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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)

DISCLOSEABLE TRANSACTION – ACQUISITION OF PROPERTY

On 14 February 2025, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor in relation to the Acquisition of the Property at a the consideration of HK\$10,500,000. The Formal Agreement was signed by the parties on 6 March 2025.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 14 February 2025, the Purchaser, an indirect wholly owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor in relation to the Acquisition of the Property at the consideration of HK\$10,500,000. Pursuant to the terms of the Provisional Agreement, the Purchaser and the Vendor entered into the Formal Agreement on 6 March 2025.

THE PROVISIONAL AGREEMENT AND THE FORMAL AGREEMENT

1. Date:

(i) The Provisional Agreement: 14 February 2025

(j) The Formal Agreement: 6 March 2025

2. Parties: (a) Vendor; and

(b) Purchaser

(c) the Property Agent (for the Provisional Agreement)

3. Property to be acquired:

Factory Unit A, 6th Floor, Mai Shun Industrial Building, Nos. 18-24 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong. According to the record available to the Company, the size of the Property is approximately 4,638 square metres.

Property will be acquired on an “as is” basis. Upon completion, Vendor shall deliver vacant possession of Property to Purchaser and free from any encumbrances.

4. Consideration:

The Purchaser will pay a total sum of HK\$10,500,000 for Property in the following manner:

- (a) an initial deposit of HK\$500,000 was paid to Vendor’s solicitor as stakeholder on the date of the Provisional Agreement;
- (b) a further deposit of HK\$550,000 was paid to Vendor’s solicitor as stakeholder on 6 March 2025; and
- (c) the balance of HK\$9,450,000 shall be paid to Vendor’s solicitor upon completion on 15 April 2025.

Under the Provisional Agreement, the Purchaser shall pay the Property Agent a commission of HK\$52,500, representing 0.5% of the Consideration.

Basis of Consideration

The Consideration for the Acquisition is HK\$10,500,000, which was arrived after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, the prevailing market prices and the historical transactions of Mai Shun Industrial Building of comparable size and floor. The Consideration will be financed by internal resources of the Group and a mortgage loan to be taken out by the Purchaser.

Completion

Completion of the Acquisition shall take place on 15 April 2025, upon which vacant possession of the Property shall be delivered to the Purchaser and free from any encumbrances.

INFORMATION ABOUT THE VENDOR

The Vendor a company incorporated in Hong Kong with limited liability. According to the searches conducted by the Company, the Vendor principally engages in printing business and the Vendor is owned as to 70% by Fong Kam Fuk (方錦福) and 30% by Kong Shuk Yi, Stella (江淑儀).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Vendor and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

INFORMATION ABOUT THE PURCHASER AND THE GROUP

The Purchaser is an indirect wholly owned subsidiary of the Company incorporated in Hong Kong with limited liability, whose principal business is to provide (i) building construction services and (ii) repair, maintenance, alteration and addition ("RMAA") works services in Hong Kong.

The Group is a long-established main contractor in Hong Kong and principally engages in the provision of (i) building construction services and (ii) RMAA works services. The Group provides building construction services to customers in both private and public sectors. The building construction services provided by the Group primarily consist of building works for new buildings, including residential, commercial and industrial buildings, while the Group's RMAA works services include the general upkeep, maintenance, improvement, refurbishment, alteration and addition of existing facilities and components of buildings and their surroundings.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Property are located at Kwai Chung district of Hong Kong, which is one of the major industrial areas in Hong Kong. The Property is intended to be of self-use for the purpose of a warehouse of materials, machineries, documents together with an ancillary office of the Group. The Acquisition of

the Property is for supporting the operation needs of the Group. The Board considers that the Acquisition would enable the Group to achieve saving in rental expenses, improve the operational efficiency of the Group and strengthen the asset base of the Group.

The terms and conditions under the Provisional Agreement (or the subsequent Formal Agreement) were negotiated on an arm's length basis. The Directors believe that the terms of the Acquisition are fair and reasonable and in the interests of the Shareholders as a whole.

No Director has any material interest in the transactions under the Provisional Agreement (or the subsequent Formal Agreement). Accordingly, no Director is required to abstain from voting on the Board meeting approving the Acquisition and the transactions under the Provisional Agreement (or the subsequent Formal Agreement).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

The consideration of the Acquisition of HK\$10,500,000 represented only approximately 1.7% of the unaudited consolidated total assets of the Company of approximately HK\$604.6 million as at 30 September 2024. Because of the immaterial investment amount in the Property, prior to the decision to enter into the Provisional Agreement, it did not come to the attention of the Board that the Acquisition would have been a discloseable transaction of the Company, as there was an inadvertent oversight of the consideration of the Acquisition when compared to the then market capitalisation of the Company, which stood at approximately 8.4% of the then market capitalisation of the Company of approximately HK\$124.5 million based on the average closing price of the Shares for the five business days immediately preceding the date of the Provisional Agreement (i.e. 14 February 2025). By reason of the consideration ratio, the Acquisition constituted a discloseable transaction of the Company and required disclosure by the Company by way of announcement upon the signing of the Provisional Agreement.

The Company would like to stress that this disclosure, which was not made timely on the date of the Provisional Agreement, was inadvertent and the Company had no intention to withhold any information from disclosure. The Company will strengthen the relevant internal control procedures to avoid occurrence of similar incidents in the future. Going forward, the Company will ensure that relevant disclosure is made in a timely manner to ensure compliance with the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the terms and conditions of the Provisional Agreement
“Board”	the board of Directors
“Company”	Wecon Holdings Limited (Stock Code: 1793), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Provisional Agreement (as affirmed in the Formal Agreement), which will take place on 15 April 2025
“Connected person”	has the same meaning ascribed to it in the Listing Rules
“Consideration”	the consideration of HK\$10,500,000 for the Acquisition
“Directors”	the directors of the Company
“Formal Agreement”	the formal sale and purchase agreement made between the Vendor and the Purchaser on 6 March 2025 in relation to the Acquisition of the Property
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Provisional Agreement”	the preliminary sale and purchase agreement made between the Vendor and Purchaser on 14 February 2025 in relation to the acquisition of Property
“Property”	Factory Unit A, 6th Floor, Mai Shun Industrial Building, Nos. 18-24 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong
“Property Agent”	Ricacorp Properties Limited, a licensed estate agent in Hong Kong
“Purchaser”	Wecon Limited, a limited company incorporated in Hong Kong and an indirect wholly owned subsidiary of the Company

“Vendor”	Vertex Printing Company Limited, a company incorporated in Hong Kong with limited liability and an independent third party of the Company and its connected persons
“Share(s)”	issued ordinary share(s) of the Company
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Wecon Holdings Limited
Tsang Tsz Kit Jerry
Executive Director

Hong Kong, 15 April 2025

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