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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 INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

**FINANCIAL HIGHLIGHTS**

- Revenue increased by approximately HK\$85.9 million or approximately 17.4% from approximately HK\$494.4 million for the six months ended 30 September 2023 to approximately HK\$580.3 million for the six months ended 30 September 2024.
- Gross profit decreased by approximately HK\$5.3 million or approximately 23.9% from approximately HK\$22.2 million for the six months ended 30 September 2023 to approximately HK\$16.9 million for the six months ended 30 September 2024.
- Gross profit margin decreased from approximately 4.5% for the six months ended 30 September 2023 to approximately 2.9% for the six months ended 30 September 2024.
- Profit attributable to the equity holders of the Company increased by approximately HK\$2.8 million or approximately 127.3% from approximately HK\$2.2 million for the six months ended 30 September 2023 to approximately HK\$5.0 million for the six months ended 30 September 2024.
- Basic earnings per share for the six months ended 30 September 2024 was approximately HK0.6 cents (six months ended 30 September 2023: approximately HK0.3 cents).
- The Board resolved not to declare any interim dividend to the shareholders of the Company for the six months ended 30 September 2024 (six months ended 30 September 2023: nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Wecon Holdings Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2024 (the “**Interim Results**”), together with the comparative figures for the six months ended 30 September 2023.

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

*For the six months ended 30 September 2024*

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2024</b>	<b>2023</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Notes</i>	<b>HK\$’000</b>	<b>HK\$’000</b>
<b>REVENUE</b>	4	<b>580,296</b>	494,390
Cost of sales		<u>(563,350)</u>	<u>(472,209)</u>
<b>Gross profit</b>		<b>16,946</b>	22,181
Other income and gains		<b>7,829</b>	3,886
Administrative and other operating expenses, net		<b>(18,900)</b>	(23,129)
Finance costs		<u>(268)</u>	<u>(124)</u>
<b>PROFIT BEFORE TAX</b>	5	<b>5,607</b>	2,814
Income tax	6	<u>(561)</u>	<u>(622)</u>
<b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		<u><b>5,046</b></u>	<u>2,192</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	7		
– Basic and diluted		<u><b>HK0.6 cents</b></u>	<u>HK0.3 cents</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2024

		30 September 2024 (Unaudited) <i>HK\$'000</i>	31 March 2024 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		4,902	7,055
Right-of-use assets		8,082	9,515
Financial assets at fair value through profit or loss		12,336	12,805
Prepayments and deposits		<u>11,346</u>	<u>10,536</u>
<b>Total non-current assets</b>		<u>36,666</u>	<u>39,911</u>
<b>CURRENT ASSETS</b>			
Contract assets and trade receivables	9	329,856	389,692
Prepayments, deposits and other receivables		25,946	33,917
Financial assets at fair value through profit or loss		22,718	19,010
Pledged deposits		26,500	34,190
Cash and bank balances		<u>162,963</u>	<u>77,467</u>
<b>Total current assets</b>		<u>567,983</u>	<u>554,276</u>
<b>CURRENT LIABILITIES</b>			
Trade and retention payables	10	197,152	176,184
Other payables and accruals		123,961	129,037
Lease liabilities		5,796	5,748
Tax payable		<u>1,654</u>	<u>964</u>
<b>Total current liabilities</b>		<u>328,563</u>	<u>311,933</u>
<b>NET CURRENT ASSETS</b>		<u>239,420</u>	<u>242,343</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>276,086</u>	<u>282,254</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)***30 September 2024*

	<b>30 September 2024 (Unaudited) HK\$'000</b>	31 March 2024 (Audited) HK\$'000
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	95	384
Lease liabilities	<u>2,134</u>	<u>3,541</u>
<b>Total non-current liabilities</b>	<u>2,229</u>	<u>3,925</u>
<b>NET ASSETS</b>	<u>273,857</u>	<u>278,329</u>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the Company</b>		
Issued capital	8,000	8,000
Reserves	<u>265,857</u>	<u>270,329</u>
<b>Total equity</b>	<u>273,857</u>	<u>278,329</u>

## NOTES TO INTERIM RESULTS ANNOUNCEMENT

For the six months ended 30 September 2024

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

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

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2024.

#### **Application of amendments to HKFRSs**

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the 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 Group’s condensed 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 HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. OPERATING SEGMENT INFORMATION

#### 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 six months ended 30 September 2024 and 2023 is set out below.

#### Six months ended 30 September 2024

	Construction contracts (Unaudited) <i>HK\$'000</i>	RMAA (Unaudited) <i>HK\$'000</i>	Total (Unaudited) <i>HK\$'000</i>
<b>Segment revenue:</b>			
Revenue from external customers	<u>446,250</u>	<u>134,046</u>	<u>580,296</u>
<b>Segment results:</b>	15,330	1,616	16,946
Other income and gains			5,776
Fair value gain on financial assets at fair value through profit or loss, net			2,053
Depreciation (unallocated portion)			(3,202)
Reversal of impairment of contract assets, net			101
Reversal of impairment of trade receivables, net			19
Finance costs			(268)
Unallocated head office and corporate expenses			<u>(15,818)</u>
Profit before tax			5,607
Income tax expense			<u>(561)</u>
Profit for the period			<u>5,046</u>
<b>Segment assets and liabilities</b>			
Segment assets	308,491	55,333	363,824
Unallocated			<u>240,825</u>
Total assets			<u>604,649</u>
Segment liabilities	284,221	37,743	321,964
Unallocated			<u>8,828</u>
Total liabilities			<u>330,792</u>

### 3. OPERATING SEGMENT INFORMATION *(continued)*

#### Segment results, assets and liabilities *(continued)*

Six months ended 30 September 2023

	Construction contracts (Unaudited) <i>HK\$'000</i>	RMAA (Unaudited) <i>HK\$'000</i>	Total (Unaudited) <i>HK\$'000</i>
<b>Segment revenue:</b>			
Revenue from external customers	<u>313,594</u>	<u>180,796</u>	<u>494,390</u>
<b>Segment results:</b>	14,033	8,148	22,181
Other income and gains			3,886
Fair value loss on financial assets at fair value through profit or loss, net			(2,527)
Depreciation (unallocated portion)			(3,435)
Impairment of contract assets, net			(106)
Impairment of trade receivables, net			(90)
Finance costs			(124)
Unallocated head office and corporate expenses			<u>(16,971)</u>
Profit before tax			2,814
Income tax expense			<u>(622)</u>
Profit for the period			<u>2,192</u>

As at 31 March 2024

	Construction contracts (Audited) <i>HK\$'000</i>	RMAA (Audited) <i>HK\$'000</i>	Total (Audited) <i>HK\$'000</i>
<b>Segment assets and liabilities</b>			
Segment assets	322,373	107,274	429,647
Unallocated			<u>164,540</u>
Total assets			<u>594,187</u>
Segment liabilities	250,410	52,846	303,256
Unallocated			<u>12,602</u>
Total liabilities			<u>315,858</u>

#### 4. REVENUE

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue from contracts with customers</b>		
Construction contracts	<b>446,250</b>	313,594
Repair, maintenance, alteration and addition ("RMAA")	<b>134,046</b>	180,796
	<b><u>580,296</u></b>	<b><u>494,390</u></b>

#### Revenue from contracts with customers

#### *Disaggregated revenue information*

For the six months ended 30 September 2024

<b>Segments</b>	<b>Construction contracts (Unaudited) HK\$'000</b>	<b>RMAA (Unaudited) HK\$'000</b>	<b>Total (Unaudited) HK\$'000</b>
<b>Type of services</b>			
Building construction services	<b>446,250</b>	–	<b>446,250</b>
RMAA works services	–	<b>134,046</b>	<b>134,046</b>
	<b><u>446,250</u></b>	<b><u>134,046</u></b>	<b><u>580,296</u></b>
Total revenue from contracts with customers	<b><u>446,250</u></b>	<b><u>134,046</u></b>	<b><u>580,296</u></b>



#### 4. REVENUE (*continued*)

##### Revenue from contracts with customers (*continued*)

##### *Disaggregated revenue information (continued)*

For the six months ended 30 September 2023

Segments	Construction contracts (Unaudited) <i>HK\$'000</i>	RMAA (Unaudited) <i>HK\$'000</i>	Total (Unaudited) <i>HK\$'000</i>
<b>Type of services</b>			
Building construction services	313,594	–	313,594
RMAA works services	<u>–</u>	<u>180,796</u>	<u>180,796</u>
Total revenue from contracts with customers	<u>313,594</u>	<u>180,796</u>	<u>494,390</u>

The Group's revenue from contracts with customers was recognised over time for the six months ended 30 September 2024 and 2023.

## 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Depreciation of property, plant and equipment	<b>603</b>	892
Depreciation of right-of-use assets	<b>3,056</b>	2,752
Employee benefit expense (excluding directors' remuneration):*		
Wages and salaries	<b>44,101</b>	45,400
Pension scheme contributions (defined contribution scheme)	<b>1,384</b>	1,540
	<u><b>45,485</b></u>	<u>46,940</u>
Gain on disposal of financial assets at fair value through profit or loss	<b>(813)</b>	(35)
Dividend income from equity investments at fair value through profit or loss	<b>(937)</b>	(1,122)
Fair value (gain)/loss on financial assets at fair value through profit or loss, net	<b>(2,053)</b>	2,527
Government grants <sup>#</sup>	<b>(658)</b>	(17)
(Reversal of) impairment of contract assets, net <sup>**</sup>	<b>(101)</b>	106
(Reversal of) impairment of trade receivables, net <sup>**</sup>	<b>(19)</b>	90

\* The employee benefit expense included in cost of sales was HK\$37,975,000 (2023: HK\$38,182,000).

\*\* Amounts are included in "Administrative and other operating expenses, net" on the face of the condensed consolidated statement of profit or loss and other comprehensive income.

# Government grants included in "Other income and gains" on the face of the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 September 2024 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. INCOME TAX

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Current tax		
Hong Kong Profits Tax	<b>852</b>	811
Overprovision in prior years	<b>(2)</b>	(7)
Deferred tax	<b>(289)</b>	(182)
	<hr/>	<hr/>
Total tax charge for the period	<b><u>561</u></b>	<b><u>622</u></b>

## 7. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit for the period attributable to equity holders of the Company of HK\$5,046,000 (2023: HK\$2,192,000), and the weighted average number of ordinary shares of 793,204,000 (2023: 793,204,000) in issue during the period.

The weighted average number of ordinary shares used in the calculation for the six months ended 30 September 2024 and 2023 is the number adjusted to reflect the 6,796,000 (2023: 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 six months ended 30 September 2024 and 2023.

## 8. DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: nil).

## 9. CONTRACT ASSETS AND TRADE RECEIVABLES

	<b>30 September 2024 (Unaudited) HK\$'000</b>	31 March 2024 (Audited) HK\$'000
Other contract assets	93,331	162,191
Retention receivables	<u>81,345</u>	<u>67,675</u>
	<b>174,676</b>	229,866
Less: Impairment	<u>(692)</u>	<u>(793)</u>
Net contract assets	<u>173,984</u>	<u>229,073</u>
Trade receivables	156,529	161,295
Less: Impairment	<u>(657)</u>	<u>(676)</u>
Net trade receivables	<u>155,872</u>	<u>160,619</u>
Total	<u><u>329,856</u></u>	<u><u>389,692</u></u>

An ageing analysis of the trade receivables based on the invoice date and net of impairment, is as follows:

	<b>30 September 2024 (Unaudited) HK\$'000</b>	31 March 2024 (Audited) HK\$'000
Within 3 months	155,750	159,941
3 to 6 months	100	280
6 to 12 months	<u>22</u>	<u>398</u>
	<u>155,872</u>	<u>160,619</u>

## 10. TRADE AND RETENTION PAYABLES

	<b>30 September 2024 (Unaudited) HK\$'000</b>	31 March 2024 (Audited) HK\$'000
Trade payables	124,879	113,135
Retention payables	<u>72,273</u>	<u>63,049</u>
	<u>197,152</u>	<u>176,184</u>

The trade payables as at the end of the reporting period, based on the invoice date, are within 3 months.

## **GENERAL INFORMATION**

The Company is an exempted company incorporated in the Cayman Islands with limited liability on 23 March 2018. 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 shares of the Company (the “**Share(s)**”) are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

## **BUSINESS REVIEW**

The Group is a long-established main contractor in Hong Kong and principally engages in the provision of (i) building construction services and (ii) repair, maintenance, alteration and addition (“**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.

As at 30 September 2024, the Group had six major projects on hand each with an awarded contract sum of HK\$10.0 million or above, which include projects in progress and projects that are yet to commence.

During the six months ended 30 September 2024, the Group completed five major projects each with an awarded contract sum of HK\$10.0 million or above.

## **PROSPECTS**

During the six months ended 30 September 2024, the Group was successfully awarded two sizeable contracts with an aggregate contract sum of approximately HK\$574.9 million. 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.

## 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 increased by approximately HK\$85.9 million or approximately 17.4% from approximately HK\$494.4 million for the six months ended 30 September 2023 to approximately HK\$580.3 million for the six months ended 30 September 2024.

#### (i) Building Construction Services

The revenue generated from the building construction services increased by approximately HK\$132.7 million or approximately 42.3% from approximately HK\$313.6 million for the six months ended 30 September 2023 to approximately HK\$446.3 million for the six months ended 30 September 2024. Such increase was mainly due to the increase in revenue generated from several major projects, which achieved significant progress during the six months ended 30 September 2024. Such increase, however, was partially offset by the decrease in revenue generated from several major projects as a result of the practical completion of those projects during the six months ended 30 September 2024.

#### (ii) RMAA Works Services

The revenue generated from the RMAA works services decreased by approximately HK\$46.8 million or approximately 25.9% from approximately HK\$180.8 million for the six months ended 30 September 2023 to approximately HK\$134.0 million for the six months ended 30 September 2024. Such decrease was primarily attributable to the decrease in revenue generated from several major projects as a result of completion of those projects during the six months ended 30 September 2024.

### Cost of Sales

The cost of sales of the Group increased by approximately HK\$91.2 million or approximately 19.3% from approximately HK\$472.2 million for the six months ended 30 September 2023 to approximately HK\$563.4 million for the six months ended 30 September 2024. Such increase was mainly driven by and in line with the corresponding increase 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\$5.3 million or approximately 23.9% from approximately HK\$22.2 million for the six months ended 30 September 2023 to approximately HK\$16.9 million for the six months ended 30 September 2024. The gross profit margin of the Group was approximately 2.9% and 4.5% for the six months ended 30 September 2024 and 2023, respectively, representing a decrease of approximately 1.6 percentage point.

#### **(i) Building Construction Services**

The gross profit of building construction services increased by approximately HK\$1.2 million or approximately 8.5% from approximately HK\$14.1 million for the six months ended 30 September 2023 to approximately HK\$15.3 million for the six months ended 30 September 2024. The gross profit margin of building construction services decreased from approximately 4.5% for the six months ended 30 September 2023 to approximately 3.4% for the six months ended 30 September 2024. Such decrease was primarily attributable to lower gross profit margin generated from several major projects which achieved significant progress during the six months ended 30 September 2024.

#### **(ii) RMAA Works Services**

The gross profit of RMAA works services decreased by approximately HK\$6.5 million or approximately 80.2% from approximately HK\$8.1 million for the six months ended 30 September 2023 to approximately HK\$1.6 million for the six months ended 30 September 2024. The gross profit margin of RMAA works services decreased from approximately 4.5% for the six months ended 30 September 2023 to approximately 1.2% for the six months ended 30 September 2024. Such decrease was primarily attributable to lower gross profit margin generated from works orders performed under two major projects during the six months ended 30 September 2024.

### **Other Income and Gains**

The other income and gains of the Group increased by approximately HK\$3.9 million or approximately 100.0% from approximately HK\$3.9 million for the six months ended 30 September 2023 to approximately HK\$7.8 million for the six months ended 30 September 2024. Such increase was primarily attributable to the increase in fair value gain on financial assets at fair value through profit or loss, net.

### **Administrative and Other Operating Expenses, Net**

The administrative and other operating expenses, net of the Group decreased by approximately HK\$4.2 million or approximately 18.2% from approximately HK\$23.1 million for the six months ended 30 September 2023 to approximately HK\$18.9 million for the six months ended 30 September 2024. Such decrease was primarily attributable to the decrease in fair value loss on financial assets at fair value through profit or loss, net.

## **FINANCIAL REVIEW (continued)**

### **Income Tax**

The income tax of the Group was approximately HK\$0.6 million for the six months ended 30 September 2024 and 2023. The effective tax rate (defined as the income tax divided by profit before tax) was approximately 10.0% and 22.1% for the six months ended 30 September 2024 and 2023, respectively. The decrease of the effective tax rate was mainly due to the receipt of non-taxable government subsidy and fair value gain on financial assets recognised during the six months ended 30 September 2024.

### **Net Profit**

As a result of the foregoing, the net profit of the Group increased by approximately HK\$2.8 million or approximately 127.3% from approximately HK\$2.2 million for the six months ended 30 September 2023 to approximately HK\$5.0 million for the six months ended 30 September 2024. The net profit margin was approximately 0.9% and 0.4% for the six months ended 30 September 2024 and 2023, respectively, representing an increase of approximately 0.5 percentage point. Such increase was mainly due to the increase in fair value gain on financial assets at fair value through profit or loss, net.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2024, the Group has a total of 167 full-time and one part-time employees (as at 30 September 2023: 212 full-time and one 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\$45.5 million and HK\$46.9 million for the six months ended 30 September 2024 and 2023, respectively.

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

During the six months ended 30 September 2024, 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 six months ended 30 September 2024.



## **CAPITAL COMMITMENTS**

As at 30 September 2024, the Group had no significant capital commitments (as at 31 March 2024: nil).

## **CONTINGENT LIABILITIES**

As at 30 September 2024, 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\$97.2 million (as at 31 March 2024: approximately HK\$49.8 million). As at 30 September 2024, some of those performance bonds were secured by pledged deposits of approximately HK\$21.5 million (as at 31 March 2024: approximately HK\$15.5 million) of the Group. Other than those disclosed above, the Group had no other material contingent liabilities as at 30 September 2024.

## **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 six months ended 30 September 2024.

## **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 30 September 2024, the Group had pledged deposits and cash and bank balances of approximately HK\$189.5 million (as at 31 March 2024: approximately HK\$111.7 million). As at 30 September 2024, the current ratio of the Group was approximately 1.7 times (as at 31 March 2024: approximately 1.8 times). The cash and bank balances were principally denominated in Hong Kong Dollar during the six months ended 30 September 2024.

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 six months ended 30 September 2024, there has been no change in the capital structure of the Company.

## DEBTS AND CHARGE ON ASSETS

As at 30 September 2024, the Group had no outstanding bank borrowings (as at 31 March 2024: nil). As at 30 September 2024, the lease liabilities of the Group amounted to approximately HK\$7.9 million (as at 31 March 2024: approximately HK\$9.3 million).

As at 30 September 2024, the banking facilities of the Group were secured by (i) the Group's pledged deposits of approximately HK\$26.5 million (as at 31 March 2024: approximately HK\$34.2 million); (ii) the Group's life insurance policy of approximately HK\$10.3 million (as at 31 March 2024: approximately HK\$10.2 million); 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 30 September 2024.

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 as at 30 September 2024, the Group pays vigilant attention to and monitors interest rate risks continuously and cautiously.

## GEARING RATIO

As at 30 September 2024, the gearing ratio of the Group (defined as the lease liabilities divided by total equity) was approximately 2.9% (as at 31 March 2024: approximately 3.3%).

## SHARE OPTIONS 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 six months ended 30 September 2024, 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 and were available to be granted to Eligible Participants. No share award has been granted, vested, cancelled or lapsed under the Share Award Plan since its Adoption Date and up to 30 September 2024.

## **INTERIM DIVIDEND**

The Board has resolved not to declare any interim dividend to the shareholders of the Company for the six months ended 30 September 2024 (six months ended 30 September 2023: nil).

## **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 six months ended 30 September 2024.

## **EVENTS AFTER THE REPORTING PERIOD**

There have been no significant events occurred after 30 September 2024 and up to the date to this announcement which require 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 of the Company.

During the six months ended 30 September 2024 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 of the Company 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 six months ended 30 September 2024 and up to the date of this announcement.

## **AUDIT COMMITTEE REVIEW**

The condensed consolidated financial statements of the Group for the six months ended 30 September 2024 were not audited or reviewed by the auditor of the Company but have been reviewed by the audit committee of the Board.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim 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 interim report of the Company for the six months ended 30 September 2024 will be published on the above websites by December 2024 according to the Listing Rules.

## **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, 28 November 2024

*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; and the independent non-executive Directors are Mr. Chan Tim Yiu Raymond, Dr. Lau Chi Keung and Mr. Sze Kwok Wing Nigel.*