issued by the Company or any securities which are convertible into shares of the Company; or
 - (v) a specific authority granted by the Shareholders in general meeting,shall not exceed 20% of the number of the issued shares of the Company as at the date of the passing of this resolution;
 - b) the aforesaid mandate shall authorise the directors of the Company to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such powers either during or after the end of period mentioned in paragraph (c) below;
 - c) the aforesaid mandate shall remain in effect until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held;

NOTICE OF ANNUAL GENERAL MEETING

or (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, whichever occurs first; and

- d) for the purpose of this resolution, “**Right Issue**” means an offer of shares of the Company or offer or issue of warrants or options or other securities giving rights to subscribe for the shares of the Company open for a period fixed by the Directors to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical problems, restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) and an offer, allotment or issue of shares by way of rights shall be construed accordingly.”

7. “**THAT:**

- a) a general unconditional mandate be and is hereby given to the directors of the Company authorising them to exercise all the powers of the Company to purchase or repurchase on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of the Securities on the Main Board of the Stock Exchange or of any other stock exchange as amended from time to time, shares of the Company not exceeding 10% of the number of the issued shares of the Company as at the date of the passing of this resolution; and
- b) the aforesaid mandate shall remain in effect until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, whichever occurs first.”

8. “**THAT:**

conditional upon the ordinary resolutions numbered 6 and numbered 7 as set out in the notice convening the AGM being duly passed (with or without amendments), the general unconditional mandate granted to the Directors to exercise all powers of the Company to allot, issue and deal with shares of the Company pursuant to the resolution set out in the said resolution numbered 6 be and is hereby extended by the addition to the number of shares of the Company which may be issued, allotted and dealt with or agreed conditionally or unconditionally to be issued, allotted and dealt with

NOTICE OF ANNUAL GENERAL MEETING

by the Directors pursuant to such general mandate of an amount representing the number of issued shares of the Company purchased or repurchased by the Company pursuant to the general mandate referred to in the said resolution numbered 7.”

By Order of the Board
WECON HOLDINGS LIMITED
Mr. Tsang Ka Yip
Chairman and Chief Executive Officer

Hong Kong, 21 July 2023

Notes:

1. A member of the Company entitled to attend and vote at the AGM shall be entitled to appoint another person as his proxy to attend and vote in his/her stead. A member who is the holder of two or more shares of the Company may appoint more than one proxy. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the AGM and voting in person should he/she so wish. In such event, his/her form of proxy will be deemed to be revoked.
2. A form of proxy for the AGM is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting.
3. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. To ascertain the members' entitlement to attend and vote at the AGM, the register of members will be closed from Tuesday, 15 August 2023 to Friday, 18 August 2023, both dates inclusive, the period during which no transfer of Shares of the Company will be registered. In order to be eligible to attend and vote at the meeting, all completed share transfer documents, accompanied by the relevant share certificates, shall be lodged with the Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 14 August 2023.
5. An explanatory statement containing further details regarding resolution numbered 7 above is set out in Appendix I to the Circular of which this notice of AGM forms part.
6. Details of the retiring directors proposed to be re-elected as Directors are set out in Appendix II to the Circular.
7. Members of the Company or their proxies shall produce documents of their proof of identity when attending the AGM.
8. If Typhoon signal number 8 or above, or a “black” rainstorm warning is in effect any time after 7:00 a.m. on the date of the AGM, the meeting will be postponed. The Company will post an announcement on the website of Company at www.wecon.com.hk and on the HKEXnews website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the Company of the date, time and place of the rescheduled meeting.

As at the date of this notice, the executive Directors are Mr. Tsang Ka Yip (Chairman), Mr. Tsang Tsz Him Philip and Mr. Tsang Tsz Kit Jerry; and the independent non-executive Directors are Dr. Lau Chi Keung, Mr. Chan Tim Yiu Raymond and Mr. Sze Kwok Wing Nigel.