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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)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2025
AND
CHANGES IN COMPOSITION OF
THE NOMINATION COMMITTEE

FINANCIAL HIGHLIGHTS

- Revenue decreased by approximately HK\$101.7 million or approximately 8.8% from approximately HK\$1,160.4 million for the year ended 31 March 2024 to approximately HK\$1,058.7 million for the year ended 31 March 2025.
- Gross profit decreased by approximately HK\$7.6 million or approximately 16.9% from approximately HK\$45.1 million for the year ended 31 March 2024 to approximately HK\$37.5 million for the year ended 31 March 2025.
- Gross profit margin decreased from approximately 3.9% for the year ended 31 March 2024 to approximately 3.5% for the year ended 31 March 2025.
- Profit attributable to owners of the Company increased by approximately HK\$1.4 million or approximately 23.3% from approximately HK\$6.0 million for the year ended 31 March 2024 to approximately HK\$7.4 million for the year ended 31 March 2025.
- Basic earnings per share for the year ended 31 March 2025 was approximately HK0.9 cents (2024: approximately HK0.8 cents).
- The Board has proposed to maintain same level of the final dividend for the year ended 31 March 2025 at HK1.2 cents per share (2024: HK1.2 cents per share) as compared to that of the previous financial year. The final dividend declared for the year ended 31 March 2025 represents a payout ratio of approximately 130% (2024: approximately 160%). The proposed final dividend for the year ended 31 March 2025 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The board (the “**Board**”) of directors (the “**Directors**”) of Wecon Holdings Limited (the “**Company**”) is pleased to present the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March

	Notes	2025 HK\$'000	2024 HK\$'000
REVENUE	4	1,058,674	1,160,370
Cost of sales		<u>(1,021,156)</u>	<u>(1,115,274)</u>
Gross profit		37,518	45,096
Other income, other gains and losses	5	11,410	3,540
Administrative expenses		(40,351)	(41,480)
Finance costs	6	<u>(447)</u>	<u>(272)</u>
PROFIT BEFORE TAXATION	7	8,130	6,884
Income tax expense	8	<u>(744)</u>	<u>(883)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>7,386</u>	<u>6,001</u>
EARNINGS PER SHARE			
– Basic (HK cents)	9	<u>0.9</u>	<u>0.8</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		3,966	7,055
Right-of-use assets		4,932	9,515
Financial assets at fair value through profit or loss ("FVTPL")		12,591	12,805
Prepayments and deposits		10,703	10,536
		<u>32,192</u>	<u>39,911</u>
CURRENT ASSETS			
Contract assets and trade receivables	11	344,295	389,692
Prepayments, deposits and other receivables		24,061	33,917
Financial assets at FVTPL		–	19,010
Pledged deposits		30,500	34,190
Time deposit with original maturity of not less than three months		10,000	–
Cash and bank balances		96,281	77,467
		<u>505,137</u>	<u>554,276</u>
CURRENT LIABILITIES			
Trade and retention payables	12	148,533	176,184
Other payables and accruals		107,216	129,037
Lease liabilities		4,195	5,748
Tax payable		771	964
		<u>260,715</u>	<u>311,933</u>
NET CURRENT ASSETS		<u>244,422</u>	<u>242,343</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>276,614</u>	<u>282,254</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		8	384
Lease liabilities		409	3,541
		<u>417</u>	<u>3,925</u>
NET ASSETS		<u>276,197</u>	<u>278,329</u>
CAPITAL AND RESERVES			
Share capital		8,000	8,000
Reserves		268,197	270,329
Total equity		<u>276,197</u>	<u>278,329</u>

NOTES

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 March 2018 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at Room 1801-1802, 18/F., Tung Hip Commercial Building, 244-252 Des Voeux Road Central, Hong Kong.

The Company is an investment holding company. During the year, the Company’s subsidiaries are principally engaged in the provision of building construction and repair, maintenance, alteration and addition (“**RMAA**”) works services.

In the opinion of the Directors, the immediate holding company and the ultimate holding company of the Company is Triple Arch Limited, which was incorporated in the British Virgin Islands (the “**BVI**”).

The consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The application of the amendments to HKFRS Accounting Standards in the current year has 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.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

- (a) Construction contracts; and
- (b) RMAA

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before taxation.

The adjusted profit before taxation is measured consistently with the Group's profit before taxation except that other income, other gains and losses, depreciation (unallocated portion), finance costs and unallocated head office and corporate expenses, are excluded from such measurement.

Segment assets exclude property, plant and equipment, financial assets at FVTPL, pledged deposits, time deposit with original maturity of not less than three months, cash and bank balances and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other unallocated corporate liabilities as these liabilities are managed on a group basis.

3. OPERATING SEGMENT INFORMATION *(continued)*

Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's key management personnel for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2025 and 2024 is set out below.

Year ended 31 March 2025

	Construction contracts HK\$'000	RMAA HK\$'000	Total HK\$'000
Segment revenue:			
Revenue from external customers	<u>919,765</u>	<u>138,909</u>	<u>1,058,674</u>
Segment results:	43,067	(5,549)	37,518
Other income, other gains and losses			11,410
Depreciation (unallocated portion)			(6,210)
Finance costs			(447)
Unallocated head office and corporate expenses			<u>(34,141)</u>
Profit before taxation			8,130
Income tax expense			<u>(744)</u>
Profit for the year			<u><u>7,386</u></u>
Segment assets and liabilities			
Segment assets	356,316	17,924	374,240
Unallocated			<u>163,089</u>
Total assets			<u><u>537,329</u></u>
Segment liabilities	242,094	12,109	254,203
Unallocated			<u>6,929</u>
Total liabilities			<u><u>261,132</u></u>

3. OPERATING SEGMENT INFORMATION *(continued)*

Segment results, assets and liabilities *(continued)*

Year ended 31 March 2024

	Construction contracts <i>HK\$'000</i>	RMAA <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Revenue from external customers	<u>726,022</u>	<u>434,348</u>	<u>1,160,370</u>
Segment results:	26,171	18,925	45,096
Other income, other gains and losses			3,540
Depreciation (unallocated portion)			(6,841)
Finance costs			(272)
Unallocated head office and corporate expenses			<u>(34,639)</u>
Profit before taxation			6,884
Income tax expense			<u>(883)</u>
Profit for the year			<u><u>6,001</u></u>
Segment assets and liabilities			
Segment assets	322,373	107,274	429,647
Unallocated			<u>164,540</u>
Total assets			<u><u>594,187</u></u>
Segment liabilities	250,410	52,846	303,256
Unallocated			<u>12,602</u>
Total liabilities			<u><u>315,858</u></u>

3. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

The Group's revenue was solely generated from the sales in Hong Kong and all of the Group's identifiable non-current assets were located in Hong Kong, no geographical information in accordance with HKFRS 8 *Operating Segments* is presented.

Information about major customers

Revenue from each major customer, which accounted for 10% or more of the Group's revenue for the year, is set out below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	393,728	239,679
Customer B	144,112	N/A*
Customer C	137,451	414,974
Customer D	114,096	N/A*
Customer E	N/A*	219,597
Customer F	N/A*	132,788

* The corresponding revenues from these customers are not disclosed as the revenue individually did not account for 10% or more of the Group's revenue for the year.

4. REVENUE

An analysis of the Group's revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers		
Construction contracts	919,765	726,022
RMAA	138,909	434,348
	<u>1,058,674</u>	<u>1,160,370</u>

4. REVENUE (*continued*)

Revenue from contracts with customers (*continued*)

(i) *Disaggregation of revenue from contracts with customers*

For the year ended 31 March 2025

Segments	Construction contracts <i>HK\$'000</i>	RMAA <i>HK\$'000</i>	Total <i>HK\$'000</i>
Type of services			
Building construction services	919,765	–	919,765
RMAA works services	–	138,909	138,909
Total	<u>919,765</u>	<u>138,909</u>	<u>1,058,674</u>

For the year ended 31 March 2024

Segments	Construction contracts <i>HK\$'000</i>	RMAA <i>HK\$'000</i>	Total <i>HK\$'000</i>
Type of services			
Building construction services	726,022	–	726,022
RMAA works services	–	434,348	434,348
Total	<u>726,022</u>	<u>434,348</u>	<u>1,160,370</u>

The Group's revenue from contracts with customers was recognised over time.

4. REVENUE (*continued*)

Revenue from contracts with customers (*continued*)

(ii) *Transaction price allocated to the remaining performance obligation for contracts with customers*

For the building construction and other RMAA works services, the performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. As at 31 March 2025, the aggregate amount of the transaction price allocated to the remaining performance obligations was HK\$1,481,485,000 (2024: HK\$1,889,064,000), and the Group will recognise this revenue in the future when the buildings are completed, which are expected to occur over the next 12 to 48 months.

For RMAA works services under term contracts, the performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. The Group applies the practical expedient in paragraph 121 of HKFRS 15 and does not disclose the amount of the transaction price allocated to the remaining performance obligations for contracts with an original expected duration of one year or less.

5. OTHER INCOME, OTHER GAINS AND LOSSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividend income from equity investments at FVTPL	1,061	1,222
Fair value gain (loss) on financial assets at FVTPL, net	3,719	(2,802)
Government grants*	658	17
Interest income	3,830	3,056
Reversal of (impairment losses) under expected credit loss model, net, on:		
Contract assets	155	49
Trade receivables	(10)	(303)
	<u>145</u>	<u>(254)</u>
Loss on disposal and write-off of property, plant and equipment	(85)	(207)
Sundry income	<u>2,082</u>	<u>2,508</u>
	<u><u>11,410</u></u>	<u><u>3,540</u></u>

* Government grants for the year ended 31 March 2025 mainly represented receipt under the Anti-epidemic Fund from the Government of the Hong Kong Special Administrative Region. There were no unfulfilled conditions or contingencies related to the grants.

6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank borrowings	31	—
Interest on lease liabilities	<u>416</u>	<u>272</u>
	<u>447</u>	<u>272</u>

7. PROFIT BEFORE TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before taxation is arrived at after charging:		
Depreciation of property, plant and equipment	1,052	1,665
Depreciation of right-of-use assets	6,206	5,648
Auditor's remuneration	980	1,128
Employee benefit expense (excluding directors' remuneration):*		
Wages and salaries	89,085	93,569
Pension scheme contributions (defined contribution scheme)	<u>2,662</u>	<u>3,020</u>
	<u>91,747</u>	<u>96,589</u>

* The employee benefit expense included in cost of sales was HK\$75,633,000 (2024: HK\$78,966,000).

8. INCOME TAX EXPENSE

2025	2024
HK\$'000	HK\$'000

The income tax expense comprises:

Hong Kong Profits Tax:

Current tax	1,122	1,124
Overprovision in prior year	(2)	(7)
Deferred tax	<u>(376)</u>	<u>(234)</u>
	<u>744</u>	<u>883</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

9. EARNINGS PER SHARE

The calculation of basic earnings per share amount is based on the profit for the year attributable to owners of the Company of HK\$7,386,000 (2024: HK\$6,001,000), and the weighted average number of ordinary shares of 793,204,000 (2024: 793,204,000) in issue during the year.

The weighted average number of ordinary shares used in the calculation for the year ended 31 March 2025 is the number adjusted to reflect the 6,796,000 (2024: 6,796,000) ordinary shares held by the trustee under the share award plan of the Company.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2025 and 2024.

10. DIVIDEND

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Final dividend in respect of the previous financial year paid during the year – HK1.2 cents (2024: HK1.2 cents) per ordinary share	<u>9,518</u>	<u>9,518</u>
Proposed final dividend – HK1.2 cents (2024: HK1.2 cents) per ordinary share	<u>9,600</u>	<u>9,600</u>

The payment of a final dividend in respect of the financial year ended 31 March 2024 of HK1.2 cents per share, totalling HK\$9,518,000, was based on the number of ordinary shares in issue less shares held under share award plan.

11. CONTRACT ASSETS AND TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other contract assets	69,198	162,191
Retention receivables	<u>94,015</u>	<u>67,675</u>
	163,213	229,866
Less: Allowance for credit losses	<u>(638)</u>	<u>(793)</u>
Total contract assets	<u>162,575</u>	<u>229,073</u>
Trade receivables	182,406	161,295
Less: Allowance for credit losses	<u>(686)</u>	<u>(676)</u>
Total trade receivables	<u>181,720</u>	<u>160,619</u>
Total contract assets and trade receivables	<u>344,295</u>	<u>389,692</u>

Trade receivables represented receivables for contract work. Management generally submits interim payment applications to customers on a monthly basis containing a statement setting out management's estimation of the valuation of the works completed in the preceding month. Upon receiving the interim payment application, the architect or the consultant of the customer verifies such valuation of works completed and issues an interim payment certificate within 30 days. Within 30 days after the issuance of interim payment certificate, the customer makes payment to the Group based on the certified amount stipulated in such certificate, deducting any retention money in accordance with the contract.

11. CONTRACT ASSETS AND TRADE RECEIVABLES *(continued)*

There is a certain concentration of credit risk. The balances of the five largest trade receivables as at 31 March 2025 represented 95.3% (2024: 92.8%) of total trade receivables while 25.4% (2024: 49.8%) of total trade receivables as at 31 March 2025 were due from the largest debtor. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables, based on the invoice date and net of allowance for credit losses, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	181,444	159,941
3 to 6 months	175	280
6 to 12 months	101	398
	<u>181,720</u>	<u>160,619</u>

12. TRADE AND RETENTION PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	76,820	113,135
Retention payables	71,713	63,049
	<u>148,533</u>	<u>176,184</u>

The average credit period on trade purchase is 30 days.

Retention payables represent the retention money withheld from the amounts payable for work performed by the subcontractors. 50% of the retention money is normally due upon completion of respective project and the remaining 50% portion is due upon the end of the defect liability period of individual contracts, ranging from one to two years from the date of the completion of respective project. The amount is unsecured, interest-free and repayable at the end of the defective liability period of respective contract which is within the Group's normal operating cycle.

BUSINESS REVIEW

The Group is a long-established main contractor in Hong Kong 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. During the year ended 31 March 2025, RH Studio Limited (“**RH Studio**”), an indirect wholly-owned subsidiary of the Company, strategically expanded its operations by launching a new line of business focused on the design and sales of data processing hardware. This initiative aligns with the Group's vision to diversify its revenue streams and capitalize on the growing global demand for high-performance computing solutions.

As at 31 March 2025, the Group had six major projects on hand each with an awarded contract sum of HK\$10.0 million or above, which includes projects in progress and projects that are yet to commence.

During the year ended 31 March 2025, the Group completed five major projects each with an awarded contract sum of HK\$10.0 million or above.

PROSPECTS

During the year ended 31 March 2025, the Group was successfully awarded two sizeable contracts with an aggregate contract sum of approximately HK\$574.9 million. Subsequent to 31 March 2025, the Group was successfully awarded two additional contracts with an aggregate contract sum of over HK\$1 billion. The Group will continue to diversify its customer base by placing more effort in promoting the Group's reputation, ensuring projects are completed on time with the highest quality and implementing various cost-effective measures to improve its competitiveness. The management of the Group still remains prudently optimistic about the prospects of the construction industry in Hong Kong.

As the world economy enters into a period of profound transformation, the Group would seek evolution through every avenue. The Group believes that the building information modeling services could differentiate the Group from the Group's competitors through providing creative technical solutions to the Group's customers. Going forward, the Group plans to invest in building construction related services that will enhance the Group's capabilities and provide synergies to the existing business of the Group, while the Group strives to maintain high quality and workmanship which the Group has been delivering to its customers. In addition, RH Studio will continue to develop its business on the design and sales of data processing hardware, which will diversify the Group's revenue streams and capitalize on the growing global demand for high-performance computing solutions.

SEGMENT INFORMATION

The Group's reportable and operating segments are (i) building construction services and (ii) RMAA works services.

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased by approximately HK\$101.7 million or approximately 8.8% from approximately HK\$1,160.4 million for the year ended 31 March 2024 to approximately HK\$1,058.7 million for the year ended 31 March 2025.

(i) *Building Construction Services*

The revenue generated from the building construction services increased by approximately HK\$193.8 million or approximately 26.7% from approximately HK\$726.0 million for the year ended 31 March 2024 to approximately HK\$919.8 million for the year ended 31 March 2025. Such increase was mainly due to the increase in revenue generated from several major projects, which achieved significant progress during the year ended 31 March 2025. Such increase, however, was partially offset by the decrease in revenue generated from other major projects as a result of the practical completion of those projects during the year ended 31 March 2025.

(ii) *RMAA Works Services*

The revenue generated from the RMAA works services decreased by approximately HK\$295.5 million or approximately 68.0% from approximately HK\$434.4 million for the year ended 31 March 2024 to approximately HK\$138.9 million for the year ended 31 March 2025. Such decrease was primarily attributable to the decrease in revenue generated from several major projects as a result of completion of these projects during the year ended 31 March 2025.

Cost of Sales

The cost of sales of the Group decreased by approximately HK\$94.1 million or approximately 8.4% from approximately HK\$1,115.3 million for the year ended 31 March 2024 to approximately HK\$1,021.2 million for the year ended 31 March 2025. Such decrease was mainly driven by and in line with the corresponding decrease in revenue. The Group's cost of sales primarily consisted of subcontracting costs, material costs, direct staff costs and site overhead costs.

FINANCIAL REVIEW (*continued*)

Gross Profit and Gross Profit Margin

The gross profit of the Group decreased by approximately HK\$7.6 million or approximately 16.9% from approximately HK\$45.1 million for the year ended 31 March 2024 to approximately HK\$37.5 million for the year ended 31 March 2025. The gross profit margin of the Group was approximately 3.5% and 3.9% for the years ended 31 March 2025 and 2024, respectively, representing a decrease of approximately 0.4 percentage point.

(i) *Building Construction Services*

The gross profit of building construction services increased by approximately HK\$16.9 million or approximately 64.5% from approximately HK\$26.2 million for the year ended 31 March 2024 to approximately HK\$43.1 million for the year ended 31 March 2025. The gross profit margin of building construction services increased from approximately 3.6% for the year ended 31 March 2024 to approximately 4.7% for the year ended 31 March 2025. Such increase was primarily attributable to higher gross profit margin generated from several major projects which achieved significant progress during the year ended 31 March 2025.

(ii) *RMAA Works Services*

The gross loss of RMAA works services was approximately HK\$5.6 million for the year ended 31 March 2025, as compared to the gross profit of approximately HK\$18.9 million for the year ended 31 March 2024. The gross profit/(loss) margin of RMAA works services decreased from a gross profit margin of approximately 4.4% for the year ended 31 March 2024 to a gross loss margin of approximately 4.0% for the year ended 31 March 2025. The turnaround from gross profit to gross loss in the RMAA works services segment was mainly due to a lower gross profit margin generated from works orders performed and site overhead costs incurred during the completion stage of several major projects during the year ended 31 March 2025.

Other Income, Other Gains and Losses

The other income, other gains and losses of the Group increased by approximately HK\$7.9 million or approximately 225.7% from approximately HK\$3.5 million for year ended 31 March 2024 to approximately HK\$11.4 million for year ended 31 March 2025. Such increase was primarily attributable to the increase in fair value gain on financial assets at FVTPL, net.

FINANCIAL REVIEW (*continued*)

Administrative Expenses

The administrative expenses of the Group decreased by approximately HK\$1.1 million or approximately 2.7% from approximately HK\$41.5 million for the year ended 31 March 2024 to approximately HK\$40.4 million for year ended 31 March 2025. Such decrease was primarily attributable to the decrease in staff costs.

Finance Costs

The finance costs of the Group increased by approximately HK\$175,000 or approximately 64.3% from approximately HK\$272,000 for the year ended 31 March 2024 to approximately HK\$447,000 for the year ended 31 March 2025. Such increase was primarily attributable to the increase in interest expense on lease liabilities.

Income Tax Expense

The income tax expense of the Group decreased by approximately HK\$0.2 million or approximately 22.2% from approximately HK\$0.9 million for the year ended 31 March 2024 to approximately HK\$0.7 million for the year ended 31 March 2025. The effective tax rate (defined as the income tax expense divided by profit before taxation) was approximately 9.2% and 12.8% for the years ended 31 March 2025 and 2024, respectively. The decrease of the effective tax rate was mainly due to the increase in the non-taxable bank interest income and fair value gain on financial assets at FVTPL, net recognised during the year ended 31 March 2025.

Net Profit

As a result of the foregoing, the net profit of the Group increased by approximately HK\$1.4 million or approximately 23.3% from approximately HK\$6.0 million for the year ended 31 March 2024 to approximately HK\$7.4 million for the year ended 31 March 2025. The net profit margin was approximately 0.7% and 0.5% for the years ended 31 March 2025 and 2024, respectively, representing an increase of approximately 0.2 percentage point. Such increase was mainly due to the increase in fair value gain on financial assets at FVTPL, net.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group has a total of 177 full-time and one part-time employees (as at 31 March 2024: 210 full-time and two part-time employees). The Group has developed its human resources policies and procedures to determine the individual remuneration with reference to factors such as performance, qualification, merits, responsibilities of each individual employee and market conditions. The Group offers induction and other ad hoc trainings to employees according to the job nature and position of individual employee. Remuneration packages are normally reviewed on a regular basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage, annual leave, discretionary bonus and share options and share awards which may be granted to eligible employees. The total staff costs (excluding Directors' remuneration) of the Group were approximately HK\$91.7 million and HK\$96.6 million for the years ended 31 March 2025 and 2024, respectively.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 March 2025, other than the shareholding in the subsidiaries of the Company, there were no significant investments held by the Company. There were no material acquisitions or disposals of subsidiaries and associated companies undertaken by the Group during the year ended 31 March 2025.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group's capital commitments in respect of the acquisition of property, plant and equipment was approximately HK\$9.5 million (2024: nil). Other than those disclosed above, the Group had no other material capital commitment as at 31 March 2025.

CONTINGENT LIABILITIES

The Group provided unlimited guarantees in favour of certain banks in support of the issue of performance bonds to the Group's subsidiaries with an aggregate amount of approximately HK\$117.1 million and HK\$49.8 million as at 31 March 2025 and 2024, respectively. Some of these performance bonds were secured by pledged deposits of the Group of approximately HK\$25.5 million and HK\$15.5 million as at 31 March 2025 and 2024, respectively. Other than those disclosed above, the Group had no other material contingent liabilities as at 31 March 2025.

FOREIGN EXCHANGE EXPOSURE

The Group has a minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong Dollar. As such, the Directors believe that the Group's risk in foreign exchange is insignificant that it is not necessary for the Group to arrange any foreign currency hedging. The Group did not enter into any instrument for hedging purposes and there were no foreign currency investments which were hedged by currency borrowings, and no other hedging instruments were entered into by the Group during the year ended 31 March 2025.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has principally funded the liquidity and capital requirements through capital contributions from the shareholders of the Company, bank borrowings and net cash generated from operating activities.

As at 31 March 2025 and 2024, the Group had pledged deposits, time deposit with original maturity of not less than three months and cash and bank balances of approximately HK\$136.8 million and HK\$111.7 million, respectively. As at 31 March 2025 and 2024, the current ratio of the Group was approximately 1.9 times and 1.8 times, respectively. The cash and bank balances of the Group were principally denominated in Hong Kong Dollar during the year ended 31 March 2025.

The Group generally finances its operation by internally generated resources and banking facilities provided by certain banks in Hong Kong. The Directors believe that the Group has sufficient working capital for the Group's current commitments and future requirements.

During the year ended 31 March 2025, there has been no change in the capital structure of the Company. During the year ended 31 March 2025, the Company held no treasury shares and did not sell any treasury shares.

DEBTS AND CHARGE ON ASSETS

As at 31 March 2025 and 2024, the Group had no outstanding bank borrowings. As at 31 March 2025 and 2024, the lease liabilities of the Group amounted to approximately HK\$4.6 million and HK\$9.3 million, respectively.

As at 31 March 2025 and 2024, the banking facilities of the Group were secured by (i) the Group's pledged deposits of approximately HK\$30.5 million and HK\$34.2 million, respectively; (ii) the Group's life insurance policy of approximately HK\$10.4 million and HK\$10.2 million, respectively; and (iii) corporate guarantee executed by the Company. Other than the above, the Group had no charge made or subsisting an asset of the Group as at 31 March 2025.

During the year ended 31 March 2025, the Group's bank borrowings were denominated in Hong Kong Dollar and interests on bank borrowings were mainly charged at floating rate with reference to the Hong Kong Interbank Offered Rate (HIBOR). The Group currently does not have any interest rate hedging policy. Although the Group had no outstanding bank borrowings during the year ended 31 March 2025, the Group pays vigilant attention to and monitors interest rate risks continuously and cautiously.

GEARING RATIO

As at 31 March 2025 and 2024, the gearing ratio of the Group (defined as the lease liabilities divided by total equity) was approximately 1.7% and 3.3%, respectively.

PROPOSED FINAL DIVIDEND

At the Board meeting held on 27 June 2025, the Board has proposed to maintain the same level of the final dividend for the year ended 31 March 2025 at HK1.2 cents per Share (2024: HK1.2 cents per Share) as compared to that of the previous financial year. The final dividend declared for the year ended 31 March 2025 represents a pay-out ratio of approximately 130% (2024: approximately 160%). The proposed final dividend is subject to the approval of the shareholders of the Company (the “**Shareholders**”) at the forthcoming annual general meeting scheduled to be held on Thursday, 21 August 2025 (the “**2025 AGM**”).

ANNUAL GENERAL MEETING

The 2025 AGM of the Company is scheduled to be held on Thursday, 21 August 2025. A notice convening the 2025 AGM will be issued to the Shareholders according to the applicable law, the articles of association of the Company and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) in due course.

CLOSURE OF REGISTER OF MEMBERS

To ascertain the identity of the Shareholders who will be entitled to attend and vote at the 2025 AGM, the register of members of the Company (the “**Register of Members**”) will be closed from Monday, 18 August 2025 to Thursday, 21 August 2025, both dates inclusive, the period during which no transfer of Shares will be effected. In order to be eligible to attend and vote at the 2025 AGM, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at its office at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 15 August 2025.

Subject to the Shareholders’ approval at the 2025 AGM, to ascertain the Shareholders’ entitlement to receiving the final dividend, the Register of Members will be closed from Wednesday, 27 August 2025 to Thursday, 28 August 2025, the period during which no transfer of Shares will be effected. Subject to the approval of the Shareholders at the 2025 AGM approving the payment of the final dividend, the final dividend is expected to be paid on Wednesday, 10 September 2025 to Shareholders whose names appear on the Register of Members on Thursday, 28 August 2025. 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 Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at the above address not later than 4:30 p.m. on Tuesday, 26 August 2025.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 21 January 2019. No share option has been granted, exercised, expired, cancelled or lapsed under the Share Option Scheme since its adoption date and up to the date of this announcement.

SHARE AWARD PLAN

The Board adopted a share award plan (the “**Share Award Plan**”) on 31 July 2020 (the “**Adoption Date**”), under which any employee of the Group and its invested entities who contributes to the Group or its invested entities (the “**Eligible Participants**”) will be entitled to participate. For details of the Share Award Plan, please refer to the Company’s announcement dated 31 July 2020. The Share Award Plan only involves existing Shares and no new Shares shall be issued thereunder.

As at the beginning and end of the year ended 31 March 2025, 6,796,000 Shares were held, respectively, by the trustee under the Share Award Plan, under which no Shares have been granted to any Eligible Participants during the year ended 31 March 2025. No share award has been granted, vested, cancelled or lapsed under the Share Award Plan since its Adoption Date and up to 31 March 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

EVENTS AFTER THE REPORTING PERIOD

On 14 February 2025, an indirect wholly-owned subsidiary of the Company, entered into a provisional agreement with an independent third party in relation to an acquisition of property at the consideration of HK\$10,500,000. The formal agreement was signed by the parties on 6 March 2025 and the acquisition was subsequently completed on 15 April 2025. Subsequent to 31 March 2025, the Group was successfully awarded two additional contracts with an aggregate contract sum of over HK\$1 billion. Save as disclosed above, there was no other event after 31 March 2025 which requires disclosure.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining the highest standard of corporate governance as the Board recognises the importance of sound corporate governance to the long-term and continuing success of the Group. The corporate governance principles of the Group emphasise transparency, accountability and independence. The Board commits to continuously reviewing and enhancing the Group’s corporate governance practices and procedures for the best interest of the Shareholders.

During the year ended 31 March 2025 and up to the date of this announcement, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code (“**CG Code**”) in Appendix C1 to the Listing Rules except the deviation stipulated below.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman (the “**Chairman**”) and chief executive officer (the “**CEO**”) should be separated and should not be performed by the same individual. Since the Listing Date and up to the date of this announcement, Mr. Tsang Ka Yip (“**Mr. KY Tsang**”) has been the Chairman of the Board and the CEO of the Company. Given the nature and extent of the Group’s operations and Mr. KY Tsang’s in-depth knowledge and experience in the industry in which the Group operates and his familiarity with the operations of the Group, the Board believes that it is the most beneficial to the Group and the Shareholders as a whole to have Mr. KY Tsang acting as the Chairman of the Board and the CEO of the Company at the same time.

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 its code of conduct regarding securities transactions by the Directors. The Company has made specific enquiries to each of the Directors and all Directors have confirmed that they have fully complied with the required standards set out in the Model Code during the year ended 31 March 2025 and up to the date of this announcement.

AUDIT COMMITTEE REVIEW

The consolidated financial statements of the Group for the year ended 31 March 2025 have been reviewed by the audit committee of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at “www.hkexnews.hk” and on the website of the Company at “www.wecon.com.hk”. The annual report of the Company for the year ended 31 March 2025 will be published on the above websites by July 2025 according to the Listing Rules.

CHANGES IN COMPOSITION OF THE NOMINATION COMMITTEE

The Board hereby announces the following changes in the composition of the nomination committee of the Board (“**Nomination Committee**”) with effect from 27 June 2025:

1. Mr. KY Tsang, an executive Director and an existing member of the Nomination Committee, has ceased to be a member of the Nomination Committee; and
2. Ms. Chan Lok Man (“**Ms. Chan**”), a non-executive Director, has been appointed as a member of the Nomination Committee; and

Other positions held by Mr. KY Tsang and Mr. Chan at the Board and other Board committees remain unchanged.

Following the above changes, the Nomination Committee will comprise two independent non-executive Directors (namely Dr. Lau Chi Keung, chairman of the Nomination Committee, Mr. Sze Kwok Wing Nigel) and one non-executive Director (namely Ms. Chan).

The above changes were made in response to the amendments to the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, which require the appointment of at least one director of a different gender to the nomination committee and will come into effect on 1 July 2025. As such, Ms. Chan, a female Director, has been appointed as a member of the Nomination Committee. The Board believes that implementing these changes could strengthen the effectiveness and diversity of the Board, and further enhances good corporate governance practices of the Company as a whole.

The Board would like to take this opportunity to express its sincere gratitude to Mr. KY Tsang for his valuable contributions to the Company during his tenure as a member of the Nomination Committee, and extend a warm welcome to Ms. Chan on her new role in the Nomination Committee.

APPRECIATION

The Board would like to express our heartfelt gratitude to our Shareholders, institutional investors, customers, bankers, suppliers, subcontractors and business partners for their continuous support to and confidence in the Group. The Board would also like to take this opportunity to express our sincere thanks to our management team and all our staff members for their effort and significant contribution to the Group.

By order of the Board
Wecon Holdings Limited
Tsang Ka Yip
Chairman and
Chief Executive Officer

Hong Kong, 27 June 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; the non-executive Director is Ms. Chan Lok Man; and the independent non-executive Directors are Mr. Chan Tim Yiu Raymond, Dr. Lau Chi Keung and Mr. Sze Kwok Wing Nigel.