
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Proposal or this Scheme Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a 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 Scheme Document and the accompanying forms of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This Scheme Document appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Offeror or Wecon Holdings Limited. This Scheme Document is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. Scheme Shareholders residing in jurisdictions other than Hong Kong should inform themselves about and observe all legal and regulatory requirements applicable to them. Overseas Shareholders are advised to read the paragraph headed "16. Overseas Shareholders" in the Explanatory Memorandum in Part VII of this Scheme Document for further information.

Triple Arch Limited

(Incorporated in British Virgin Islands with limited liability)



WECON HOLDINGS LIMITED

偉工控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1793)

**(1) PROPOSAL FOR THE PRIVATISATION OF
WECON HOLDINGS LIMITED
BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT OF
THE CAYMAN ISLANDS
AND
(2) PROPOSED WITHDRAWAL OF LISTING**

Financial Adviser to the Offeror

BALLAS
C A P I T A L

Independent Financial Adviser to the Independent Board Committee

 **Gram Capital Limited**
嘉林資本有限公司

Unless the context otherwise requires, capitalised terms used hereunder shall have the same meanings as defined in this Scheme Document.

A letter from the Board is set out in Part IV of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Independent Scheme Shareholders in relation to the Proposal and the Scheme is set out in Part V of this Scheme Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme is set out in Part VI of this Scheme Document. The Explanatory Memorandum is set out in Part VII of this Scheme Document.

The actions to be taken by Shareholders are set out in Part II of this Scheme Document.

Notices convening the Court Meeting and the EGM to be held at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong at 11:30 a.m. and 12:00 p.m. (or, if later, as soon as practicable after the conclusion or adjournment of the Court Meeting) respectively on Wednesday, 24 June 2026 are set out in Appendix IV and Appendix V of this Scheme Document respectively. Whether or not you are able to attend any of the Meetings or any adjournment(s) or postponement(s) thereof in person, you are strongly urged to complete and sign the enclosed **PINK** form of proxy in respect of the Court Meeting and the enclosed **WHITE** form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to deposit them at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible, but in any event no later than the respective times and dates stated under Part II – Actions to be Taken of this Scheme Document. If the **PINK** form of proxy is not so lodged, it may be handed to the chairman of the Court Meeting at the Court Meeting who shall have absolute discretion as to whether or not to accept it. If the **WHITE** form of proxy is not so lodged at least 48 hours before the time appointed for the EGM, it will not be valid. Completion and return of the forms of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting or any adjournment or postponement thereof, should you so wish. In the event that you attend and vote at the relevant meeting or any adjournment or postponement thereof after having lodged your forms of proxy, the returned forms of proxy will be revoked by operation of law.

This Scheme Document is jointly issued by the Company and the Offeror.

The English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text for the purpose of interpretation.

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In this Scheme Document, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” shall be construed accordingly
“Announcement”	the announcement dated 16 March 2026 jointly issued by the Company and the Offeror in relation to, among other things, the Proposal
“Announcement Date”	16 March 2026, being the date of the Announcement
“Applicable Laws”	with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgments, decrees, orders or notices of any Authority that is applicable to such person
“Approvals”	licenses, approvals, permits, consents, permissions, clearances and registrations
“associates”	has the meaning given to it under the Takeovers Code
“Authority”	any relevant government, administrative or regulatory body, or court, tribunal, arbitrator or governmental agency or authority or department (including any relevant securities exchange) and whether supranational, national, regional or local
“Award Plan”	the share award plan adopted by the Company on 31 July 2020
“Ballas Capital”	Ballas Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the financial adviser to the Offeror in relation to the Proposal
“Beneficial Owner(s)”	any beneficial owner(s) of the Shares whose Shares are registered in the name of Registered Owner(s)
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Cancellation Price”	the cancellation price of HK\$0.280 per Scheme Share
“Capital Reduction”	the reduction of the issued share capital of the Company by the cancellation and extinguishment of the Scheme Shares

“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities and Clearing Company Limited
“CCASS Participant”	a person admitted to participate in CCASS as a participant, including an Investor Participant
“Companies Act”	the Companies Act (2026 Revision) of the Cayman Islands, as consolidated and revised from time to time
“Company”	Wecon Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1793)
“Condition(s)”	the condition(s) to the Proposal as set out in the section headed “3. Conditions of the Proposal” in Part VII – Explanatory Memorandum of this Scheme Document
“controlling shareholder(s)”	has the meaning given to it in the Listing Rules
“Court Hearing”	the hearing of the petition by the Grand Court for the sanction of the Scheme and confirmation of the Capital Reduction
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at 11:30 a.m. on Wednesday, 24 June 2026 at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Despatch Date”	the date of this Scheme Document
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act
“EGM”	an extraordinary general meeting of the Company to be held at 12:00 p.m. on Wednesday, 24 June 2026 at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong (or promptly after the conclusion or adjournment of the Court Meeting) for the purpose of Considering, and if thought for approving, among other things, all necessary resolutions for the implementation of the Proposal and the Scheme, or any adjournment thereof

“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director
“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Grand Court”	the Grand Court of the Cayman Islands
“Grand Court Rules”	the rules of the Grand Court (2023 Revision) as consolidated and revised from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS from time to time in force
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, namely Dr. Lau Chi Keung, Mr. Chan Tim Yiu Raymond and Mr. Sze Kwok Wing Nigel, established by the Board to make a recommendation to the Independent Scheme Shareholders in respect of the Proposal and the Scheme
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme
“Independent Scheme Shareholders”	Scheme Shareholders other than the Offeror, Mr. KY Tsang and parties acting in concert with any of them. As of the Latest Practicable Date, all Scheme Shareholders are Independent Scheme Shareholders

“Investor Participant”	a person admitted to participate in CCASS as an investor participant
“Last Trading Day”	26 February 2026, being the last day on which Shares were traded on the Stock Exchange prior to the publication of the announcement
“Latest Practicable Date”	29 May 2026, being the latest practicable date for ascertaining certain information contained in the Scheme Document
“Listing”	the listing of the Shares on the Stock Exchange on 27 February 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	26 August 2026 (or any later date as the Offeror and the Company may determine and, to the extent applicable, as the Grand Court on the application of the Company may direct, and in all cases, as the Executive may consent)
“Meeting Record Date”	the record date for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM
“Meetings”	the Court Meeting and the EGM
“Mr. KY Tsang”	Mr. Tsang Ka Yip, the chairman of the Board and an executive Director, the sole beneficial shareholder of the Offeror and the ultimate controlling shareholder of the Company
“Offer Period”	has the meaning given to it in the Takeovers Code, being the period commencing on the Announcement Date until the latest of (i) the Effective Date; (ii) the date when the Scheme lapses; (iii) the time when the Offeror announces that the Scheme will not proceed; and (iv) the date when an announcement is made of the withdrawal of the Scheme
“Offeror”	Triple Arch Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is owned by Mr. KY Tsang and is the controlling shareholder of the Company
“Offeror Concert Parties”	parties acting in concert with the Offeror and/or Mr. KY Tsang in relation to the Company

“PRC”	the People’s Republic of China, but for the purpose of this Scheme Document, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the maintenance of the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares, and the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the conditions as described in the paragraphs headed “Terms of the Proposal” in the Letter from the Board in this Scheme Document
“Registered Owner(s)”	any owner(s) of Shares (including, without limitation, a nominee, trustee, depositary or any other authorised custodian or third party) whose name is entered in the register of members of the Company
“Relevant Period”	the period commencing on 16 September 2025, being that date that falls six month prior to the date of the Announcement and ending on the Latest Practicable Date
“Scheme”	the scheme of arrangement to be proposed under section 86 of the Companies Act for the implementation of the Proposal
“Other CCASS Participant”	a person admitted to participate in CCASS other than an Investor Participant
“Scheme Document”	this composite scheme document, which shall contain, among other things, further details of the Proposal and the Scheme, an explanatory memorandum as required under the Companies Act and the Grand Court Rules; the expected timetable relating to the Proposal; the recommendations of the Independent Board Committee; the letter of advice from the Independent Financial Adviser; and the accompanying proxy forms and notices of the Court Meeting and the EGM, to be despatched by the Offeror and the Company to all Shareholders on the Despatch Date as required by the Takeovers Code
“Scheme Record Date”	Wednesday, 22 July 2026, being the record date for determining entitlements of the Scheme Shareholders under the Scheme
“Scheme Share(s)”	Share(s) in issue on the Scheme Record Date, which for the avoidance of doubt, shall exclude Shares held directly or indirectly by the Offeror, Mr. KY Tsang and the parties acting in concert with any of them

“Scheme Shareholder(s)”	the registered holders of the Scheme Shares as at the Scheme Record Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) having a par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Trustee”	Tricor Trust (Hong Kong) Limited, the trustee appointed by the Company to assist with the administration of the Award Plan
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Undisturbed Day”	15 January 2026, being the last trading day prior to when there were irregular trading volumes and price movements in the Shares
“US” or “United States”	United States of America
“%”	per cent

All references in this Scheme Document to times and dates are references to Hong Kong times and dates, except as otherwise specified.

ACTIONS TO BE TAKEN BY SHAREHOLDERS

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 18 June 2026 to Wednesday, 24 June 2026 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Wednesday, 17 June 2026. A subsequent purchaser of Shares will need to obtain a proxy form from the transferor if he or she wishes to attend or vote at the Court Meeting or the EGM.

A **PINK** form of proxy for use at the Court Meeting and a **WHITE** form of proxy for use at the EGM are enclosed with this Scheme Document. Subsequent purchasers of Shares to be voted at the Court Meeting or the EGM will need to obtain a form of proxy from the transferor.

Whether or not you are able to attend any of the Court Meeting and/or the EGM or any adjournment(s) or postponement(s) thereof in person, if you are a Scheme Shareholder, you are strongly urged to complete and sign the enclosed **PINK** form of proxy in respect of the Court Meeting, and if you are a Shareholder, you are strongly urged to complete and sign the enclosed **WHITE** form of proxy in respect of the EGM in accordance with the instructions printed thereon, and to deposit them at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event no later than the following times and dates in order to be valid:

- the **PINK** form of proxy for use at the Court Meeting must be lodged no later than 11:30 a.m. on Monday, 22 June 2026 but if it is not so lodged, it may be handed to the chairman of the Court Meeting at the Court Meeting (who shall have absolute discretion as to whether or not to accept it); and
- the **WHITE** form of proxy for use at the EGM must be lodged no later than 12:00 p.m. on Monday, 22 June 2026, failing which it will not be valid.

The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting. In such event, the returned form of proxy will be revoked by operation of law.

Voting at the Court Meeting and the EGM will be taken by poll as required under the Listing Rules and the Takeovers Code.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of the Court Meeting and the EGM, if, among other things, the resolutions are passed by the requisite majorities of the Scheme Shareholders, Independent Scheme Shareholders or the Shareholders (as the case may be). You are therefore strongly urged to attend and vote at the Court Meeting and/or the EGM in person or by proxy.

The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and the EGM by no later than 7:00 p.m. on Wednesday, 24 June 2026. If all of the resolutions are passed at those Meetings, further announcement(s) will be made in relation to, among other things, the outcome of the Court Hearing and, if there is any change to the Scheme Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange, further announcement(s) will be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD THROUGH TRUST

The Company will not recognise any person as holding any Shares through any trust. If you are a Beneficial Owner whose Share(s) are held upon trust by, and registered in the name of a Registered Owner (other than HKSCC Nominees Limited), you should contact the Registered Owner and give instructions to and/or to make arrangements with the Registered Owner as to the manner in which the Share(s) beneficially owned by you should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the EGM personally, you should:

- (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and, for such purpose, the Registered Owner may appoint you as its proxy; or
- (b) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred into your own name.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the EGM or, as applicable, the latest time for lodging transfers of Shares, in order to provide the Registered Owner with sufficient time to complete his/her forms of proxy or transfer documents accurately and to submit them by the relevant deadlines. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and/or the EGM, any such Beneficial Owner should comply with the requirements of such Registered Owner.

The appointment of a proxy by the Registered Owner at the relevant Court Meeting and/or the EGM shall be in accordance with all relevant provisions in the memorandum of association and articles of association of the Company.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and before the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE DEPOSITED IN CCASS

If you are a Beneficial Owner whose Share(s) are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you must, unless you are an Investor Participant:

- (a) contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a CCASS Participant, regarding voting instructions to be given to such Other CCASS Participants if you wish to vote at the Court Meeting and/or at the EGM. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for the lodgement of forms of proxy in respect of the Court Meeting and the EGM, in order to provide such person with sufficient time to provide HKSCC Nominees Limited with instructions or make arrangements with HKSCC Nominees Limited in relation to the manner in which the Share(s) beneficially owned by you should be voted at the Court Meeting and/or the EGM; or
- (b) become a Shareholder as at the Meeting Record Date and thereby have the right to attend and vote at the Court Meeting and/or the EGM (as appropriate) by withdrawing any or all of your Share(s) from CCASS and becoming a Registered Owner of such Share(s). For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if your Share(s) are held through a financial intermediary, any other relevant fees charged by your financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Share(s) into your name so as to qualify to attend and vote at the Court Meeting and/or the EGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Share(s) from CCASS and register them in your name.

The procedures for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees Limited shall be in accordance with the “Operating Guide for Investor Participants”, the “General Rules of HKSCC” and the “HKSCC Operational Procedures” in effect from time to time.

EXERCISE YOUR RIGHT TO VOTE

If you are a Shareholder or a Beneficial Owner, you are strongly encouraged to exercise your right to vote or give instructions to the relevant Registered Owner to vote in person or by proxy at the Court Meeting and/or the EGM.

If you are a Registered Owner holding Share(s) on behalf of one or more Beneficial Owners, you should inform the relevant Beneficial Owner(s) about the importance of exercising their right to vote.

If you keep any Share(s) in a share lending programme, you are encouraged to recall any outstanding Shares on loan to avoid market participants using borrowed stock to vote.

If you are a Beneficial Owner whose Share(s) are deposited in CCASS, you are strongly encouraged to provide your broker, custodian, nominee or other relevant person without delay with instructions or make arrangements with HKSCC Nominees Limited in relation to the manner in which those Share(s) should be voted at the Court Meeting and/or at the EGM, and/or withdraw some or all of your Share(s) from CCASS and become a Registered Owner of such Shares and exercise your right to vote (in person or by proxy) at the Court Meeting and/or the EGM.

If you are a Registered Owner holding Shares on behalf of Beneficial Owners, you should inform the relevant Beneficial Owner(s) about the importance of exercising their right to vote and that Beneficial Owners should consider transferring some or all their Shares into their names if they wish to be counted individually for the purposes of the headcount test.

If you are in any doubt as to the action to be taken, you are encouraged to consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant, or other professional adviser.

The expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable. Unless otherwise specified, all times and dates refer to Hong Kong local dates and times.

Hong Kong time
(unless otherwise specified)
(Note 1)

Despatch of this Scheme Document	Monday, 1 June 2026
Latest time for lodging transfers of Shares in order to become entitled to attend and vote at the Court Meeting and the EGM	4:30 p.m., on Wednesday, 17 June 2026
Register of members of the Company closed for determining entitlements to attend and vote at the Court Meeting and the EGM <i>(Note 2)</i>	Thursday, 18 June 2026 to Wednesday, 24 June 2026 (both days inclusive)
Latest time for lodging PINK forms of proxy in respect of Court Meeting <i>(Note 3)</i>	11:30 a.m. on Monday, 22 June 2026 (or be handed directly to the chairman of the Court Meeting at the Court Meeting)
Latest time for lodging WHITE forms of proxy in respect of EGM <i>(Note 3)</i>	12:00 p.m. on Monday, 22 June 2026
Meeting Record Date	Wednesday, 24 June 2026
Court Meeting <i>(Note 4)</i>	11:30 a.m., on Wednesday, 24 June 2026
EGM <i>(Note 4)</i>	12:00 p.m., on Wednesday, 24 June 2026 (or, if later, as soon as practicable after the conclusion or adjournment of the Court Meeting)
Announcement of the results of the Meetings	no later than 7:00 p.m. on Wednesday, 24 June 2026
Expected latest time of trading in the Shares on the Stock Exchange	4:10 p.m. on Thursday, 2 July 2026
Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme	4:30 p.m. on Thursday, 9 July 2026

Register of members of the Company closed for determining entitlements of the Scheme Shareholders under the Scheme (<i>Note 5</i>)	From Friday, 10 July 2026 onwards
Court Hearing	Tuesday, 14 July 2026 (Cayman Islands time)
Announcement of the results of the Court Hearing, the expected Effective Date, and the expected date of withdrawal of the listing of the Shares on the Stock Exchange	no later than 8:30 a.m. on Wednesday, 15 July 2026
Scheme Record Date	Wednesday, 22 July 2026
Effective Date (<i>Note 6</i>)	Wednesday, 22 July 2026 (Cayman Islands time)
Announcement of the Effective Date and the withdrawal of the listing of the Shares on the Stock Exchange	no later than 8:30 a.m. on Thursday, 23 July 2026
Withdrawal of the listing of the Shares on the Stock Exchange becomes effective (<i>Note 7</i>)	4:00 p.m. on Friday, 24 July 2026
Latest time for posting of remittances for the amounts due under the Scheme (<i>Note 8</i>)	on or before Friday, 31 July 2026

Notes:

1. The register of members of the Company will be closed during such period for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM. This book closure period is not for determining the entitlements under the Scheme.
2. Forms of proxy should be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible, but in any event no later than the respective times and dates stated above. In the case of the **PINK** form of proxy in respect of the Court Meeting, it may also be handed to the chairman of the Court Meeting at the Court Meeting (who shall have absolute discretion as to whether or not to accept it). The **WHITE** form of proxy must be lodged not less than 48 hours before the time appointed for the EGM in order to be valid. The completion and return of a form of proxy for the Court Meeting or the EGM will not preclude a Shareholder from attending and voting at the relevant Meeting or any adjournment or postponement thereof in person. In such event, the relevant form of proxy will be revoked by operation of law.

3. The Court Meeting and the EGM will be held at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong at the times and dates specified above. Please refer to the notice of Court Meeting set out in Appendix IV of this Scheme Document and the notice of EGM set out in Appendix V of this Scheme Document for details.
4. The register of members of the Company will be closed as from such time and on such date for the purpose of determining the entitlements under the Scheme. The Scheme shall become effective when a copy of the order of the Grand Court sanctioning the Scheme (with or without modification) under section 86 of the Companies Act and confirming the Capital Reduction is delivered and registered by the Registrar of Companies in the Cayman Islands.
5. The Scheme will become effective upon the fulfilment or waiver (as applicable) of all of the Conditions to the Proposal as set out in the section headed “3. Conditions of the Proposal” in Part VII – Explanatory Memorandum of this Scheme Document.
6. If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at 4:00 p.m. on Friday, 24 July 2026.
7. Cheques for cash entitlements to the Scheme Shareholders under the Scheme will be despatched by post at the risk of the recipients to their registered addresses shown in the register of members of the Company no later than seven Business Days after the Effective Date.
8. If any severe weather condition is in force in Hong Kong at any time after 8:00 a.m. (Hong Kong time) on the date of the Court Meeting and the EGM, the Court Meeting and the EGM will be adjourned or postponed in accordance with the memorandum of association and articles of association of the Company. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the Shareholders of the date, time and venue of the rescheduled meetings.
9. If any severe weather condition is in force in Hong Kong: (a) at any time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date to despatch cheques for the payment of the Cancellation Price under the Scheme, the latest date to despatch cheques will remain on the same Business Day; or (b) at any time at or after 12:00 noon on the latest date to despatch cheques for the payment of the Cancellation Price under the Scheme, the latest date to despatch cheques will be rescheduled to the following Business Day which does not have any of those warnings in force at 12:00 noon and/or thereafter (or another Business Day thereafter that does not have any severe weather condition at 12:00 noon or thereafter).

For the purpose of this Scheme Document, “severe weather” refers to the scenario where a tropical cyclone warning signal number 8 or above is hoisted, or “extreme conditions” or a black rainstorm warning is/are in force in Hong Kong. Further announcement(s) will be made if there is any change to the expected timetable as a result of any severe weather.



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*)

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

Non-executive Director:

Ms. Chan Lok Man

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

18/F, Tung Hip Commercial Building,

244-252 Des Voeux Road Central,

Hong Kong

Independent Non-executive Directors

Dr. Lau Chi Keung

Mr. Chan Tim Yiu Raymond

Mr. Sze Kwok Wing Nigel

1 June 2026

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF
WECON HOLDINGS LIMITED BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT OF
THE CAYMAN ISLANDS
AND
(2) PROPOSED WITHDRAWAL OF LISTING**

INTRODUCTION

On 26 February 2026 (after trading hours), the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares on the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled on the Effective Date in exchange for the payment to each Scheme Shareholder of the Cancellation Price in cash for each Scheme Share cancelled;
- (b) the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled. The credit arising in the books of accounts of the Company as a result of the capital reduction will be applied in paying up in full value the new Shares so allotted and issued, credited as fully paid, to the Offeror; and
- (c) the Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules and such withdrawal is expected to take place with effect from the Effective Date.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal and in particular the Scheme, and to give you notices of the Court Meeting and the EGM, together with the forms of proxy. Your attention is also drawn to (i) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; (iii) the Explanatory Memorandum set out in Part VII of this Scheme Document; and (iv) the terms of the Scheme set out in Appendix III of this Scheme Document.

TERMS OF THE PROPOSAL

The Scheme

Subject to the satisfaction or waiver (where applicable) of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders will be entitled to receive from the Offeror:

For every Scheme Share cancelled HK\$0.280 in cash

Your attention is drawn to the section headed “2. Terms of the Proposal – The Scheme” in Part VII – Explanatory Memorandum of this Scheme Document.

As at the Latest Practicable Date, there are no outstanding dividends which have been declared by the Company and not yet paid. If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is made, declared or paid in respect of the Shares, the Cancellation Price will be reduced by an amount equal to the amount of such dividend, distribution and/or return of capital. The Company has confirmed that it does not have any intention to make, declare or pay any future dividend or make other distributions until after the implementation or lapse of the Scheme.

The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

Settlement of the Cancellation Price to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Scheme Shareholder.

Comparison of Value

Your attention is drawn to the section headed “2. Terms of the Proposal – Comparison of Value” in Part VII – Explanatory Memorandum of this Scheme Document.

Highest and Lowest Prices

Your attention is drawn to the section headed “2. Terms of the Proposal – Highest and Lowest Prices” in Part VII – Explanatory Memorandum of this Scheme Document.

CONDITIONS OF THE PROPOSAL

The Proposal is conditional upon the fulfilment or waiver (as applicable) of the Conditions set out in the section headed “3. Conditions of the Proposal” in Part VII – Explanatory Memorandum of this Scheme Document.

When all of the Conditions are fulfilled or waived (as applicable), the Scheme will become effective and binding on the Offeror, the Company and all Scheme Shareholders regardless of how (or whether) they voted at the Court Meeting or EGM.

WARNINGS: Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived (where applicable). Accordingly, the Proposal may or may not be implemented and the Scheme may or may not be effective. Shareholders and/or potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional advisers.

FINANCIAL RESOURCES

The Offeror has appointed Ballas Capital as its financial adviser in connection with the Proposal.

Your attention is drawn to the section headed “2. Terms of the Proposal – Financial Resources” in Part VII – Explanatory Memorandum of this Scheme Document.

SHAREHOLDING STRUCTURE OF THE COMPANY

Your attention is drawn to the section headed “4. Shareholding Structure of the Company” in Part VII – Explanatory Memorandum of this Scheme Document.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code, the Board has established the Independent Board Committee, comprising Dr. Lau Chi Keung, Mr. Chan Tim Yiu Raymond and Mr. Sze Kwok Wing Nigel, all being an independent non-executive Director, to make a recommendation to the Independent Scheme Shareholders as to (a) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (b) as to voting at the Court Meeting and the EGM.

The Board, with the approval of the Independent Board Committee, has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme pursuant to Rule 2.1 of the Takeovers Code.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the Proposal and the Scheme are fair and reasonable so far as the Independent Scheme Shareholders are concerned, and accordingly, it advises the Independent Board Committee to recommend to the Independent Scheme Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal.

The full text of the letter from the Independent Financial Adviser is set out in Part VI of this Scheme Document.

The Independent Board Committee, having been so advised, considers that the Proposal and the Scheme are fair and reasonable so far as the Independent Scheme Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Scheme Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

The full text of the letter from the Independent Board Committee in relation to its recommendations with respect to the Proposal and the Scheme is set out in Part V of this Scheme Document.

REASONS FOR AND BENEFITS OF THE PROPOSAL

Your attention is drawn to the section headed “6. Reasons for and Benefits of the Proposal” in Part VII – Explanatory Memorandum of this Scheme Document.

THE OFFEROR’S INTENTIONS IN RELATION TO THE GROUP

Your attention is drawn to the section headed “7. The Offeror’s intentions in relation to the Group” in Part VII – Explanatory Memorandum of this Scheme Document. The Board is pleased to note the intention of the Offeror in relation to the Group as set out in the section headed “7. The Offeror’s intentions in relation to the Group” in Part VII – Explanatory Memorandum of this Scheme Document.

INFORMATION ON THE COMPANY AND THE GROUP

Your attention is drawn to the section headed “8. Information on the Company and the Group” in Part VII – Explanatory Memorandum of this Scheme Document.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “9. Information on the Offeror” in Part VII – Explanatory Memorandum of this Scheme Document.

ACTIONS TO BE TAKEN

Your attention is drawn to the section headed “Actions to be taken” set out in Part II of this Scheme Document.

THE COURT MEETING AND THE EGM

In accordance with the directions of the Court, the Court Meeting will be held at 11:30 a.m. on Wednesday, 24 June 2026 at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong. The EGM will be held at 12:00 p.m. on Wednesday, 24 June 2026 at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong (or, if later, as soon as practicable after the Court Meeting shall has concluded or been adjourned).

For the purpose of exercising your right to vote at the Court Meeting and/or the EGM, you are requested to read carefully the section headed “12. Court Meeting and EGM” in Part VII – Explanatory Memorandum of this Scheme Document, Part II – Actions to be Taken of this Scheme Document, the notice of Court Meeting in Appendix IV of this Scheme Document and the notice of EGM in Appendix V of this Scheme Document.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being simultaneously issued and credited as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately from 4:00 p.m. on Friday, 24 July 2026.

The Scheme Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective in due course.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

If the Scheme is not approved or does not become effective, or the Proposal otherwise lapses, an announcement will be made by the Offeror and the Company, and:

- (a) no Scheme Shares will be cancelled, the shareholding structure of the Company will not change as a result of the Proposal, and the Company will continue to have sufficient public float as required by the Listing Rules;
- (b) the listing of the Shares on the Stock Exchange will not be withdrawn; and
- (c) there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

REGISTRATION AND PAYMENT

Your attention is drawn to the section headed “15. Registration and Payment” in Part VII – Explanatory Memorandum of this Scheme Document.

OVERSEAS SHAREHOLDERS

Your attention is drawn to the section headed “16. Overseas Shareholders” in Part VII – Explanatory Memorandum of this Scheme Document.

TAXATION ADVICE

Your attention is drawn to the section headed “17. Taxation Advice” in Part VII – Explanatory Memorandum of this Scheme Document.

COSTS OF THE SCHEME

Your attention is drawn to the section headed “18. Costs of the Scheme” in Part VII – Explanatory Memorandum of this Scheme Document.

GENERAL

As at the Latest Practicable Date, the Trustee holds on trust an aggregate of 6,796,000 Shares under the Award Plan, representing approximately 0.85% of the issued Shares as at the Latest Practicable Date. No Shares have been granted, vested, cancelled or lapsed under the Award Plan since its adoption date of 31 July 2020 and up to the Latest Practicable Date.

All the Shares held by the Trustee on the Scheme Record Date will form part of the Scheme Shares and be cancelled upon the Scheme becoming effective. The Offeror will pay to the Trustee the Cancellation Price for the cancellation of each Share it held on trust under the Award Plan.

For the avoidance of doubt, the Trustee is not acting in concert with the Offeror, and therefore the Trustee is a Scheme Shareholder. The Shares held by the Trustee are entitled to be voted at the Court Meeting and the EGM. However, under Rule 17.05A of the Listing Rules, a trustee holding unvested shares of a share scheme shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. Accordingly, the Trustee shall not exercise the voting rights attached to the Shares held by it. The Shares held by the Trustee on the Meeting Record Date will not be voted at the Court Meeting or at the EGM notwithstanding that such Shares form part of the Scheme Shares. Each of the Offeror and relevant Offeror Concert Parties who/which is a Scheme Shareholder has provided an undertaking to the Grand Court to be bound by the terms of the Scheme and to abstain from voting in the Court Meeting.

Save for the relevant Offeror Concert Parties who/which are Scheme Shareholders and have undertaken to the Court to abstain from voting in the Court Meeting, all Scheme Shareholders as at the Meeting Record Date will be entitled to attend and vote at the Court Meeting to approve the Scheme, provided that only the votes of the Independent Scheme Shareholders will be taken into account in determining whether the requirements under Condition (b) under the section headed "3. Conditions of the Proposal" in the Explanatory Memorandum and Rule 2.10 of the Takeovers Code are satisfied.

As at the Latest Practicable Date, the Offeror and the Offeror Concert Parties hold in aggregate 600,000,000 Shares (representing 75% of the issued share capital of the Company). As the Offeror and the Offeror Concert Parties are not Independent Scheme Shareholders, each of the Offeror and the Offeror Concert Parties will not vote on the Scheme at the Court Meeting.

All Shareholders as at the Meeting Record Date will be entitled to vote on (i) the special resolution be proposed at the EGM to approve and give effect to the Capital Reduction; and (ii) the ordinary resolution to maintain the issued share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme and the application of the credit arising in the Company's books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror.

RECOMMENDATIONS

Your attention is drawn to the recommendations of the Independent Board Committee in respect of the Proposal and the Scheme as set out in the letter from the Independent Board Committee to the Independent Scheme Shareholders in Part V of this Scheme Document.

Your attention is also drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal and the Scheme as set out in Part VI of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal.

FURTHER INFORMATION

You are urged to read carefully:

- (a) the letter from the Independent Board Committee to the Independent Scheme Shareholders set out in Part V of this Scheme Document;
- (b) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document;
- (c) the Explanatory Memorandum set out in Part VII of this Scheme Document;
- (d) the appendices of this Scheme Document, including the Scheme set out in Appendix III of this Scheme Document;
- (e) the notice of Court Meeting set out in Appendix IV of this Scheme Document;
- (f) the notice of EGM set out in Appendix V of this Scheme Document;
- (g) the **PINK** form of proxy in respect of the Court Meeting as enclosed with this Scheme Document;
and
- (h) the **WHITE** form of proxy in respect of the EGM as enclosed with this Scheme Document.

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

**WECON HOLDINGS LIMITED****偉工控股有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock Code: 1793)**

1 June 2026

To the Independent Scheme Shareholders

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF
WECON HOLDINGS LIMITED
BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT OF
THE CAYMAN ISLANDS
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
WECON HOLDINGS LIMITED**

We refer to the Announcement dated 16 March 2026 and the Scheme Document dated 1 June 2026, both jointly issued by the Offeror and the Company, in relation to the Proposal and the Scheme of which this letter forms part. Terms defined in the Scheme Document shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to make a recommendation to the Scheme Shareholders in respect of the Proposal and the Scheme, details of which are set out in the Letter from the Board in Part IV and the Explanatory Memorandum in Part VII of the Scheme Document.

Gram Capital, the Independent Financial Adviser, has been appointed with our approval, to advise us in connection with the Proposal and the Scheme. The details of its advice and the principal factors taken into consideration in arriving at its recommendations are set out in the Letter from the Independent Financial Adviser in Part VI of the Scheme Document.

In the Letter from the Independent Financial Adviser in Part VI of the Scheme Document, the Independent Financial Adviser states that it considers the terms of the Proposal and the Scheme are fair and reasonable so far as the Independent Scheme Shareholders are concerned, and advises the Independent Board Committee to recommend the Independent Scheme Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

The Independent Board Committee, having considered the Proposal and the Scheme, and having taken into account the advice of the Independent Financial Adviser, and in particular the factors, reasons and recommendations set out in its letter, considers that the Proposal and the Scheme are fair and reasonable so far as the Independent Scheme Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Scheme Shareholders to vote in favour of the resolutions to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

The Independent Board Committee draws the attention of the Independent Scheme Shareholders to (i) the Letter from the Board in Part IV of the Scheme Document; (ii) the Letter from the Independent Financial Adviser in Part VI of the Scheme Document, which sets out the factors and reasons taken into account in arriving at its recommendations to the Independent Board Committee; and (iii) the Explanatory Memorandum in Part VII of the Scheme Document.

Yours faithfully,

Independent Board Committee

Dr. Lau Chi Keung

Independent

Non-executive Director

Mr. Chan Tim Yiu Raymond

Independent

Non-executive Director

Mr. Sze Kwok Wing Nigel

Independent

Non-executive Director

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee in respect of the Proposal and the Scheme, for the purpose of inclusion in this Scheme Document.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

1 June 2026

To: The independent board committee of Wecon Holdings Limited

Dear Sirs,

**(1) PROPOSAL FOR THE PRIVATISATION OF
WECON HOLDINGS LIMITED
BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT OF
THE CAYMAN ISLANDS; AND
(2) PROPOSED WITHDRAWAL OF LISTING**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Proposal and the Scheme, details of which are set out in the Scheme Document dated 1 June 2026 issued by the Company to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Scheme Document unless the context requires otherwise.

On 26 February 2026, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the scheme of arrangement under Section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares on the Stock Exchange.

An Independent Board Committee, which comprises all the independent non-executive Directors, namely, Dr. Lau Chi Keung, Mr. Chan Tim Yiu Raymond and Mr. Sze Kwok Wing Nigel, has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Scheme Shareholders as to whether the Proposal and the Scheme are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in this respect, and our opinion

herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Proposal and the Scheme pursuant to Rule 2.1 of the Takeovers Code. The appointment of Gram Capital as the Independent Financial Adviser has been approved by the Independent Board Committee.

INDEPENDENCE

There was no relationship or interests between Gram Capital and the Company, the Offeror, the Offeror Concert Parties, and their respective controlling shareholders; and Gram Capital was not in the same group as the financial or other professional advisers (including a stockbroker) to the Company or the Offeror, during the past two years immediately preceding the Announcement Date (i.e. 16 March 2026) up to and including the Latest Practicable Date, of a kind reasonably likely to create, or to create the perception of, a conflict of interest or reasonably likely to affect the objectivity of Gram Capital's advice and to act as the Independent Financial Adviser to the Independent Board Committee.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee, we have relied on the statements, information, opinions and representations contained or referred to in the Scheme Document and the information and representations as provided to us by the Directors and the Offeror (where applicable). We have assumed that all information and representations that have been provided by the Directors and the Offeror, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the Offeror in the Scheme Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Scheme Document, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors and the Offeror, which have been provided to us. Our opinion is based on the Directors' and the Offeror's representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Proposal. We consider that we have taken sufficient and necessary steps (including review of the Company's annual report for the year ended 31 March 2025 (the "**2024/25 Annual Report**"), interim report for the six months ended 30 September 2025 (the "**2025/26 Interim Report**") and the Scheme Document) on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 2 of the Takeovers Code.

Your attention is drawn to the responsibility statements as set out in the section headed 1. RESPONSIBILITY STATEMENT of Appendix II to the Scheme Document. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Scheme Document, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Offeror or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Proposal and the Scheme.

We have assumed that the Proposal and the Scheme will be consummated in accordance with the terms and conditions set forth in the Scheme Document without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents as required for the Proposal and the Scheme, no delay, limitation, condition or restriction will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Proposal and the Scheme. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date. The Shareholders will be notified of any material changes as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Proposal and the Scheme, we have taken into consideration the following principal factors and reasons:

(1) Background and terms of the Proposal and the Scheme

On 26 February 2026, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the scheme of arrangement under Section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration therefor, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share and the withdrawal of listing of the Shares on the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled on the Effective Date in exchange for the payment to each Scheme Shareholder of the Cancellation Price in cash for each Scheme Share cancelled;
- (b) the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled. The credit arising in the books of accounts of the Company as a result of the capital reduction will be applied in paying up in full value the new Shares so allotted and issued, credited as fully paid, to the Offeror; and
- (c) the Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules and such withdrawal is expected to take place with effect from the Effective Date.

With reference to the section headed “Terms of the Proposal” in Part IV – Letter from the Board (the “**Board Letter**”) of the Scheme Document, subject to the satisfaction or waiver (where applicable) of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders will be entitled to receive from the Offeror:

For every Scheme Share cancelled HK\$0.280 in cash

Immediately after the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled. The credit arising in the books of accounts of the Company as a result of the capital reduction will be applied in paying up in full value the new Shares so allotted and issued, credited as fully paid, to the Offeror.

As at the Latest Practicable Date, there are no outstanding dividends which have been declared by the Company and not yet paid. If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is made, declared or paid in respect of the Shares, the Cancellation Price will be reduced by an amount equal to the amount of such dividend, distribution and/or return of capital. The Company has confirmed that it does not have any intention to make, declare or pay any future dividend or make other distributions until after the implementation or lapse of the Scheme.

Further details of the Proposal and the Scheme are set out in the section headed “Terms of the Proposal” in the Board Letter.

(2) Information on the Group

With reference to the section headed “8. Information on the Company and the Group” in Part VII – Explanatory Memorandum (the “**Explanatory Memorandum**”) of the Scheme Document, the Company was incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange. The Group is a long-established main contractor in Hong Kong and principally engaged in the provision of (i) building construction services; and (ii) repair, maintenance, alternation and addition (“**RMAA**”) works services. The Group provides building construction services to customers in both private and public sectors.

Financial information

Set out below is a summary of the audited consolidated financial performance of the Group for the two years ended 31 March 2025 as extracted from the 2024/25 Annual Report:

	For the year ended 31 March 2025 ("FY2024/25") HK\$'000	For the year ended 31 March 2024 ("FY2023/24") HK\$'000	Year on year change %
Revenue	1,058,674	1,160,370	(8.76)
– Building construction services	919,765	726,022	26.69
– RMAA works services	138,909	434,348	(68.02)
Gross profit	37,518	45,096	(16.80)
Profit attributable to owners of the Company	7,386	6,001	23.08

As depicted from the above table, (i) the Group's revenue generated from building construction services increased by approximately 26.69% from FY2023/24 to FY2024/25 (as advised by the Directors, such increase was mainly due to the increase in revenue generated from several major projects which achieved significant progress during FY2024/25); and (ii) the Group's revenue generated from RMAA works services decreased by approximately 68.02% from FY2023/24 to FY2024/25 (as advised by the Directors, such decrease was mainly due to decrease in revenue generated from several major projects as a result of their completion during FY2024/25). With the aforesaid changes, the Group's total revenue decreased by approximately 8.76% from approximately HK\$1,160.4 million for FY2023/24 to approximately HK\$1,058.7 million for FY2024/25.

The Group's gross profit also decreased by approximately 16.80% from approximately HK\$45.1 million for FY2023/24 to approximately HK\$37.5 million for FY2024/25. With reference to the 2024/25 Annual Report and as advised by the Directors, such decrease was mainly due to (i) decrease in the Group's revenue; and (ii) gross loss recorded for the Group's RMAA works services segment for FY2024/25 in contrast to gross profit for FY2023/24 (as a result of lower margin generated from works orders performed and site overhead costs incurred during the completion stage of several major projects during FY2024/25).

Despite the aforesaid decreases in the Group's revenue and gross profit, the profit attributable to owners of the Company increased by approximately 23.08% from approximately HK\$6.0 million for FY2023/24 to approximately HK\$7.4 million for FY2024/25. With reference to the 2024/25 Annual Report and as advised by the Directors, such increase was mainly due to the increase in the Group's other income, other gains and losses as a result of increase in fair value gain on financial assets at fair value through profit or loss, net.

Set out below is a summary of the unaudited consolidated financial performance of the Group for the six months ended 30 September 2025 (together with comparative figures for the corresponding period in 2024) as extracted from the 2025/26 Interim Report:

	For the six months ended 30 September 2025 ("1H2025/26") HK\$'000	For the six months ended 30 September 2024 ("1H2024/25") HK\$'000	Year on year change %
Revenue	648,028	580,296	11.67
– <i>Building construction services</i>	644,361	446,250	44.39
– <i>RMAA works services</i>	3,667	134,046	(97.26)
Gross profit	23,094	16,946	36.28
Profit attributable to owners of the Company	6,316	5,046	25.17

As depicted from the above table, (i) the Group's revenue generated from building construction services increased by approximately 44.39% from 1H2024/25 to 1H2025/26 (as advised by the Directors, such increase was mainly due to the increase in revenue generated from several major projects which achieved significant progress during 1H2025/26); and (ii) the Group's revenue generated from RMAA works services decreased by approximately 97.26% from 1H2024/25 to 1H2025/26 (as advised by the Directors, such decrease was mainly due to decrease in revenue generated from RMAA works services as a result of their completion during 1H2025/26). With the aforesaid changes, the Group's total revenue increased by approximately 11.67% from approximately HK\$580.3 million for 1H2024/25 to approximately HK\$648.0 million for 1H2025/26.

Alongside with the aforesaid increase in the Group's revenue, the Group's gross profit also increased by approximately 36.28% from approximately HK\$16.9 million for 1H2024/25 to approximately HK\$23.1 million for 1H2025/26.

With the increase in the Group's gross profit (as partially offset by decrease in the Group's other income, other gains and losses), the profit attributable to owners of the Company also increased by approximately 25.17% from approximately HK\$5.0 million for 1H2024/25 to approximately HK\$6.3 million for 1H2025/26.

Set out below is a summary of the Group's consolidated financial position as at 31 March 2025 and 31 March 2024 as extracted from the 2024/25 Annual Report, and as at 30 September 2025 as extracted from the 2025/26 Interim Report:

	As at 30 September 2025	As at 31 March 2025	As at 31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)	(audited)
Total assets	652,217	537,329	594,187
– <i>Property, plant and equipment</i>	15,658	3,966	7,055
– <i>Contract assets and trade receivables</i>	393,537	344,295	389,692
– <i>Prepayments, deposits and other receivables</i>	20,806	34,764	44,453
– <i>Cash and bank balances</i>	150,839	96,281	77,467
– <i>Others</i>	71,377	58,023	75,520
Total liabilities	379,222	261,132	315,858
– <i>Trade and retention payables</i>	212,692	148,533	176,184
– <i>Other payables and accruals</i>	155,222	107,216	129,037
– <i>Bank borrowings</i>	2,598	<i>Nil</i>	<i>Nil</i>
– <i>Others</i>	8,710	5,383	10,637
Net assets	272,995	276,197	278,329

The Group's total assets decreased from approximately HK\$594.2 million as at 31 March 2024 to approximately HK\$537.3 million as at 31 March 2025. As advised by the Directors, such decrease was mainly due to decrease in contract assets relating to RMAA works services. The Group's total liabilities also decreased from approximately HK\$315.9 million as at 31 March 2024 to approximately HK\$261.1 million as at 31 March 2025. As advised by the Directors, such decrease was mainly due to decrease in trade payables and accruals relating to RMAA works services.

The Group's total assets and total liabilities as at 30 September 2025 increased by approximately 21.38% and approximately 45.22% respectively as compared to those as at 31 March 2025. As advised by the Directors, (i) such increase in the Group's total assets was mainly due to progress achieved for building construction projects (i.e. completed certain stages of construction which increased contract assets and trade receivables or received payment for completed projects which increased cash and bank balances); and (ii) such increase in the Group's total liabilities was mainly due to progress achieved for building construction projects which caused trade payables and accruals to increase.

The Group's net assets were approximately HK\$278.3 million, approximately HK\$276.2 million and approximately HK\$273.0 million as at 31 March 2024, 31 March 2025 and 30 September 2025 respectively.

Industry overview

As the Group is principally engaged in the provision of building construction services in Hong Kong (the revenue generated from which accounted for approximately 99% and approximately 87% of the Group's total revenue for 1H2025/26 and FY2024/25 respectively), we researched for certain relevant indicators as summarised below:

Set out below are the total receipts of the construction sector and gross surplus of the construction sector in Hong Kong from 2020 to 2024, being the latest five full-year statistics published by the Census and Statistics Department of the government of Hong Kong:

	2024	2023	2022	2021	2020
Total receipts of the construction sector (HK\$' billion) (Note 1)	473.7	450.9	411.1	396.1	391.3
<i>Year-on-year growth rate (%)</i>	5.1	9.7	3.8	1.2	(1.4)
Gross surplus of the construction sector (HK\$' billion) (Note 2)	33.6	35.7	34.7	29.2	37.6
<i>Year-on-year growth rate (%)</i>	(5.9)	3.0	19.0	(22.5)	20.9

Notes:

1. According to the website of the Census and Statistics Department of the government of Hong Kong, total receipts of the construction sector = gross value of construction works performed + other business receipts
2. Gross surplus of the construction sector = total receipts of the construction sector – operating expenses and compensation of employees

As shown in the table above, the total receipts of the construction sector in Hong Kong increased continuously from approximately HK\$391.3 billion in 2020 to approximately HK\$473.7 billion in 2024, representing a compound annual growth rate (“CAGR”) of approximately 4.9%.

The gross surplus of the construction sector in Hong Kong decreased from approximately HK\$37.6 billion in 2020 to approximately HK\$29.2 billion in 2021, and recovered to approximately HK\$35.7 billion in 2023. Subsequently, the gross surplus of the construction sector in Hong Kong dropped to approximately HK\$33.6 billion in 2024.

Despite the total receipts of the construction sector in Hong Kong increased continuously from 2020 to 2024 with a CAGR of approximately 4.9%, the gross surplus of the construction sector in Hong Kong (a) fluctuated from 2020 to 2024; and (b) is lower in 2024 as compared to that for 2020.

The aforesaid conditions indicate uncertainty on the prospects of the construction sector in Hong Kong.

(3) Information on the Offeror

With reference to Explanatory Memorandum, the Offeror is a company incorporated in the British Virgin Islands with limited liability and has been the controlling shareholder of the Company since the Listing. The entire issued share capital of the Offeror is ultimately and beneficially owned by Mr. KY Tsang. As at the Latest Practicable Date, the Offeror holds 600,000,000 Shares, representing 75.0% of the issued share capital of the Company. Immediately upon the Scheme becoming effective, the Company and its subsidiaries will continue to be subsidiaries of the Offeror. As at the Latest Practicable Date, the directors of the Offeror are Mr. KY Tsang, Ms. Lai Yuk Lin Eliza and Mr. Tsang Tsz Ho Boris. Mr. KY Tsang is the chairman of the Board and an executive Director of the Company. Ms. Lai Yuk Lin Eliza is the spouse of Mr. KY Tsang and Mr. Tsang Tsz Ho Boris is the son of Mr. KY Tsang.

(4) Reasons for and benefits of the Proposal

Set out below are the reasons for and benefits of the Proposal, details of which are set out under the section headed “6. Reasons for and Benefits of the Proposal” of the Explanatory Memorandum:

An opportunity for the Scheme Shareholders to realise their investments in the Company at an attractive premium

The Proposal provides Scheme Shareholders with an opportunity to realise their investments in the Company for cash at an attractive premium to the trading prices of the Shares before the Undisturbed Day (i.e. the Cancellation Price of HK\$0.280 per Scheme Share represents premium of approximately 27.6%, approximately 27.9%, approximately 29.0%, approximately 35.9%, approximately 46.6% and approximately 53.8% respectively over the average closing price per Share as quoted on the Stock Exchange for the 5/10/30/60/180 trading days and one year up to and including the Undisturbed Day), notwithstanding that the Cancellation Price represents a discount of approximately 13.8% to the closing price of the Shares of HK\$0.325 per Share as quoted on the Stock Exchange on the Last Trading Day.

Please refer to the following section headed “(5) Cancellation Price” of this letter for our analysis on the Cancellation Price.

Immediate opportunity for the Scheme Shareholders to fully monetise their investments with limited liquidity

The trading liquidity of the Shares has been low. The average trading volume of the Shares for the approximate one-month period, three-month period and six-month period up to and including the Last Trading Day were approximately 566,476 Shares, 574,098 Shares and 324,129 Shares per trading day, representing only approximately 0.07%, 0.07% and 0.04%, respectively, of the 800,000,000 Shares in issue as at the Latest Practicable Date, and approximately 0.28%, 0.29%, and 0.16%, respectively of the 200,000,000 Shares held by the Scheme Shareholders as at the Latest Practicable Date. The low trading liquidity of the Shares could make it difficult for the Scheme Shareholders to

execute substantial on-market disposals without adversely affecting the price of the Shares. The Proposal represents an immediate opportunity for the Scheme Shareholders to monetise their investments for cash.

Cost savings through privatisation and limited benefits in maintaining the Company's listing status

The low liquidity in the trading of the Shares has also affected the Company's ability to raise funds from the equity market. The Company has not conducted any equity fund raising activities since the Listing, indicating that its current listing status has not served as an effective fund-raising platform to support the Company's business development and future growth. The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements.

We performed a trading liquidity analysis of the Shares for the period from 1 January 2025 up to and including the Latest Practicable Date (the "**Shares Review Period**") (being approximately one year prior to the Undisturbed Day and up to and including the Latest Practicable Date, which is a commonly adopted period for analysis). The number of trading days per month, average daily number of Shares traded per month, and the respective percentages of the Shares' average daily trading volume as compared to (i) the total number of Scheme Shares as at the Latest Practicable Date; and (ii) the total number of Shares in issue as at the Latest Practicable Date, during the Shares Review Period are tabulated below:

Month	Number of trading days	Average daily trading volume (the "Average Volume") <i>Number of Shares</i>	% of the Average Volume to total number of Scheme Shares as at the Latest Practicable Date <i>(Note 1)</i> <i>Approximate %</i>	% of the Average Volume to total number of Shares in issue as at the Latest Practicable Date <i>(Note 2)</i> <i>Approximate %</i>
2025				
January	19	25,263	0.0126	0.0032
February	20	60,600	0.0303	0.0076
March	21	50,095	0.0250	0.0063
April	19	80,842	0.0404	0.0101
May	20	68,800	0.0344	0.0086
June	21	93,714	0.0469	0.0117
July	22	240,727	0.1204	0.0301
August	21	319,810	0.1599	0.0400
September	22	96,909	0.0485	0.0121
October	20	43,600	0.0218	0.0055

Month	Number of trading days	Average daily trading volume (the “Average Volume”) (Number of Shares)	% of the Average Volume to total number of Scheme Shares as at the Latest Practicable Date (Note 1) Approximate %	% of the Average Volume to total number of Shares in issue as at the Latest Practicable Date (Note 2) Approximate %
November	20	93,800	0.0469	0.0117
December	21	170,476	0.0852	0.0213
2026				
January	21	1,231,619	0.6158	0.1540
February (Note 3)	16	325,000	0.1625	0.0406
March (Note 3)	11	2,538,182	1.2691	0.3173
April	19	1,645,895	0.8229	0.2057
May (up to the Latest Practicable Date)	19	719,158	0.3596	0.0899

Source: The Stock Exchange’s website

Notes:

1. Based on 200,000,000 Scheme Shares as at the Latest Practicable Date.
2. Based on 800,000,000 Shares in issue as at the Latest Practicable Date.
3. Trading in the Shares was halted on the Stock Exchange from 9:00 a.m. on 27 February 2026 (the “**Trading Halt**”) and resumed at 9:00 a.m. on 17 March 2026 (the “**Trading Resumption**”).

As illustrated from the table above, the Average Volume in most of the months during the Shares Review Period (i.e. other than March 2026) was (i) below 1% of the total number of Scheme Shares as at the Latest Practicable Date; and (ii) below 0.3% of the total number of Shares in issue as at the Latest Practicable Date, indicating that the trading liquidity of Shares was thin prior to the publication of the Announcement.

In March 2026, the Average Volume (which might be stimulated by the publication of the Announcement) represented (i) approximately 1.27% of the total number of Scheme Shares as at the Latest Practicable Date; and (ii) approximately 0.32% of the total number of Shares in issue as at the Latest Practicable Date. Such relatively higher liquidity might be stimulated by the publication of the Announcement, which may not sustain in long-term.

Having considered the future prospect of the Group's business operation as detailed under the subsection headed "Industry overview" above and that:

- (i) the Average Volume in most of the months during the Shares Review Period (i.e. other than March 2026) was (a) below 1% of the total number of Scheme Shares as at the Latest Practicable Date; and (b) below 0.3% of the total number of Shares in issue as at the Latest Practicable Date, representing that the trading liquidity of Shares was thin prior to the publication of the Announcement;
- (ii) the relatively higher liquidity after publication of the Announcement might be stimulated by the publication of the Announcement, which may not sustain in long-term;
- (iii) our analysis on the Cancellation Price as set out below,

we are of the view that the Proposal provides the Independent Scheme Shareholders with an opportunity to realise their investment in the Company for cash without having to suffer any possible illiquidity discount.

(5) Cancellation Price

Price comparison

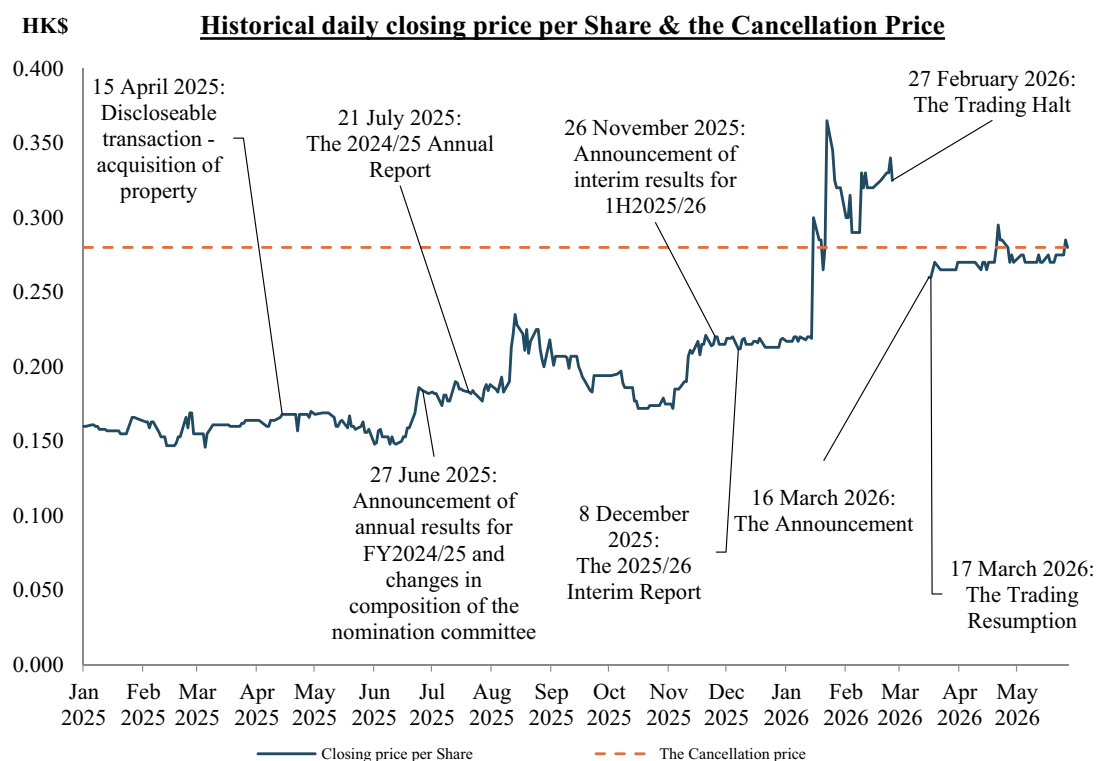
The Cancellation Price of HK\$0.280 per Scheme Share represents:

- (i) a premium of approximately 1.8% over the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 27.9% over the closing price of HK\$0.219 per Share as quoted on the Stock Exchange on the Undisturbed Day;
- (iii) a premium of approximately 27.6% over the average closing price of approximately HK\$0.2194 per Share as quoted on the Stock Exchange for the five trading days up to and including the Undisturbed Day;
- (iv) a premium of approximately 27.9% over the average closing price of approximately HK\$0.219 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Undisturbed Day;
- (v) a premium of approximately 29.0% over the average closing price of approximately HK\$0.217 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Day;
- (vi) a premium of approximately 35.9% over the average closing price of approximately HK\$0.206 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Undisturbed Day;

- (vii) a premium of approximately 46.6% over the average closing price of approximately HK\$0.191 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Undisturbed Day;
- (viii) a premium of approximately 53.8% over the average closing price of approximately HK\$0.182 per Share as quoted on the Stock Exchange for the period of one year up to and including the Undisturbed Day;
- (ix) a discount of approximately 13.8% to the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on the Last Trading Day (the “**LTD Discount**”);
- (x) a discount of approximately 15.2% to the average closing price of approximately HK\$0.33 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day;
- (xi) a discount of approximately 14.4% to the average closing price of approximately HK\$0.327 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day (the “**10 Days Discount**”);
- (xii) a discount of approximately 7.9% to the average closing price of approximately HK\$0.304 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day (the “**30 Days Discount**”);
- (xiii) a premium of approximately 7.7% over the average closing price of approximately HK\$0.260 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day (the “**60 Days Premium**”);
- (xiv) a premium of approximately 31.5% over the average closing price of approximately HK\$0.213 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day (the “**180 Days Premium**”);
- (xv) a premium of approximately 40.7% over the average closing price of approximately HK\$0.199 per Share as quoted on the Stock Exchange for the period of one year up to and including the Last Trading Day;
- (xvi) a discount of approximately 18.8% to the audited consolidated net asset value (“**NAV**”) per Share of approximately HK\$0.345 as at 31 March 2025, based on (i) the audited NAV attributable to owners of the Company of approximately HK\$276,197,000 as at 31 March 2025 and (ii) 800,000,000 Shares in issue as at the Latest Practicable Date; and
- (xvii) a discount of approximately 17.9% to the unaudited consolidated NAV per Share of approximately HK\$0.341 as at 30 September 2025, based on (i) the unaudited NAV attributable to owners of the Company of approximately HK\$272,995,000 as at 30 September 2025 and (ii) 800,000,000 Shares in issue as at the Latest Practicable Date (the “**2025 NAV Discount**”).

Historical price performance of the Shares

Set out below is a chart showing the movement of the historical daily closing price of the Shares during the Shares Review Period to illustrate the general trend and movement of the closing price of the Shares:



Source: The Stock Exchange's website

Note: Trading in the Shares was halted on the Stock Exchange from 9:00 a.m. on 27 February 2026 (i.e. the Trading Halt) and resumed at 9:00 a.m. on 17 March 2026 (i.e. the Trading Resumption).

During the Shares Review Period, the lowest and highest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.146 per Share recorded on 6 March 2025 and HK\$0.365 per Share recorded on 23 January 2026. The Cancellation Price represents (i) a discount of approximately 23.29% to the highest closing price of the Shares; and (ii) a premium of approximately 91.78% over the lowest closing price of the Shares, during the Shares Review Period. In addition, during the Shares Review Period, the Cancellation Price falls within the closing price range of the Shares and is above the daily closing prices of the Shares (i) for all the trading days prior to and including the Undisturbed Day; and (ii) for 299 trading days out of total 332 trading days.

From the beginning of the Share Review Period to 23 June 2025, the closing price of the Shares remained relatively stable and fluctuated between HK\$0.146 per Share and HK\$0.170 per Share. Subsequently, the closing price of the Shares formed an increasing trend and reached HK\$0.228 per

Share on 15 August 2025. Thereafter, the closing price dropped and fluctuated between HK\$0.172 per Share and HK\$0.225 per Share, and recorded at HK\$0.172 on 4 November 2025. Since then, the closing price of the Shares rebounded and reached HK\$0.219 per Share on the Undisturbed Day.

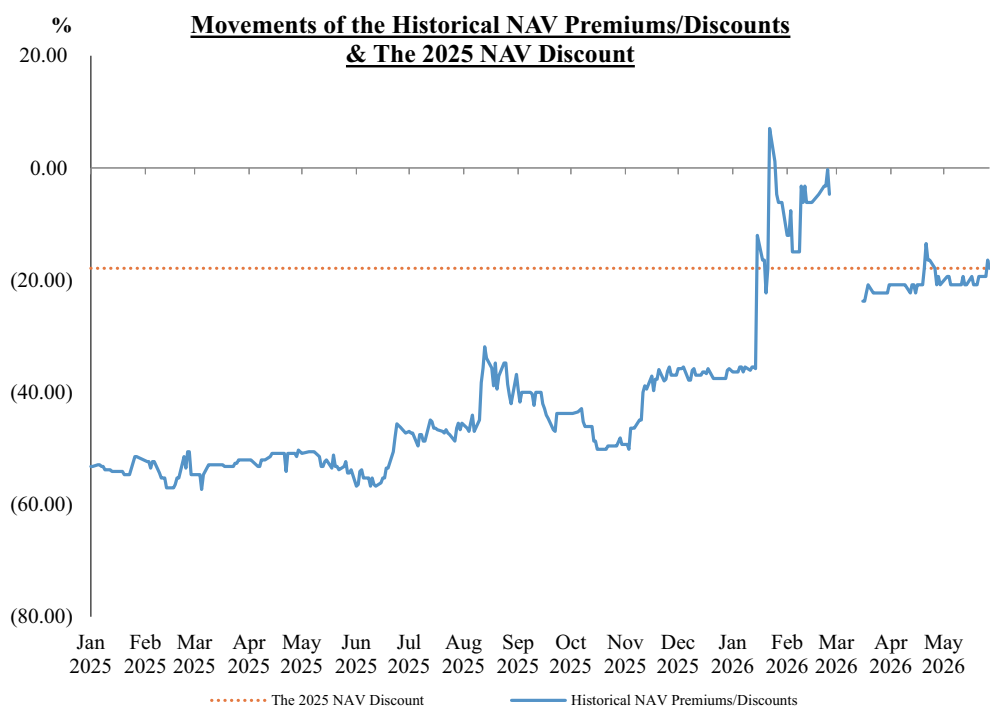
Subsequently, the closing price of the Shares increased sharply and reached the highest of HK\$0.365 per Share on 23 January 2026. Since then, the closing price of the Shares fluctuated between HK\$0.290 per Share and HK\$0.345 per Share, and recorded at HK\$0.325 on the Last Trading Day.

As discussed with the Company, the Company was not aware of any specific factor which caused the aforesaid fluctuation in the closing price of the Shares.

Upon the Trading Resumption on 17 March 2026, the closing price of the Shares fluctuated between HK\$0.260 per Share and HK\$0.295 per Share, and recorded HK\$0.275 as at the Latest Practicable Date.

Historical NAV Discounts

As abovementioned, the Cancellation Price represented a discount of approximately 17.9% (i.e. the 2025 NAV Discount) to the unaudited consolidated NAV per Share of approximately HK\$0.341 as at 30 September 2025, based on (i) the unaudited NAV attributable to owners of the Company of approximately HK\$272,995,000 as at 30 September 2025 and (ii) 800,000,000 Shares in issue as at the Latest Practicable Date. Accordingly, we also reviewed the premiums/discounts of the historical daily closing prices of the Shares over/to the then latest prevailing NAV attributable to the owners of the Company per Share (the “**Historical NAV Premiums/Discounts**”) during the Shares Review Period as set out in the charts below:



Source: The Stock Exchange's website

Notes:

As the Company's interim results announcement for the 1H2024/25 was published after trading hours on 28 November 2024, the Company's annual results announcement for FY2024/25 was published after trading hours on 27 June 2025 and the Company's interim results announcement for 1H2025/26 was published after trading hours on 26 November 2025:

1. The Historical NAV Premiums/Discounts from 1 January 2025 to 27 June 2025 were calculated based on the daily closing prices per Share and the NAV attributable to the owners of the Company per Share as at 30 September 2024 (which is the then latest NAV attributable to the owners of the Company that the market could refer to).
2. The Historical NAV Premiums from 28 June 2025 to 26 November 2025 were calculated based on the daily closing prices per Share and the NAV attributable to the owners of the Company per Share as at 31 March 2025 (which is the then latest NAV attributable to the owners of the Company that the market could refer to).
3. The Historical NAV Premiums from 27 November 2025 to the Latest Practicable Date were calculated based on the daily closing prices per Share and the NAV attributable to the owners of the Company per Share as at 30 September 2025 (which is the then latest NAV attributable to the owners of the Company that the market could refer to).

As illustrated above, the Historical NAV Premiums/Discounts ranged from a discount of approximately 57.31% to a premium of approximately 7.04% during the Shares Review Period (the "**Historical NAV Premiums/Discounts Range**"). The 2025 NAV Discount of approximately 17.9% is (i) within the Historical NAV Premiums/Discounts Range; (ii) above the Historical NAV Premiums/Discounts for 299 trading days out of total 332 trading days during the Shares Review Period; and (iii) above all the Historical NAV Premiums/Discounts prior to and including the Undisturbed Day during the Shares Review Period.

Comparison with comparable companies

To assess the fairness and reasonableness of the Cancellation Price, we conducted trading multiple analysis with price-to-earnings ratio ("**PER**") and price-to-book ratio ("**PBR**") (being commonly adopted trading multiples). In this regard, we searched for comparable companies listed on the Main Board of the Stock Exchange which (i) are principally engaged in similar line of business as the Group, being primarily engaged in the provision of building construction services in Hong Kong; (ii) derived more than 50% of their revenue from such business in aggregate for the last full year; (iii) recorded profit attributable to owners of the company for the last full year; and (iv) have market capitalisation of not more than HK\$1 billion as at the Announcement Date, based on their respective then latest published financial information, for comparison.

As the Company is listed on the Main Board of the Stock Exchange and the Group (i) is principally engaged in the provision of building construction services in Hong Kong (the revenue generated from which accounted for approximately 99% and approximately 87% of the Group's total revenue for 1H2025/26 and FY2024/25 respectively); and (ii) the Group's implied market capitalisation (calculated based on the Cancellation Price and the number of Shares in issue as at the Latest

Practicable Date) was approximately HK\$224.00 million, we consider that the aforesaid criteria in identifying comparable companies is fair and reasonable. We found 3 comparable companies listed below which met the aforesaid criteria and they are exhaustive (the “Comparable Companies”).

Set out below are the PERs and PBRs of the Comparable Companies based on their closing prices as at the Announcement Date, and their respective then latest published financial information:

Company name (Stock code)	Principal business	Market capitalization as at the Latest Practicable Date (HK\$' million)	PER (Note 1)	PBR (Note 1)
SFK Construction Holdings Limited (1447)	The group is principally engaged in construction and maintenance projects	224.00	8.64	0.66
CR Construction Group Holdings Limited (1582)	The group is principally engaged in building construction works, RMAA works services and environmental operations	202.50	3.26	0.25
Ching Lee Holdings Limited (3728)	The group is principally engaged in providing (i) substructure building works services; (ii) superstructure building works services; and (iii) RMAA works services	63.82	6.77	0.46
	Maximum	224.00	8.64	0.66
	Minimum	63.82	3.26	0.25
	Average	163.44	6.22	0.46
	Median	202.50	6.77	0.46
The Proposal		224.00 (Note 2)	30.33 (Note 3)	0.82 (Note 4)

Source: the Stock Exchange's website

Notes:

- The PERs and the PBRs of the Comparable Companies were calculated based on their respective latest published financial information and their respective closing prices as quoted on the Stock Exchange and total issued shares as at the Announcement Date.

2. The implied market capitalisation of the Company was calculated based on the Cancellation Price and the number of Shares in issue as at the Latest Practicable Date.
3. The implied PER of the Company was calculated based on the Cancellation Price, the profit attributable to owners of the Company for FY2024/25 and the number of Shares in issue as at the Latest Practicable Date.
4. The implied PBR of the Company was calculated based on the Cancellation Price, the NAV attributable to owners of the Company as at 30 September 2025 and the number of Shares in issue as at the Latest Practicable Date.

As depicted in the above table, (i) the implied PER of the Proposal of approximately 30.33 times is above the PER range of the Comparable Companies (ranging from approximately 3.26 times to approximately 8.64 times with average of approximately 6.22 times and median of approximately 6.77 times); and (ii) the implied PBR of the Proposal of approximately 0.82 times is above the PBR range of the Comparable Companies (ranging from approximately 0.25 times to approximately 0.66 times with average of approximately 0.46 times and median of approximately 0.46 times).

Comparison with other privatisation transactions

As the Proposal is a privatisation by way of scheme of arrangement, to further assess the fairness and reasonableness of the Cancellation Price by making reference to the market practices of privatisation transactions by way of scheme of arrangement, we also searched for privatisation transactions by way of scheme of arrangement with cash consideration only as first announced by companies listed on the Stock Exchange from 17 March 2025 (being approximately one year prior to the Announcement Date) to the Latest Practicable Date that has been completed (i.e. obtained the sanction of the scheme by the relevant court) as at the Latest Practicable Date.

We did not include privatisation transactions by way of share buy-back, voluntary general offer and merger by absorption for comparison as their comparability may be affected by the facts that (a) the subject company buy back its shares under privatisation transactions by way of share buy-back instead of an offeror making an offer or initiating a scheme of arrangement; and (b) offeror may have different considerations on pricing under privatisation transactions by way of share buy-back, voluntary general offer and merger by absorption, given that:

- (i) privatisation transactions by way of scheme of arrangement (“**Scheme Privatisation(s)**”) require at least 75% of the votes attaching to disinterested shares to vote for and not more than 10% of the votes attaching to all disinterested shares to vote against, by way of poll by disinterested shareholders either in person or by proxy at court meeting. Offeror has to consider attractiveness of the cancellation price to procure such “voting for” level and avoid such “voting against” level;
- (ii) in respect of privatisation transactions by way of share buy-back (“**Share Buy-back Privatisation(s)**”), in addition to the requirements for approving the resolution regarding the share buy-back offer (i.e. at least 75% of the votes attaching to disinterested shares to vote for and not more than 10% of the votes attaching to all disinterested shares to vote against, by way of poll by disinterested shareholders either in person or by proxy at court meeting), a Share Buy-back Privatisation also requires acceptance level of 90% disinterested shares. Hence, the

subject company in a Share Buy-back Privatisation needs to consider to attract the disinterested shareholders who “would not vote (either vote for or vote against) at court meeting” to voluntarily accept the offer under the Share Buy-back Privatisation. Therefore, the offeror’s pricing consideration under a Share Buy-back Privatisation may be different from that under a Scheme Privatisation;

- (iii) privatisation transactions by way of voluntary general offer (“**VGO Privatisation(s)**”) require acceptance level of 90% disinterested shares. Unlike the offeror in a Scheme Privatisation, which require at least 75% of the votes attaching to disinterested shares to vote for and not more than 10% of the votes attaching to all disinterested shares to vote against, by way of poll either in person or by proxy at court meeting, the offeror in a VGO Privatization needs to consider to attract the disinterested shareholders who “would not vote (either vote for or vote against) at court meeting” under a Scheme Privatisation to voluntarily accept the offer under the VGO Privatisation. The required percentage for acceptance (i.e. 90%) under a VGO Privatisation is also higher than the required percentage for “voting for” (i.e. 75%) under a Scheme Privatisation. Therefore, the offeror’s pricing consideration under a VGO Privatisation may be different from that under a Scheme Privatisation; and
- (iv) under privatisation transactions by way of merger and absorption, (a) target company usually has more than one class of shares; (b) the transaction may be subject to pre-condition (e.g. governmental approval) which takes a long period to fulfil; and (c) usually, any dissenting shareholder may by written notice request the target companies and/or other shareholders who have approved the transaction to acquire its shares at a “fair price” (no guidance is in place on how the “fair price” will be determined) (the “**Dissenting Shareholder Rights**”). When considering the cancellation price, offeror has to consider attractiveness from perspective of different classes of shareholders, the uncertainty of the pre-condition and the time value of a longer transaction period. The Dissenting Shareholder Rights may also affect offeror’s consideration on pricing.

We found 8 cases which met the aforesaid criteria (the “**Privatisation Cases**”) for comparison and they are exhaustive. Shareholders should note that the business and operation of the Group are not the same as those of the subject companies of the Privatisation Cases. Nevertheless, as the objective of this analysis is to compare the Proposal with the market practices of privatisation transactions by way of scheme of arrangement conducted by other Hong Kong listed companies as demonstrated by the Privatisation Cases, the aforesaid differences between the Group and the subject companies of the Privatisation Cases are inconsequential to our analysis.

Details of the Privatisation Cases are set out below:

Company name (Stock code)	Initial announcement date of the privatisation proposal (Note 1)	Premium/(discount)	Premium/(discount)	Premium of the	Premium of the	Premium/(discount) of cancellation price over/to average closing price per share for 180 trading days up to and including the last full trading day prior to the publication of initial announcement in relation to the respective proposal %	
		of the cancellation price over average closing price per share for 10 trading days up to and including the last full trading day prior to the publication of initial announcement in relation to the respective proposal %	of the cancellation price over average closing price per share for 30 trading days up to and including the last full trading day prior to the publication of initial announcement in relation to the respective proposal %	cancellation price over/to average closing price per share for 60 trading days up to and including the last full trading day prior to the publication of initial announcement in relation to the respective proposal %	cancellation price over/to average closing price per share for 180 trading days up to and including the last full trading day prior to the publication of initial announcement in relation to the respective proposal %		
OneConnect Financial Technology Co., Ltd. (6638)	15 May 2025	72.3 (Note 2)	80.0 (Note 2)	131.7 (Note 2)	160.7 (Note 2)	223.2 (Note 2)	(12.4)
Perfect Group International Holdings Limited (3326)	9 June 2025	61.3	62.2	58.3	48.7	37.8	(45.3)
Beijing Properties (Holdings) Limited (925)	17 June 2025	250.0	247.4	222.1	200.1	175.1	10.0
Kangji Medical Holdings Limited (9997)	12 August 2025	21.7 (Note 2)	23.3 (Note 2)	20.0 (Note 2)	23.5 (Note 2)	36.1 (Note 2)	286.7 (Note 3)
Hang Seng Bank Limited (11)	9 October 2025	30.3	31.0	33.1	32.8	40.4	70.4
Minmetals Land Limited (230)	23 October 2025	185.7 (Note 2)	184.9 (Note 2)	172.6 (Note 2)	154.7 (Note 2)	150.5 (Note 2)	179.0
Genes Tech Group Holdings Company Limited (8257)	14 November 2025	175.3 (Note 2)	178.4 (Note 2)	178.4 (Note 2)	206.3 (Note 2)	245.1 (Note 2)	3.7
Legend Upstar Holdings Limited (459)	9 December 2025	77.3	80.2	75.2	71.3	69.9	(77.7)
Maximum (excluding outlier(s), if any):		250.0	247.4	222.1	206.3	245.1	179.0
Minimum (excluding outlier(s), if any):		21.7	23.3	20.0	23.5	36.1	(77.7)
Average (excluding outlier(s), if any):		109.2	110.9	111.4	112.3	122.3	18.2
Median (excluding outlier(s), if any):		74.8	80.1	103.4	113.0	110.2	3.7
The Proposal		(13.8)	(14.4)	(7.9)	7.7	31.5	(17.9)
		(i.e. the LTD Discount)	(i.e. the 10 Days Discount)	(i.e. the 30 Days Discount)	(i.e. the 60 Days Premium)	(i.e. the 180 Days Premium)	(i.e. the 2025 NAV Discount)

Notes:

1. The date of Takeovers Code Rule 3.5 announcement.

2. The premium as represented by the cancellation price of the relevant Privatisation Cases (namely, OneConnect Financial Technology Co., Ltd.(stock code: 6638), Kangji Medical Holdings Limited (stock code: 9997), Minmetals Land Limited (stock code: 230) and Genes Tech Group Holdings Company Limited (stock code: 8257)) were calculated based on their respective last full trading day prior to the irregular trading volumes and price movement in the relevant shares as disclosed in the respective initial announcement.
3. We adopted the mean and standard deviation outlier detection method (with two standard deviations) to identify outlier. The premium as represented by the cancellation price of Kangji Medical Holdings Limited (Stock code: 9997) over its then latest NAV attributable to owners of the company per share was exceptionally high as it was more than two standard deviations away from the mean and was considered as outlier. Save for the above, no data was more than two standard deviations away from the mean and considered as outlier.

As depicted in the above table:

- (a) In contrast to the LTD Discount, the cancellation prices of all the Privatisation Cases represented premium over their respective closing prices per share on last full trading day prior to the publication of initial announcement in relation to their respective proposal;
- (b) In contrast to the 10 Days Discount, the cancellation prices of all the Privatisation Cases represented premium over their respective average closing prices per share for 10 trading days up to and including last full trading day prior to the publication of initial announcement in relation to their respective proposal;
- (c) In contrast to the 30 Days Discount, the cancellation prices of all the Privatisation Cases represented premium over their respective average closing prices per share for 30 trading days up to and including last full trading day prior to the publication of initial announcement in relation to their respective proposal; and
- (d) the 60 Days Premium and the 180 Days Premium are lower than the respective minimum premium of the Privatisation Cases.

Nevertheless, having taken into account the following factors from Independent Scheme Shareholders' perspective:

- (i) during the Shares Review Period, the Cancellation Price falls within the closing price range of the Shares and is above the daily closing prices of the Shares (a) for all the trading days prior to and including the Undisturbed Day; and (b) for 299 trading days out of total 332 trading days;
- (ii) the 2025 NAV Discount of approximately 17.9% is (a) within the Historical NAV Premiums/Discounts Range; (b) above the Historical NAV Premiums/Discounts for 299 trading days out of total 332 trading days during the Shares Review Period; and (c) above all the Historical NAV Premiums/Discounts prior to and including the Undisturbed Day during the Shares Review Period; and
- (iii) the implied PER of the Proposal of approximately 30.33 times is above the PER range of the Comparable Companies (ranging from approximately 3.26 times to approximately 8.64 times with average of approximately 6.22 times and median of approximately 6.77 times), and the

implied PBR of the Proposal of approximately 0.82 times is above the PBR range of the Comparable Companies (ranging from approximately 0.25 times to approximately 0.66 times with average of approximately 0.46 times and median of approximately 0.46 times),

we consider the Cancellation Price to be fair and reasonable.

RECOMMENDATION

Having taken into consideration the principal factors and reasons as discussed above, in particular:

- (i) Despite the total receipts of the construction sector in Hong Kong increased continuously from 2020 to 2024 with a CAGR of approximately 4.9%, the gross surplus of the construction sector in Hong Kong (a) fluctuated from 2020 to 2024; and (b) is lower in 2024 as compared to that for 2020. The aforesaid conditions indicate uncertainty on the prospects of the construction sector in Hong Kong;
- (ii) the Independent Scheme Shareholders could seize the opportunity provided by the Proposal to realise their investment in the Company for cash without having to suffer any possible illiquidity discount, after taking into account that:
 - (a) the Average Volume in most of the months during the Shares Review Period (i.e. other than March 2026) was (a) below 1% of the total number of Scheme Shares as at the Latest Practicable Date; and (b) below 0.3% of the total number of Shares in issue as at the Latest Practicable Date, representing that the trading liquidity of Shares was thin prior to the publication of the Announcement;
 - (b) the relatively higher liquidity after publication of the Announcement might be stimulated by the publication of the Announcement, which may not sustain in long-term; and
 - (c) the low trading liquidity of the Shares could make it difficult for the Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares; and
- (iii) despite that the Cancellation Price represented (a) the LTD Discount of approximately 13.8%; (b) the 10 Days Discount of approximately 14.4%; (c) the 30 Days Discount of approximately 7.9%; and (d) the 2025 NAV Discount of approximately 17.9%, the Cancellation Price is nevertheless fair and reasonable based on our analysis on the Cancellation Price as set out above,

we are of the opinion that the Proposal and the Scheme are fair and reasonable so far as the Independent Scheme Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Scheme Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

As different Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Shareholders who may require advice in relation to any aspect of the Scheme Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

This Explanatory Memorandum constitutes the statement required under Order 102, rule 20(4)(e) of the Rules of the Grand Court of the Cayman Islands 2023 (as revised).

**SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES ACT)**

1. INTRODUCTION

On 26 February 2026 (after trading hours), the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act. The Scheme will involve the cancellation of the Scheme Shares and, in consideration, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share cancelled and the withdrawal of listing of the Shares on the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled on the Effective Date in exchange for the payment to each Scheme Shareholder of the Cancellation Price in cash for each Scheme Share cancelled;
- (b) the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled. The credit arising in the books of accounts of the Company as a result of the capital reduction will be applied in paying up in full value the new Shares so allotted and issued, credited as fully paid, to the Offeror; and
- (c) the Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, and such withdrawal is expected to take place with effect from the Effective Date.

The purpose of this Explanatory Memorandum is to set out the terms and effects of the Proposal (in particular the Scheme) and to provide the Scheme Shareholders with further information in relation to the Proposal.

Particular attention is drawn to (i) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; (iii) this Explanatory Memorandum; and (iv) the terms of the Scheme set out in Appendix III of this Scheme Document.

2. TERMS OF THE PROPOSAL

The Scheme

Subject to the satisfaction or waiver (where applicable) of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders will be entitled to receive from the Offeror:

For every Scheme Share cancelled HK\$0.280 in cash

Comparison of Value

The last trading price immediately prior to the Last Trading Day does not accurately reflect the longer-term trading performance of the Company's shares, due to an unexplained surge in both share price and trading volume during the month preceding the suspension. For reference, the 10-, 30-, 60 and 180-day average trading prices immediately before the Undisturbed Day ranged narrowly between HK\$0.191 and HK\$0.219 per Share, whereas the average trading price from the day after the Undisturbed Day up to the Last Trading Day was significantly higher at HK\$0.314 per Share. The Shares were listed on the Stock Exchange on 27 February 2019 at HK\$0.625 per Share. However, within three months, the Share price fell below HK\$0.28 (i.e. the Cancellation Price), and has traded below HK\$0.28 at all times since then before the Undisturbed Day. For reference, (i) the 1-, 2-, 3 and 5-year volume weighted average closing prices of the Shares up to the Undisturbed Day were HK\$0.186, HK\$0.169, HK\$0.165 and HK\$0.164, respectively; and (ii) the closing prices of the Shares as quoted on the Stock Exchange during the period from the day immediately following the Undisturbed Day up to and including the Last Trading Day ranged from HK\$0.265 to HK\$0.365 per Share. Accordingly, referencing the trading price prior to the Undisturbed Day provides a more representative benchmark of the Company's longer-term trading price for assessing the fairness and reasonableness of the Cancellation Price.

The Cancellation Price of HK\$0.280 per Scheme Share represents:

In relation to the Undisturbed Day

- (a) a premium of approximately 27.9% over the closing price of HK\$0.219 per Share as quoted on the Stock Exchange on the Undisturbed Day;
- (b) a premium of approximately 27.6% over the average closing price of approximately HK\$0.2194 per Share as quoted on the Stock Exchange for the five trading days up to and including the Undisturbed Day;
- (c) a premium of approximately 27.9% over the average closing price of approximately HK\$0.219 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Undisturbed Day;

- (d) a premium of approximately 29.0% over the average closing price of approximately HK\$0.217 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Day;
- (e) a premium of approximately 35.9% over the average closing price of approximately HK\$0.206 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Undisturbed Day;
- (f) a premium of approximately 46.6% over the average closing price of approximately HK\$0.191 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Undisturbed Day; and
- (g) a premium of approximately 53.8% over the average closing price of approximately HK\$0.182 per Share as quoted on the Stock Exchange for the period of one year up to and including the Undisturbed Day.

In relation to the Last Trading Day

- (a) a discount of approximately 13.8% to the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 15.2% to the average closing price of approximately HK\$0.33 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day;
- (c) a discount of approximately 14.4% over the average closing price of HK\$0.327 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (d) a discount of approximately 7.9% over the average closing price of HK\$0.304 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (e) a premium of approximately 7.7% over the average closing price of HK\$0.260 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- (f) a premium of approximately 31.5% over the average closing price of approximately HK\$0.213 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- (g) a premium of approximately 40.7% over the average closing price of approximately HK\$0.199 per Share as quoted on the Stock Exchange for the period of one year up to and including the Last Trading Day.

In relation to the audited and unaudited consolidated net asset value per Share attributable to owners of the Company

- (a) a discount of approximately 18.8% to the audited consolidated net asset value per Share of approximately HK\$0.345 as at 31 March 2025, based on (i) the audited net asset value attributable to owners of the Company of approximately HK\$276,197,000 as at 31 March 2025 and (ii) 800,000,000 Shares in issue as at the Latest Practicable Date; and
- (b) a discount of approximately 17.9% to the unaudited consolidated net asset value per Share of approximately HK\$0.341 as at 30 September 2025, based on (i) the unaudited net asset value attributable to owners of the Company of approximately HK\$272,995,000 as at 30 September 2025 and (ii) 800,000,000 Shares in issue as at the Latest Practicable Date.

As mentioned above, although the Cancellation Price represents (i) a discount of approximately 18.8% to the audited consolidated net asset value per Share (“NAV per Share”) of approximately HK\$0.345 as at 31 March 2025 or (ii) a discount of approximately 17.9% to the unaudited consolidated NAV per Share of approximately HK\$0.341 as at 30 September 2025, the Cancellation Price represents a significant uplift from the historical discount of NAV per Share based on the closing prices of the Shares for the past year prior to the Undisturbed Day, which ranges from the discount of 31.9% to 57.4%. Given there has been a discount in terms of the market price of the Shares to the NAV per Shares for the past year before the Undisturbed Day, the discount of the Cancellation Price to the audited NAV per Share of approximately 18.8% as at 31 March 2025 and unaudited NAV per Share of approximately 17.9% as at 30 September 2025 is lower than the range of the historical discount of trading prices to the NAV per Share, which ranges from the discount of 31.9% to 57.4% for the year preceding the Undisturbed Day.

In relation to the Latest Practicable Date

- (a) a premium of approximately 1.8% over the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

The Cancellation Price has been determined by the offeror after taking into account among other things, the outlook of the Company and the historical trading prices of the Shares on the Stock Exchange in the past year. The Offeror believes that the construction market is currently navigating a period of challenge due to intense market competition, increased in cost and the recent sluggish property market in Hong Kong, which in turn drives down the demand for construction of new buildings. In particular, the increasing competition from other main contractors and the increase in labour, sub-contracting and material costs drove down the financial performance of the Group in recent years, which added uncertainty to the future growth of the Group construction business. For the factor in relation to the historical trading prices taken into account by the Offeror when determining the Cancellation Price, please refer to the paragraphs headed “Reasons for and Benefit of the Proposal” in this Explanatory Memorandum to this Scheme Document.

Highest and Lowest Prices

During the six-month period ended on and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.365 on 23 January 2026 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.172 on each of the four trading days ended 22 October 2025.

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.365 on 23 January 2026 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.172 on 17 October 2025 to 22 October 2025 and 4 November 2025.

Dividend payment by the Company

As at the Latest Practicable Date, there are no outstanding dividends which have been declared by the Company and not yet paid. If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is made, declared or paid in respect of the Shares, the Cancellation Price will be reduced by an amount equal to the amount of such dividend, distribution and/or return of capital. The Company has confirmed that it does not have any intention to make, declare or pay any future dividend or make other distributions until after the implementation or lapse of the Scheme.

The Award Plan

As at the Latest Practicable Date, the Trustee holds on trust an aggregate of 6,796,000 Shares under the Award Plan, representing approximately 0.85% of the issued Shares as at the Latest Practicable Date. No Shares have been granted, vested, cancelled or lapsed under the Award Plan since its adoption date of 31 July 2020 and up to the Announcement Date.

All the Shares held by the Trustee on the Scheme Record Date will form part of the Scheme Shares and be cancelled upon the Scheme becoming effective. The Offeror will pay to the Trustee the Cancellation Price for the cancellation of each Share it held on trust under the Award Plan. Conditionally upon the Scheme being effective, the Award Plan will be terminated. The cash received by the Trustee for the cancellation of the Scheme Shares, after netting all expenses, will be remitted to the Company according to the rules of the Award Plan.

For the avoidance of doubt, the Trustee is not acting in concert with the Offeror, and the Trustee is a Scheme Shareholder. However, under Rule 17.05A of the Listing Rules, a trustee holding unvested shares of a share scheme shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given and under the rules of the Award Plan, the Trustee shall not exercise the voting rights in respect of any Shares held by it. Accordingly, the Trustee shall not exercise the voting rights attached to the Shares held by it. The Shares held by the Trustee on the Meeting Record Date will not be voted at the Court Meeting or at the EGM notwithstanding that such Shares form part of the Scheme Shares.

No increase in the Cancellation Price

The Cancellation Price is final and will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

Trading activities contributing to price and liquidity movements in the Shares following the publication of this Scheme Document may be affected by the existence of the Scheme, which may or may not be indicative of the financial prospects of the Group or the performance of the Shares, and could be transient in nature. Shareholders are reminded to exercise caution in drawing any inference from any such activities when contemplating the approval and acceptance of the Scheme.

Financial Resources

The Offeror has appointed Ballas Capital as its financial adviser in connection with the Proposal.

Assuming that there are no changes in the issued share capital of the Company from the Announcement Date up to and including the Scheme Record Date, the Proposal will involve the cancellation of 200,000,000 Scheme Shares in exchange for the Cancellation Price of **HK\$0.280** per Scheme Share, and the Scheme Shares are in aggregate valued at HK\$56,000,000, which represents the amount of cash required for the Scheme.

The Offeror's payment obligations to the Scheme Shareholders in respect of the Cancellation Price in cash pursuant to and in accordance with the Scheme shall be fulfilled by the Offeror. The Offeror intends to finance the cash required for the cancellation and extinguishment of the Scheme Shares with its internal cash resources.

Ballas Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration payable under the Proposal.

3. CONDITIONS OF THE PROPOSAL

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the following Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting in accordance with the applicable requirements of section 86 of the Companies Act as at the date of the Court Meeting;

- (b) the approval of the Scheme (by way of poll) at the Court Meeting by the Independent Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Independent Scheme Shareholders that are cast either in person or by proxy at the Court Meeting and the number of votes cast by the Independent Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Independent Scheme Shareholders;
- (c) the passing of (i) a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the issued share capital of the Company as a result of cancelling and extinguishing the Scheme Shares and (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme and the application of the credit arising in the Company's books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror;
- (d) the sanction of the Scheme (with or without modification) by the Grand Court and if necessary its confirmation of any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of (and if necessary, minutes approved by) the Grand Court for registration;
- (e) all Approvals which are (i) required in connection with the Proposal by (1) the Applicable Laws or (2) any licenses, permits or contractual obligations of the Company; and (ii) material in the context of the Group (taken as a whole), having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification up to and as at the Effective Date;
- (f) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal);
- (g) all the Applicable Laws having been complied with and no legal or regulatory requirement having been imposed by any Authority which is not expressly provided for, or is in addition to the requirements expressly provided for, in the Applicable Laws in connection with the Proposal which are material in the context of the Group (taken as a whole), in each case up to and as at the Effective Date;

- (h) the Company remaining solvent and not being subject to any insolvency, bankruptcy or other similar proceedings and no liquidator, receiver or other person carrying out any similar function having been appointed in any jurisdiction in respect of the whole or any substantial part of the assets and undertakings of the Group; and
- (i) since the Announcement Date, there having been no material adverse change to the business, assets, financial or trading position of the Group taken as a whole, to an extent that is material in the context of the Proposal or the Scheme.

The Conditions set out in paragraphs (a) to (d), (e)(i)(1), (f) and (g) above cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e), (h) and (i) (other than (e)(i)(1)) in whole or in part. The Company considers that the arrangement of allowing the said conditions capable of being waived by the Offeror is fair and reasonable, as it would afford greater flexibility to the Proposal by allowing the Offeror to proceed with the Proposal despite not all conditions set out above having been satisfied. The Company does not have the right to waive any of the Conditions. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct), failing which the Scheme will not become effective and the Proposal will lapse.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal or the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal or the Scheme.

In respect of Condition (e)(i)(2), as at the Latest Practicable Date, neither the Company nor the Offeror is aware of any material approvals required other than the consent or waiver from banks under certain loan facility agreements entered into by the Company with certain licensed banks in Hong Kong that there is a covenant that the Company shall remain listed on the Stock Exchange. As the utilisation rates of these loan facilities are low, the Company intends to discuss with these banks for the variation of the terms of these facility agreements, and if required, repay outstanding amounts prior to sanction of the Scheme.

As at the Latest Practicable Date and based on the information available to the Offeror and the Company, other than the Approvals listed in the Conditions in paragraphs (a) to (d) (inclusive), the variation of the terms in Condition (e)(i)(2) mentioned above and the approval by the Stock Exchange for the withdrawal of listing of the Shares on the Stock Exchange, the Offeror and the Company are not aware of any other Approvals which are required as set out in the Condition in paragraph (e) above, and the Offeror and the Company are also not aware of any other circumstances which may result in any of the Conditions in paragraphs (e) to (i) (inclusive) not being satisfied. In particular, as at the Latest Practicable Date, the Company is not aware of any Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry as set out in the Condition in paragraph (f).

As at the Latest Practicable Date, save for the Conditions set out in paragraphs (f), (g), (h) and (i) which have been fulfilled (but subject to their ongoing fulfilment), none of the other Conditions have been fulfilled or waived (where applicable).

If the Scheme is approved by the Independent Scheme Shareholders and sanctioned by the Grand Court, all requirements of the Companies Act are complied with, and all other Conditions are fulfilled or waived (as the case may be), the Scheme will be binding on the Company and all the Scheme Shareholders, irrespective of whether or not they have attended or voted at the Court Meeting and/or the EGM.

WARNINGS: Shareholders and potential investors should be aware that the Proposal is subject to the Conditions being satisfied or waived (where applicable). Accordingly, the Proposal may or may not be implemented and the Scheme may or may not be effective. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

4. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the issued share capital of the Company comprises 800,000,000 Shares. Save as disclosed above, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue and the Offeror has not entered into or borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

All Scheme Shares will be cancelled and extinguished in consideration for the Cancellation Price in cash upon the Scheme becoming effective.

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Proposal, assuming that there is no other change in shareholding of the Company before the Effective Date:

Shareholders	As at the Latest Practicable Date		Immediately upon the completion of the Proposal	
	Number of Shares held	Approximate percentage of total issued Shares (%)	Number of Shares held	Approximate percentage of total issued Shares (%)
The Offeror and the Offeror Concert Parties				
The Offeror	600,000,000	75.00%	800,000,000	100%
The Scheme Shareholders				
– The Trustee	6,796,000	0.85%		
– The Other Scheme Shareholders	<u>193,204,000</u>	<u>24.15%</u>	<u>–</u>	<u>–</u>
Total number of shares	<u><u>800,000,000</u></u>	<u><u>100%</u></u>	<u><u>800,000,000</u></u>	<u><u>100%</u></u>

5. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code, the Board has established the Independent Board Committee, comprising Dr. Lau Chi Keung, Mr. Chan Tim Yiu Raymond, Mr. Sze Kwok Wing Nigel, all being an independent non-executive Director, to make a recommendation, after taking into account the advice and recommendation from the Independent Financial Adviser, to the Independent Scheme Shareholders as to (a) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (b) whether to vote in favour of the Scheme at the Court Meeting and of the resolutions in connection with the implementation of the Proposal at the EGM.

The Board, with the approval of the Independent Board Committee, has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme pursuant to Rule 2.1 of the Takeovers Code.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the Proposal and the Scheme are fair and reasonable so far as the Independent Scheme Shareholders are concerned. It advises the Independent Board Committee to recommend to the Independent Scheme Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

The full text of the letter from the Independent Financial Adviser is set out in Part VI of this Scheme Document.

The Independent Board Committee, having been so advised, considers that the Proposal and the Scheme are fair and reasonable so far as the Independent Scheme Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Scheme Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

The full text of the letter from the Independent Board Committee in relation to its recommendations with respect to the Proposal and the Scheme is set out in Part V of this Scheme Document.

6. REASONS FOR AND BENEFITS OF THE PROPOSAL

An opportunity for the Scheme Shareholders to realise their investments in the Company at an attractive premium

The Proposal provides Scheme Shareholders with an opportunity to realise their investments in the Company for cash at an attractive premium to the trading prices of the Shares before the Undisturbed Day, notwithstanding that the Cancellation Price represents a discount of approximately 13.8% to the closing price of the Shares of HK\$0.325 per Share as quoted on the Stock Exchange on the Last Trading Day. As set out in the section headed “2. Terms of the Proposal” in this Explanatory Memorandum, there was an unexplained surge in both share price and trading volume during the month preceding the suspension. For reference, the 10-, 30-, 60- and 180-day average trading prices immediately before the Undisturbed Day ranged narrowly between HK\$0.191 and HK\$0.219 per Share, whereas the average trading price from the day after the Undisturbed Day up to the Last Trading Day was significantly higher at HK\$0.314 per Share. The Shares were listed on the Stock Exchange on 27 February 2019 at HK\$0.625 per Share. However, within three months, the Share price fell below HK\$0.28 (i.e. the Cancellation Price), and has traded below HK\$0.28 at all times since then before the Undisturbed Day. For reference, the 1-, 2-, 3- and 5-year volume weighted average closing prices of the Shares up to the Undisturbed Day were HK\$0.186, HK\$0.169, HK\$0.165 and HK\$0.164, respectively; and (ii) the closing prices of the Shares as quoted on the Stock Exchange during the period from the day immediately following the Undisturbed Day up to and including the Last Trading Day ranged from HK\$0.265 to HK\$0.365 per Share. Accordingly, referencing the trading price prior to the Undisturbed Day provides a more representative benchmark of the Company’s longer-term trading price for assessing the fairness and reasonableness of the Cancellation Price. The Cancellation Price represents a premium of approximately 27.9% over the closing price of approximately HK\$0.219 on the Undisturbed Day and approximately 27.9%, 29.0%, 35.9% and 46.6% over the average closing price of approximately HK\$0.219, HK\$0.217, HK\$0.206 and HK\$0.191 per Share for the 10, 30, 60 and 180 trading days, respectively, up to and including the Undisturbed Day. Moreover, the Cancellation Price represents a premium of approximately 62.8% over the lowest closing price of HK\$0.172 per Share in the past six months prior to the Announcement Date; and a discount of approximately 23.3% to the highest closing price of HK\$0.365 per Share in the past six months prior to the Announcement Date.

Immediate opportunity for the Scheme Shareholders to fully monetise their investments with limited liquidity

The trading liquidity of the Shares has been low. The average trading volume of the Shares for the approximate one-month period, three-month period and six-month period up to and including the Last Trading Day were approximately 566,476 Shares, 574,098 Shares and 324,129 Shares per trading day, representing only approximately 0.07%, 0.07% and 0.04%, respectively, of the 800,000,000 Shares in issue as at the Latest Practicable Date, and approximately 0.28%, 0.29%, and 0.16%, respectively of the 200,000,000 Shares held by the Scheme Shareholders as at the Latest Practicable Date. The low trading liquidity of the Shares could make it difficult for the Scheme Shareholders to

execute substantial on-market disposals without adversely affecting the price of the Shares. The Proposal represents an immediate opportunity for the Scheme Shareholders to monetise their investments for cash.

Cost savings through privatisation and limited benefits in maintaining the Company's listing status

The low liquidity in the trading of the Shares has also affected the Company's ability to raise funds from the equity market. The Company has not conducted any equity fund raising activities since the Listing, indicating that its current listing status has not served as an effective fund-raising platform to support the Company's business development and future growth. The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements.

7. THE OFFEROR'S INTENTIONS IN RELATION TO THE GROUP

As at the Latest Practicable Date, the Offeror intends for the Group to continue carrying on its existing businesses following the implementation of the Proposal. The Offeror has no intention of making any major changes to the business of the Group, including any major redeployment of fixed assets or making any material change to the continued employment of employees of the Group, other than those in the ordinary course of business of the Group. The Offeror will continue to monitor the Group's performance and implement appropriate strategies for the Group and its business. The Offeror intends not to maintain the listing status of the Company and an application for the listing of the shares to be withdrawn from the Stock Exchange will be made by the Company.

8. INFORMATION ON THE COMPANY AND THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange (stock code: 1793). The Group is a long established main contractor in Hong Kong and principally engaged in the provision of (i) building construction services; and (ii) repair, maintenance, alternation and addition works services. The Group provides building construction services to customers in both private and public sectors.

Your attention is also drawn to Appendix I headed "Financial Information of the Group" and Appendix II headed "General Information" of this Scheme Document.

9. INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability and has been the controlling shareholder of the Company since the Listing. The entire issued share capital of the Offeror is ultimately and beneficially owned by Mr. KY Tsang.

As at the Latest Practicable Date, the Offeror holds 600,000,000 Shares, representing 75.0% of the issued share capital of the Company. Immediately upon the Scheme becoming effective, the Company and its subsidiaries will continue to be subsidiaries of the Offeror.

As at the Latest Practicable Date, the directors of the Offeror are Mr. KY Tsang, Ms. Lai Yuk Lin Eliza and Mr. Tsang Tsz Ho Boris. Mr. KY Tsang is the chairman of the Board and an executive Director of the Company. Ms. Lai Yuk Lin Eliza is the spouse of Mr. KY Tsang and Mr. Tsang Tsz Ho Boris is the son of Mr. KY Tsang.

10. ACTIONS TO BE TAKEN

The summary of actions to be taken by the Shareholders can be found in Part II of this Scheme Document headed “Actions to be Taken”.

11. REQUIREMENTS UNDER COMPANIES ACT AND THE TAKEOVERS CODE

The Companies Act

Pursuant to Section 86 of the Companies Act, where an arrangement is proposed between a company and its members or any class of them, the Grand Court may, on the application of the company or any member of the company, order a meeting of the members of the company or class of members, as the case may be, to be held in such manner as the Grand Court directs.

Section 86(2A) of the Companies Act states that if a majority representing 75% in value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting or meetings, as the case may be, held as directed by the Grand Court as aforesaid, agree to any arrangement, the arrangement shall, if sanctioned by the Grand Court, be binding on all members or class of members, as the case may be, and also on the company. Such an order made under section 86(2A) of the Companies Act shall have no effect until a copy of the order of the Grand Court sanctioning the Scheme has been delivered to the Registrar of Companies in the Cayman Islands for registration.

Additional Requirements as Imposed by Rule 2.10 of the Takeovers Code

Rule 2.10 of the Takeovers Code requires, except with the consent of the Executive, that the Scheme may only be implemented if:

- (a) the Scheme is approved by at least 75% of the votes attaching to the Scheme Shares that are cast either in person or by proxy by the Independent Scheme Shareholders at the Court Meeting; and
- (b) the number of votes cast against the resolution to approve the Scheme at the Court Meeting by the Independent Scheme Shareholders is not more than 10% of the votes attaching to all Scheme Shares held by the Independent Scheme Shareholders.

As at the Latest Practicable Date, the Independent Scheme Shareholders held an aggregate of 200,000,000 Scheme Shares. On that basis, and assuming no new Shares are issued on or before the Meeting Record Date, 10% of the votes attached to all the Scheme Shares held by all Independent Scheme Shareholders referred to in paragraph (b) above would represent 20,000,000 Shares.

12. COURT MEETING AND EGM

In accordance with the directions of the Court, the Court Meeting will be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications), save for the relevant Offeror Concert Parties who/which are Scheme Shareholders and have undertaken to the Court to abstain from voting in the Court Meeting.

All Scheme Shareholders as at the Meeting Record Date will be entitled to attend and vote at the Court Meeting to approve the Scheme, and the votes of the Independent Scheme Shareholders will also be taken into account in determining whether Condition (b) under the section headed “3. Conditions of the Proposal” above and Rule 2.10 of the Takeovers Code are satisfied.

For the avoidance of doubt, the Trustee is not acting in concert with the Offeror, and therefore the Trustee is a Scheme Shareholder. The Shares held by the Trustee are entitled to be voted at the Court Meeting and the EGM. However, under Rule 17.05A of the Listing Rules, a trustee holding unvested shares of a share scheme shall abstain from voting on matters that require shareholders’ approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given. Accordingly, the Trustee shall not exercise the voting rights attached to the Shares held by it and has undertaken to abstain from voting in the Court Meeting.

As at the Latest Practicable Date, the Offeror and the Offeror Concert Parties hold in aggregate 600,000,000 shares (representing 75% of the issued share capital of the Company). As the Offeror and the Offeror Concert Parties are not Independent Scheme Shareholders, each of the Offeror and the Offeror Concert Parties will not vote on the Scheme at the Court Meeting.

All Shareholders as at the Meeting Record Date will be entitled to (i) vote on the special resolution to be proposed at the EGM to approve and give effect to the Capital Reduction; and (ii) the ordinary resolution to maintain the issued share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme and the application of the credit arising in the Company’s books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror.

Notice of the Court Meeting is set out in Appendix IV of this Scheme Document. The Court Meeting will be held at 11:30 a.m. on Wednesday, 24 June 2026 at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong.

Notice of the EGM is set out in Appendix V of this Scheme Document. The EGM will be held at 12:00 p.m. (or, if later, as soon thereafter as the Court Meeting shall have concluded or been adjourned) on Wednesday, 24 June 2026 at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong.

13. WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being simultaneously issued and credited as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately from 4:00 p.m. on Friday, 24 July 2026 subject to the Scheme becoming effective.

The Scheme Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective in due course.

14. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

If the Scheme is not approved or does not become effective, or the Proposal otherwise lapses or is withdrawn, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or otherwise lapses or is withdrawn, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or otherwise lapses or is withdrawn announce an offer or possible offer for the Company, except with the consent of the Executive.

15. REGISTRATION AND PAYMENT**Latest time for lodging transfers of Shares**

In order to qualify for entitlements under the Scheme, Scheme Shareholders should ensure that their Shares are registered or lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration in their names or in the names of their nominees before 4:30 p.m. on Thursday, 9 July 2026.

Payment of the Cancellation Price to Scheme Shareholders

Subject to the Scheme becoming effective, the Cancellation Price will be paid to the Scheme Shareholders whose names appear on the register of members of the Company on the Scheme Record Date as soon as possible but in any event no later than seven Business Days after the Effective Date. On the basis that the Scheme becomes effective on Wednesday, 22 July 2026, the cheques for the payment of the Cancellation Price are expected to be despatched on or before Friday, 31 July 2026.

Cheques for the payment of the Cancellation Price will be sent by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses on the register of members of the Company or, in the case of joint holders, to the registered address of that

joint holder whose name first appears on the register of members of the Company in respect of the joint holding. All such cheques will be sent at the risk of the persons entitled thereto and none of the Offeror, the Company, Ballas Capital, the Independent Financial Adviser and the share registrar of the Company and their respective ultimate beneficial owners, nominees, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be liable for any loss or delay in despatch.

On or after the day being six calendar months after the posting of such cheques, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror with a licensed bank in Hong Kong selected by the Offeror.

The Offeror shall hold all monies in respect of uncashed cheques until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Scheme to persons who satisfy the Offeror that they are respectively entitled thereto and the cheques of which they are payees have not been cashed. On the expiry of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme.

No fractions of a cent will be payable and the amount of cash consideration payable to a Scheme Shareholder under the Scheme will be rounded up to the nearest cent.

Settlement of the Cancellation Price to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Scheme Shareholder.

Upon the Scheme becoming effective, the register of members of the Company will be updated accordingly to reflect the cancellation of all of the Scheme Shares and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on Wednesday, 22 July 2026.

16. OVERSEAS SHAREHOLDERS

General

This Scheme Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Listing Rules, and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of any other jurisdictions.

This Scheme Document does not constitute an offer to buy or sell any securities or the solicitation of an offer to buy or subscribe for securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The making and implementation of the Proposal to Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions. Any Scheme Shareholders who are not resident in Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal and/or the Scheme to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from such shareholder in such jurisdiction.

Any acceptance by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and their respective advisers (including Ballas Capital) that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

As at the Latest Practicable Date, there were no Shareholders whose addresses as shown in the register of members of the Company were outside Hong Kong (the “**Overseas Jurisdictions**”).

Notice to US Investors

The Proposal is being made to cancel the securities of a Cayman Islands exempted company by means of a scheme of arrangement provided for under the laws of Cayman Islands and is subject to Hong Kong disclosure requirements which are different from those of the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement which differ from the disclosure and procedural requirements applicable under the US federal securities laws.

The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation and extinguishment of his/her/its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him/her/it.

It may be difficult for US holders of Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgment.

17. TAXATION ADVICE

As the Scheme does not involve the sale and purchase of Hong Kong stock, no Hong Kong stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) on the cancellation of the Scheme Shares upon the Scheme becoming effective.

The Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company and Ballas Capital nor any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any other persons as a result of their acceptance or rejection of the Proposal.

18. COSTS OF THE SCHEME

If either the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal and the Scheme, and the Scheme is not approved, all costs and expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code. Given that the Proposal is recommended by the Independent Board Committee and is recommended as fair and reasonable by the Independent Financial Adviser, Rule 2.3 of the Takeovers Code is not applicable.

All costs, charges and expenses incurred by the Company and/or its advisers and counsels, including the Independent Financial Adviser, will be borne by the Company, whereas all costs, charges and expenses incurred by the Offeror and/or their advisers and counsels will be borne by the Offeror, and other costs, charges and expenses of the Proposal will be shared between the Offeror and the Company equally.

19. RECOMMENDATION

Your attention is drawn to the recommendations of the Independent Board Committee in respect of the Proposal as set out in the letter from the Independent Board Committee to the Independent Scheme Shareholders in Part V of this Scheme Document.

Your attention is also drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal and the Scheme as set out in Part VI of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal.

20. ADDITIONAL INFORMATION

Additional information in relation to the Proposal is set out in the appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Memorandum.

Shareholders and Scheme Shareholders should rely only on the information contained in this Scheme Document. None of the Company, the Offeror, the Offeror Concert Parties, Ballas Capital, the Independent Financial Adviser and the Share Registrar and their respective ultimate beneficial

owners, nominees, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal have authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

21. LANGUAGE

In case of inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

1. FINANCIAL SUMMARY

Set out below is a summary of the audited consolidated financial information of the Group for each of the three financial years ended 31 March 2023, 31 March 2024 and 31 March 2025 and the unaudited consolidated financial information of the Group for the six months ended 30 September 2024 and 30 September 2025 extracted from the Company's respective annual reports and interim report for the relevant periods.

The independent auditor's reports issued by the auditors of the Company, Deloitte, in respect of the audited consolidated financial statements of the Group for the financial year ended 31 March 2025, and Ernst & Young, in respect of the audited consolidated financial statements of the Group for the two financial years ended 31 March 2023 and 31 March 2024, did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

The Company had declared final dividends of HK1.2 cents per Share for the financial years ended 31 March 2023, 31 March 2024 and 31 March 2025, respectively. and the relevant amount of final dividends paid to equity shareholders of the Company were approximately HK\$9,518,000, HK\$9,518,000 and HK\$9,600,000, respectively. The Company had resolved not to declare interim dividends for the six months ended 30 September 2023, 30 September 2024 and 30 September 2025.

Save as disclosed below, there were no other items of income or expense which were material in respect of the consolidated financial results of the Group for the financial years ended 31 March 2023, 31 March 2024, 31 March 2025 and the six months ended 30 September 2024 and 30 September 2025.

Summary of Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the six months ended 30 September 2025	For the six months ended 30 September 2024	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (audited)	HK\$'000 (audited)	HK\$'000 (audited)
Revenue	648,028	580,296	1,058,674	1,160,370	869,032
Cost of Sales	(624,934)	(563,350)	(1,021,156)	(1,115,274)	(830,011)
Gross Profit	23,094	16,946	37,518	45,096	39,021
Other income, other gains and losses	2,975	7,630	11,410	3,540	13,242
Administrative expenses	(18,708)	(18,701)	(40,351)	(41,480)	(45,403)
Finance costs	(223)	(268)	(447)	(272)	(180)
Profit before taxation	7,138	5,607	8,130	6,884	6,680
Income tax expense	(822)	(561)	(744)	(883)	(733)

	For the six months ended 30 September 2025 <i>HK\$'000</i> (unaudited)	For the six months ended 30 September 2024 <i>HK\$'000</i> (unaudited)	For the year ended 31 March 2025 <i>HK\$'000</i> (audited)	For the year ended 31 March 2024 <i>HK\$'000</i> (audited)	For the year ended 31 March 2023 <i>HK\$'000</i> (audited)
Profit for the year/period	6,316	5,046	7,386	6,001	5,947
Profit and total comprehensive income for the year attributable to:					
Owners of the Company	6,316	5,046	7,386	6,001	5,947
Earnings per share					
– Basic (HK cents)	0.8	0.6	0.9	0.8	0.7
Dividends	–	–	9,600	9,518	9,518
Total dividend per share	–	–	1.2	1.2	1.2

2. CONSOLIDATED FINANCIAL STATEMENTS

The unaudited consolidated financial statements of the Group for the six months ended 30 September 2025 and the notes thereto (including the notes on basis of preparation and material accounting policies) are set out in interim report of the Company for the six months ended 30 September 2025 (the “**2025/2026 Interim Report**”). The 2025/2026 Interim Report is posted on the Company’s website at <https://www.wecon.com.hk/> and the website of the Stock Exchange at <http://www.hkexnews.hk>. Please also see below a direct link to the 2025/2026 Interim Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1208/2025120800452.pdf>

The audited consolidated financial statements of the Group for the year ended 31 March 2025 and the notes thereto (including the notes on basis of preparation and material accounting policies) are set out in the annual report of the Company for the year ended 31 March 2025 (the “**2024/2025 Annual Report**”). The 2024/2025 Annual Report is posted on the Company’s website at <https://www.wecon.com.hk/> and the website of the Stock Exchange at <http://www.hkexnews.hk>. Please also see below a direct link to the 2024/2025 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0721/2025072100542.pdf>

The audited consolidated financial statements of the Group for the year ended 31 March 2024 and the notes thereto (including the notes on basis of preparation and material accounting policies) are set out in the annual report of the Company for the year ended 31 March 2024 (the “**2023/2024 Annual**”).

Report”). The 2023/2024 Annual Report is posted on the Company’s website at <https://www.wecon.com.hk> and the website of the Stock Exchange at <http://www.hkexnews.hk>. Please also see below a direct link to the 2023/2024 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0717/2024071700459.pdf>

The audited consolidated financial statements of the Group for the year ended 31 March 2023 and the notes thereto (including the notes on basis of preparation and material accounting policies) are set out in the annual report of the Company for the year ended 31 March 2023 (the “**2022/2023 Annual Report**”). The 2022/2023 Annual Report is posted on the Company’s website at <https://www.wecon.com.hk> and the website of the Stock Exchange at <http://www.hkexnews.hk>. Please also see below a direct link to the 2022/2023 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0720/2023072000522.pdf>

The audited consolidated financial statements of the Group for each of the three financial years ended 31 March 2023, 31 March 2024 and 31 March 2025 and the unaudited consolidated financial statements of the Group for each of the six months period ended 30 September 2024 and 30 September 2025 are incorporated by reference into this Scheme Document and form part of this Scheme Document.

There was no change in the accounting policies of the Group which would result in the figures in its consolidated financial statements for the six months ended 30 September 2025 and for each of the three years ended 31 March 2023, 31 March 2024 and 31 March 2025 being not comparable to a material extent.

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 March 2026, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Scheme Document, the Group had the following indebtedness:

Borrowings

Secured bank mortgage loan of approximately HK\$2,117,000. The bank mortgage loan was secured by mortgages over certain land and buildings of the Group and guaranteed by the Company.

Lease liabilities

Lease liabilities amounting to approximately HK\$8,702,000 which were secured by rental deposits of the Group and unguaranteed.

Contingent liabilities

As at 31 March 2026, the Group provided guarantees amounted to approximately HK\$103,726,000 to banks in support of the issue of performance bonds to the Group’s subsidiaries.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business of the Group, the Group did not have any other debt securities, term loans or other outstanding borrowings or indebtedness including bank overdrafts, liabilities under acceptance or acceptance credits, hire purchase commitments, debentures, mortgages, charges, guarantees or other material contingent liabilities as at 31 March 2026.

4. MATERIAL CHANGE

The Directors confirm that save as and except for the below, there was no material change in the financial or trading position or outlook of the Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date:

- (a) As a result of receiving payment for building construction projects according to their progress and/or completion, the Group's contract assets and trade receivables as at 31 March 2026 decreased as compared to that as at 31 March 2025 and the Group's cash and bank balances as at 31 March 2026 increased as compared to that as at 31 March 2025 accordingly.
- (b) In April 2025, the Group completed an acquisition of property which constituted discloseable transaction of the Company as announced by the Company on 15 April 2025. This led to an increase of the Group's property, plant and equipment as at 31 March 2026 as compared to that as at 31 March 2025 accordingly.

1. RESPONSIBILITY STATEMENT

As at the Latest Practicable Date, the directors of the Offeror are Mr. KY Tsang, Ms. Lai Yuk Lin Eliza and Mr. Tsang Tsz Ho Boris who jointly and severally accept full responsibility for the accuracy of information contained in this Scheme Document (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than those expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

As at the Latest Practicable Date, the Board comprises Mr. KY Tsang (Chairman), Mr. Tsang Tsz Him Philip, and Mr. Tsang Tsz Kit Jerry as executive Directors; Ms. Chan Lok Man as non-executive Directors; and Dr. Lau Chi Keung, Mr. Chan Tim Yiu Raymond and Mr. Sze Kwok Wing Nigel as independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of information contained in this Scheme Document (other than the information relating to the Offeror and the Offeror Concert Parties), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than those expressed by the directors of the Offeror in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company is HK\$50,000,000 divided into 5,000,000,000 Shares, and the Company has 800,000,000 Shares in issue;
- (b) all of the Shares currently in issue rank pari passu in all respects including as to capital, dividends and voting;
- (c) no Shares had been issued by the Company since 31 March 2025 (being the end of the last financial year of the Company); and
- (d) the Company does not have any outstanding options, warrants or conversion rights affecting Shares in the Company or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

3. MARKET PRICES

The table below shows the closing prices of the Shares as quoted on the Stock Exchange (i) on the last trading day of each calendar months during the Relevant Period; (ii) on the Last Trading Day; (iii) on the Announcement Date; and (iv) on the Latest Practicable Date.

Date	Closing Price per Share HK\$
30 September 2025	0.194
31 October 2025	0.175
28 November 2025	0.215
31 December 2025	0.219
30 January 2026	0.320
26 February 2026 (Last Trading Day)	0.325
16 March 2026 (Announcement Date)	0.325
31 March 2026	0.265
30 April 2026	0.270
29 May 2026 (Latest Practicable Date)	0.275

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.365 on 23 January 2026 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.172 on 17 October 2025 to 22 October 2025 and 4 November 2025 .

4. DISCLOSURE OF INTERESTS

4.1 Directors' interests and short positions in the Shares and shares in the Company's associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or shares and debentures of any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which the Directors and chief executives of the Company were deemed or taken to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules, or required to be disclosed under the Takeovers Code were as follows:

Long position in Shares of the Company:

Name of Director	Capacity/Nature of interests	Number of Shares or underlying shares	Approximate percentage of shareholding interest
Mr. KY Tsang	Interest in a controlled corporation (<i>Note</i>)	600,000,000	75%

Note:

These Shares are held by Triple Arch Limited (“**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.

Long position in ordinary shares of associated corporation:

Name of Director	Name of associated corporation	Capacity/ Nature	Number of shares held in associated corporation (Long position)	Approximate percentage of shareholding in associated corporation
Mr. KY Tsang	Triple Arch Limited	Beneficial owner	1	100%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had any interests in any Shares, convertible securities, warrants, options or derivatives of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares in the Company which would fall to be disclosed to the Company and the Stock Exchange under provisions of Divisions 2 and 3 or Part XV of the SFO.

4.2 Interests and short positions of the Offeror, the Offeror Concert Parties and other substantial Shareholders in the Shares

As at the Latest Practicable Date, Shareholders (other than the interest disclosed above in respect of the Directors or the chief executives of the Company) who had interests and short positions in the Shares, underlying Shares and debentures of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name	Nature of interest	Number of shares held (Long position)	Approximate percentage of total issued share capital
Triple Arch Limited	Beneficial owner (<i>Note 1</i>)	600,000,000	75%
Ms. Lai Yuk Lin, Eliza	Interest of spouse (<i>Note 2</i>)	600,000,000	75%

Notes:

1. 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 Yuk Lin, Eliza is the spouse of Mr. KY Tsang. Therefore, Ms. Lai Yuk Lin, Eliza is deemed to be interested in the same number of shares in which Mr. KY Tsang is interested for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, there was no person (other than the interest disclosed above in respect of the Directors or the chief executives of the Company) who (a) had interests and short positions in the Shares, underlying Shares and debentures of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO; or (b) were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of the Company or any options in respect of such capital.

As at the Latest Practicable Date, save for the existing shareholding of the Offeror Concert Parties as set out in the section headed “4. Shareholding Structure of the Company” in Part VII – Explanatory Memorandum of this Scheme Document, none of the Offeror, its directors or the Offeror Concert Parties had any interest in, owned or controlled any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

4.3 Dealings in the securities of the Company

During the Relevant Period:

- (a) none of the Offeror, its directors or the Offeror Concert Parties had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and
- (b) none of the Directors had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares.

During the Offer Period and up to the Latest Practicable Date:

- (a) no subsidiaries of the Company, pension funds (if any) of any member of the Group, any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or any associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (excluding any exempt principal trader or exempt fund manager) had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares;

- (b) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with (A) the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and/or (B) the Offeror or the Offeror Concert Parties, has dealt for value in any Shares, convertible securities, warrants, options or derivatives in respect of any Shares; and
- (c) no fund managers (other than exempt fund managers) connected with the Company who managed funds on a discretionary basis had any dealings in any Shares, convertible securities, warrants, options or derivatives in respect of any Shares.

4.4 Interest and dealings in the securities of the Offeror

- (a) As at the Latest Practicable Date, save for Mr. KY Tsang being the sole shareholder of the Offeror, none of the Company or any of the Directors had any interest in the shares, warrants, options, derivatives and securities carrying conversion or subscription rights into shares of the Offeror.
- (b) During the Relevant Period, none of the Company or any of the Directors had any dealings in the shares, warrants, options, derivatives and securities carrying conversion or subscription rights into shares of the Offeror.

4.5 Other interests

As at the Latest Practicable Date:

- (a) no Shares or any convertible securities, warrants, options or derivatives issued by the Company were owned or controlled by a subsidiary of the Company, a pension fund (if any) of any member of the Group, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert”, or an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (other than exempt principal traders and exempt fund managers);
- (b) no Shares, convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by any fund managers (other than exempt fund managers) connected with the Company;
- (c) none of the Company, the Directors, the Offeror or any of the Offeror Concert Parties had borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

4.6 Other arrangements in relation to the Proposal

As at the Latest Practicable Date:

- (a) there was no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which existed between any person and (A) the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or any person who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and/or (B) the Offeror or the Offeror Concert Parties;
- (b) there was no material contract which had been entered into by the Offeror in which any Director had a material personal interest;
- (c) no benefit would be given to any Directors as compensation for loss of office or otherwise in connection with the Proposal;
- (d) there was no agreement, arrangement or understanding (including any compensation) existed between any of the Directors and any other person which was conditional on or was dependent upon the outcome of the Proposal or otherwise connected with the Proposal;
- (e) other than the Proposal and the Scheme, there was no agreement, arrangement or understanding (including any compensation arrangement) exists between the Offeror or the Offeror Concert Parties and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Proposal;
- (f) there was no agreement, arrangement or understanding between the Offeror and any other person in relation to the transfer, charge or pledge of the Shares to be acquired in pursuance of the Proposal, and the Offeror had no intention to transfer, charge or pledge any Shares acquired in pursuance of the Proposal to any other person;
- (g) there was no arrangement (whether by way of option, indemnity or otherwise), in relation to the Shares or the shares of the Offeror and any of the Offeror Concert Parties between the Offeror or any of the Offeror Concert Parties and any other person which might be material to the Proposal;
- (h) save for Mr. KY Tsang who holds Shares as beneficial owners and will abstain from voting on the Scheme at the Court Meeting, none of the Directors hold any beneficial shareholding in the Shares which would entitle them to vote in favour or against the Scheme at the Court Meeting or the resolutions proposed at the EGM;
- (i) neither the Offeror nor any of the Offeror Concert Parties had received any irrevocable commitment from any Independent Scheme Shareholders to vote for or against the Scheme;

- (j) other than the Cancellation Price for each Scheme Share payable under the Scheme, the Offeror or the Offeror Concert Parties have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in connection with the cancellation of the Scheme Shares; and
- (k) there is no understanding, arrangement or agreement which constitutes special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) the Offeror and the Offeror Concert Parties, or the Company or the Company's subsidiaries or associated companies.

5. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

6. MATERIAL CONTRACTS

There were no material contracts entered into by any member of the Group within two years before the commencement of the Offer Period and up to and including the Latest Practicable Date, other than contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) had been entered into or amended within six months before the commencement of the Offer Period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period.

8. CONSENTS AND QUALIFICATIONS OF EXPERTS

The following are the qualifications of each of the experts who have been named in this Scheme Document or have given their opinion or advice which are contained in this Scheme Document:

Name	Qualification
Ballas Capital	a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in connection with the Proposal

Gram Capital a licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the Independent Financial Adviser appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme

Each of the experts named above has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion in this Scheme Document of the text of its letter, report or opinion (as the case may be) and references to its name in the form and context in which they are included.

As at the Latest Practicable Date, none of Ballas Capital, Gram Capital had any shareholding, directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

9. MISCELLANEOUS

- (a) The correspondence address of the Offeror is at 18/F, Tung Hip Commercial Building, 244-252 Des Voeux Road Central, Hong Kong.
- (b) The directors of the Offeror are Mr. KY Tsang, Ms. Lai Yuk Lin Eliza and Mr. Tsang Tsz Ho Boris.
- (c) The Offeror is wholly-owned by Mr. KY Tsang.
- (d) Principal members of the Offeror Concert Parties are Mr. KY Tsang, Ms. Lai Yuk Lin Eliza Mr. Tsang Tsz Ho Boris, Mr. Tsang Tsz Him Philip and Mr. Tsang Tsz Kit Jerry.
- (e) Ballas Capital is the financial adviser to the Offeror in relation to the Proposal, and its registered address is at Room 1005, Jubilee Centre, 46 Gloucester Road, Wan Chai, Hong Kong.
- (f) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (g) The Company's principal place of business in Hong Kong is situated at 18/F, Tung Hip Commercial Building, 244-252 Des Voeux Road Central, Hong Kong.
- (h) The Company's Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited, which is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (i) The registered office of the Independent Financial Adviser is situated at Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central, 173 Des Voeux Road Central, Hong Kong.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are available on display on the website of the Company at www.wecon.com.hk and the website of the SFC at www.sfc.hk from the date when this Scheme Document is published until (a) the Effective Date, and (b) the date on which the Scheme is withdrawn or lapses, whichever is earlier:

- (a) the memorandum of association and articles of association of the Company;
- (b) the memorandum and articles of association of the Offeror;
- (c) the annual reports containing the audited consolidated financial statements of the Company for the years ended 31 March 2023, 31 March 2024 and 31 March 2025;
- (d) the interim report containing the unaudited consolidated financial statements of the Company for the six months ended 30 September 2025;
- (e) the letter from the Board, the text of which is set out in Part IV of this Scheme Document;
- (f) the letter from the Independent Board Committee, the text of which is set out in Part V of this Scheme Document;
- (g) the letter from the Independent Financial Adviser, the text of which is set out in Part VI of this Scheme Document;
- (h) the written consents referred to in the section headed “8. Consents and Qualifications of Experts” in this Appendix II; and
- (i) this Scheme Document.

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

Cause No. FSD 0123 of 2026

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2026 REVISION)
AND IN THE MATTER OF WECON HOLDINGS LIMITED 偉工控股有限公司

SCHEME OF ARRANGEMENT

Between

WECON HOLDINGS LIMITED
偉工控股有限公司

and

THE SCHEME SHAREHOLDERS
(as hereinafter defined)

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” shall be construed accordingly
“Ballas Capital”	Ballas Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the financial adviser to the Offeror in relation to the Proposal
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$0.280 per Scheme Share
“Capital Reduction”	the reduction of the issued share capital of the Company by the cancellation and extinguishment of the Scheme Shares
“Companies Act”	the Companies Act (2026 Revision) of the Cayman Islands, as consolidated and revised from time to time

“Company”	Wecon Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1793)
“Condition(s)”	the condition(s) to the Proposal as set out in the section headed “3. Conditions of the Proposal” in Part VII – Explanatory Memorandum of the Scheme Document
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“controlling shareholder(s)”	has the meaning given to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director
“Grand Court”	the Grand Court of the Cayman Islands
“Grand Court Rules”	the rules of the Grand Court (2023 Revision) as consolidated and revised from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, namely Dr. Lau Chi Keung, Mr. Chan Tim Yiu Raymond and Mr. Sze Kwok Wing Nigel, established by the Board to make a recommendation to the Independent Scheme Shareholders in respect of the Proposal and the Scheme

“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme
“Independent Scheme Shareholders”	Scheme Shareholders other than the Offeror, Mr. KY Tsang and parties acting in concert with any of them. As of the Latest Practicable Date, all Scheme Shareholders are Independent Scheme Shareholders
“Latest Practicable Date”	29 May 2026, being the latest practicable date for ascertaining certain information contained in the Scheme Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	26 August 2026 (or any later date as the Offeror and the Company may determine and, to the extent applicable, as the Grand Court on the application of the Company may direct, and in all cases, as the Executive may consent)
“Mr. KY Tsang”	Mr. Tsang Ka Yip, the chairman of the Board and an executive Director, the sole beneficial shareholder of the Offeror and the ultimate controlling shareholder of the Company
“Offeror”	Triple Arch Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is owned by Mr. KY Tsang and is the controlling shareholder of the Company
“Offeror Concert Parties”	parties acting in concert with the Offeror and/or Mr. KY Tsang in relation to the Company
“PRC”	the People’s Republic of China, but for the purpose of this Scheme Document, excluding Hong Kong, Macau Special Administrative Region and Taiwan

“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the maintenance of the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares, and the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the conditions as described in the paragraphs headed “Terms of the Proposal” in the Letter from the Board in the Scheme Document
“Register”	the principal or branch register of members of the Company (as the case may be) in respect of the Shares
“Scheme”	the scheme of arrangement to be proposed under section 86 of the Companies Act for the implementation of the Proposal
“Scheme Document”	the composite scheme document, which shall contain, among other things, further details of the Proposal and the Scheme, an explanatory memorandum as required under the Companies Act and the Grand Court Rules; the expected timetable relating to the Proposal; the recommendations of the Independent Board Committee; the letter of advice from the Independent Financial Adviser; and the accompanying proxy forms and notices of the Court Meeting and the EGM, to be despatched by the Offeror and the Company to all Shareholders on the Despatch Date as required by the Takeovers Code
“Scheme Record Date”	Wednesday, 22 July 2026, being the record date for determining entitlements of the Scheme Shareholders under the Scheme
“Scheme Share(s)”	Share(s) in issue on the Scheme Record Date, which for the avoidance of doubt, shall exclude Shares held directly or indirectly by the Offeror, Mr. KY Tsang and the parties acting in concert with any of them
“Scheme Shareholder(s)”	the registered holders of the Scheme Shares as at the Scheme Record Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

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|-------------------------|--|
| “Share(s)” | ordinary share(s) having a par value of HK\$0.01 each in the issued share capital of the Company |
| “Shareholder(s)” | registered holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers |
| “Trustee” | Tricor Trust (Hong Kong) Limited, the trustee appointed by the Company to assist with the administration of the Award Plan |
| “US” or “United States” | United States of America |
| “%” | per cent |
- (B) The Company was incorporated as an exempted company on 23 March 2018 with limited liability in the Cayman Islands.
- (C) As at the Latest Practicable Date: (i) the authorised share capital of the Company was HK\$50,000,000 divided into 5,000,000,000 Shares with a nominal or par value of HK\$0.01 each; and (ii) the issued share capital of the Company was HK\$8,000,000 divided into 800,000,000 Shares with a nominal or par value of HK\$0.01 each, all of which are fully paid or credited as fully paid. Since 27 February 2019, the issued Shares of the Company have been listed and traded on the Main Board of the Stock Exchange.
- (D) The Offeror has proposed the privatisation of the Company by way of the Scheme.
- (E) The primary purpose of the Scheme is to privatise the Company by cancelling and extinguishing all of the Scheme Shares in consideration for the Cancellation Price so that after the completion of the Scheme, the Offeror will own the entire issued share capital of the Company. Contemporaneously with the cancellation and extinguishment of the Scheme Shares, the share capital of the Company will be maintained by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company’s books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.
- (F) As at the Latest Practicable Date, the major shareholdings of the Company were as follows:

Shareholders	As at the Latest Practicable Date	
	Number of Shares	Appr. % of total Shares
The Offeror, Mr. KY Tsang and the Offeror Concert Parties		
– the Offeror (<i>Notes 1 and 2</i>)	600,000,000	75.00
Sub-total	600,000,000	75.00
The Scheme Shareholders (<i>Note 3</i>)		
– the Trustee	6,796,000	0.85
– the other Scheme Shareholders	193,204,000	24.15
Total	800,000,000	100.0

Notes:

1. The Shares held by the Offeror as at the Latest Practicable Date will not form part of the Scheme Shares and will not be cancelled or extinguished upon completion of the Proposal.
 2. The entire issued share capital of the Offeror is 100% beneficially owned by Mr. KY Tsang, who is deemed to be interested in the Shares held by the Offeror under the SFO.
 3. All Shares (which include the Shares held by the Trustee), other than those Shares held by the Offeror and/or any parties acting in concert with it, will form part of the Scheme Shares.
- (G) Each of the Offeror and the Offeror Concert Parties will procure that any Shares in respect of which they are legally or beneficially interested will not be represented or voted at the Court Meeting convened at the direction of the Grand Court for the purpose of considering and, if thought fit, approving the Scheme.
- (H) The Offeror has undertaken to the Grand Court to be bound by the terms of the Scheme, and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by each of them for the purpose of giving effect to the Scheme.

THE SCHEME**PART I****CANCELLATION AND EXTINGUISHMENT OF THE SCHEME SHARES**

1. On the Effective Date:
 - (a) the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares and the Scheme Shareholders (as appears in the Register on the Scheme Record Date) shall cease to have any right with respect to the Scheme Shares except the right to receive the Cancellation Price;
 - (b) subject to and forthwith upon such reduction of issued share capital taking effect, the number of issued Shares in the issued share capital of the Company will be restored to its former amount by issuing to the Offeror the same number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished; and
 - (c) the Company shall apply the credit arising in the Company's books of accounts as a result of the cancellation and extinguishment of the Scheme Shares by paying up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished, which shall be allotted and issued and credited as fully paid at par to the Offeror as mentioned in paragraph (b) above.

PART II**CONSIDERATION FOR THE CANCELLATION AND EXTINGUISHMENT OF THE SCHEME SHARES**

2. In consideration of the cancellation and extinguishment of the Scheme Shares, the Offeror shall pay (or procure that there shall be paid) to each Scheme Shareholder (as appearing in the Register on the Scheme Record Date), the Cancellation Price of HK\$0.28 for each Scheme Share cancelled and extinguished.

PART III**GENERAL**

3. (a) As soon as possible and but in any event no later than seven (7) business days (as defined in the Takeovers Code) after the Effective Date, the Offeror shall send or cause to be sent to the Scheme Shareholders cheques in respect of the sums payable to such Scheme Shareholders pursuant to paragraph 2 of this Scheme.

- (b) All such cheques shall be sent by ordinary post (by airmail where appropriate) in postage pre-paid envelopes addressed to such Scheme Shareholders at their respective registered addresses as appearing in the Register as on the Scheme Record Date, or in the case of joint holders, at the address appearing in the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.
- (c) All cheques shall be made payable to the order of the person or persons to whom, in accordance with the provisions of paragraph 3(b) of this Scheme, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to the Offeror for the moneys represented thereby.
- (d) All cheques will be posted at the risk of the persons entitled and none of the Offeror, the Offeror Concert Parties, the Company, Ballas Capital, Gram Capital and the Hong Kong Branch Share Registrar and their respective beneficial owners, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.
- (e) On or after the day being six (6) calendar months after the date of posting of the cheques for the payment of the Cancellation Price pursuant to paragraph 3(b) of this Scheme, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or which has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror (or its nominee) with a licensed bank in Hong Kong selected by the Offeror (or its nominee). The Offeror (or its nominee) shall hold monies represented by such uncashed cheques until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to paragraph 2 of this Scheme to persons who satisfy the Offeror (or its nominee) that they are respectively entitled thereto and the cheques referred to in paragraph 3(b) of this Scheme of which they are payees have not been cashed. Any payments made by the Offeror shall not include an interest accrued on the sums to which the respective persons are entitled pursuant to this Scheme. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
- (f) On the expiry of six (6) years from the Effective Date, the Offeror (and, if applicable, its nominee or successor company) shall be released from any further obligation to make any payments under this Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account referred to in paragraph 3(e) of this Scheme, including accrued interest (if any) subject, if applicable, to any deduction of interest, tax or any withholding tax or any other deduction required by law and expenses incurred.
- (g) The preceding sub-paragraphs of this paragraph 3 shall take effect subject to any prohibition or condition imposed by law.

- (h) Upon cancellation and extinguishment of the Scheme Shares, the Register shall be updated to reflect such cancellation and extinguishment.
4. As from and including the Effective Date:
- (a) all share certificates for the Scheme Shares shall cease to have effect as documents or evidence of title for such Scheme Shares and every holder thereof shall be bound, at the request of the Company, to deliver up such certificates to the Company or to any person appointed by the Company to receive the same for cancellation;
- (b) all instruments of transfer validly subsisting as at the Scheme Record Date in respect of the transfer of any number of the Scheme Shares shall cease to be valid for all purposes as instruments of transfer; and
- (c) all mandates or other instructions to the Company in force as at the Scheme Record Date in relation to any of the Scheme Shares shall cease to be valid as effective mandates or instructions.
5. Subject to the Conditions having been fulfilled or waived, the Scheme shall become effective as soon as a copy of the order of the Grand Court sanctioning the Scheme has been delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to section 86(3) of the Companies Act.
6. Unless this Scheme shall have become effective on or before the Long Stop Date, this Scheme shall lapse and be of no effect.
7. The Company and the Offeror may jointly consent for and on behalf of all parties concerned to any modification of or addition to this Scheme or to any condition which the Grand Court may see fit to approve or impose without any further court meeting to be held therefor.
8. All costs, charges and expenses shall be borne and paid in the manner described in the Scheme Document.
9. This Scheme shall be governed by, and construed in accordance with, the laws of the Cayman Islands.
10. The Grand Court shall have exclusive jurisdiction to hear and determine any dispute that arises out of or is connected with the terms of this Scheme and/or its implementation.

Dated this 1 June 2026

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

Cause No. FSD 0123 of 2026

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2026 REVISION)
AND IN THE MATTER OF WECON HOLDINGS LIMITED 偉工控股有限公司

NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that, by an order dated 21 May 2026 (the “**Order**”) made in the above matter, the Grand Court of the Cayman Islands (the “**Grand Court**”) has directed a meeting (the “**Court Meeting**”) to be convened of the Scheme Shareholders (as defined in the Scheme Document hereinafter mentioned) for the purpose of considering and, if thought fit, approving (voting together as a single class), a scheme of arrangement (with or without modifications) (the “**Scheme**”) proposed to be made between Wecon Holdings Limited (the “**Company**”) and the Scheme Shareholders and that the Court Meeting will be held at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong on Wednesday, 24 June 2026 at 11:30 a.m. (Hong Kong time) at which all Scheme Shareholders are invited to attend.

A copy of the Scheme and a copy of an explanatory memorandum explaining the effect of the Scheme are incorporated in the composite scheme document dated 1 June 2026 (“**Scheme Document**”) of which this notice forms part. A copy of the Scheme Document may also be obtained by the Scheme Shareholders from 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 during usual business hours.

Any Scheme Shareholder may vote in person at the Court Meeting or they may appoint another person as his/her proxy (who must be an individual), whether a member of the Company or not, to attend, speak and vote instead of him/her. Any Scheme Shareholder who is the holder of two or more Scheme Shares (as defined in the Scheme Document) may appoint more than one proxy to represent him/her. If more than one proxy is appointed, the number of Scheme Shares in respect of which each such proxy is so appointed must be specified in the relevant form of proxy. A **pink** form of proxy for use at the Court Meeting (or any adjournment thereof) is enclosed with the Scheme Document despatched to, among others, the Scheme Shareholders on Monday, 1 June 2026. Completion and return of the **pink** form of proxy will not prevent a Scheme Shareholder from attending and voting in person at the Court Meeting (or any adjournment thereof) if he/she wishes to do so and in such event, the **pink** form of proxy submitted shall be deemed to have been revoked.

Where there are joint registered holders of any share of the Company, any one of such persons may vote at the Court Meeting, either in person or by proxy, in respect of such share(s) as if he/she/it were solely entitled thereto; but if more than one of such joint holders be present at the Court Meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the

votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall be deemed joint holders thereof.

Beneficial holders of the Scheme Shares should contact the registered holder or their broker, custodian or nominee, promptly to receive information on voting.

In order to be effective, the **pink** forms of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 11:30 a.m. on Monday, 22 June 2026. Alternatively, the **pink** forms of proxy may be handed to the chairman of the Court Meeting, who shall have absolute discretion as to whether or not to accept it, before the taking of poll if it is not so lodged.

By the Order of the Grand Court, the Grand Court has appointed Dr. Lau Chi Keung, an independent non-executive director of the Company, or failing whom, Mr. Chan Tim Yiu Raymond, also an independent non-executive director of the Company, or failing whom, Sze Kwok Wing Nigel, also an independent non-executive director of the Company as at the date of the Court Meeting, to act as the chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the results of the Court Meeting to the Grand Court.

If approved at the Court Meeting, the Scheme will be subject to the subsequent sanction of the Grand Court.

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

Hong Kong, 1 June 2026

Notes:

- (1) Voting at the Court Meeting will be taken by poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Code on Takeovers and Mergers.
- (2) The register of members of the Company will be closed from Thursday, 18 June 2026 to Wednesday, 24 June 2026 (both days inclusive) and during such period no transfer of shares will be registered. In order to be entitled to attend and vote at the Court Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 17 June 2026.
- (3) If any severe weather condition is or is expected to be in force at any time after 8:00 a.m. on the date of the Court Meeting, the Court Meeting will be adjourned. The Company will post an announcement on the respective websites of The Stock Exchange of Hong Kong Limited and the Company to notify the members of the date, time and venue of the adjourned meeting. For the purpose of this notice, “severe weather” refers to the scenario where a tropical cyclone warning signal number 8 or above is hoisted, a black rainstorm warning and/or the “Extreme Conditions” warning as announced by the Hong Kong Government is/are in force in Hong Kong. Further announcement(s) will be made if there is any change to the expected timetable as a result of any severe weather.



WECON HOLDINGS LIMITED
偉工控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1793)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of holders of shares having a nominal or par value of HK\$0.01 each (the “**Shares**”) in the share capital of Wecon Holdings Limited (the “**Company**”) will be held at 12:00 p.m. (Hong Kong time) (or as soon as practicable after the conclusion or adjournment of the Court Meeting (as defined in the Scheme Document hereinafter mentioned) on Wednesday, 24 June 2026 at Hong Kong Construction Association, 1/F, 180-182 Hennessy Road, Wan Chai, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTION

1. “**THAT:**

- (A) Pursuant to a scheme of arrangement between the Company and the Scheme Shareholders (as defined in the Scheme Document) (the “**Scheme**”) as set out in the scheme document dated 1 June 2026 (the “**Scheme Document**”) in printed form, which has been produced to this meeting and for the purposes of identification signed by the chairperson of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, on the Effective Date (as defined in the Scheme), the issued shares in the issued share capital of the Company shall be reduced by the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme) be and is hereby approved; and
- (B) any one of the directors of the Company be and is hereby authorised to do all acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme and the reduction of the number of issued shares in the issued share capital of the Company pursuant to the Scheme, including (without limitation) giving consent to any modification of, or addition to, the Scheme or the reduction of the number of issued shares in the issued share capital of the Company which the Grand Court of the Cayman Islands may see fit to impose.”

ORDINARY RESOLUTION

2. “THAT:

- (A) subject to and forthwith upon such reduction of share capital referred to in resolution no. 1 taking effect, the number of issued shares in the issued share capital of the Company be restored to its former amount immediately prior to the cancellation and extinguishment of the Scheme Shares by allotting and issuing to the Offeror (as defined in the Scheme), credited as fully paid at par, the same number of shares of a nominal or par value of HK\$0.01 each in the share capital of the Company as is equal to the number of Scheme Shares cancelled and extinguished;
- (B) the credit arising in the books of account of the Company consequent upon the reduction of its issued share capital resulting from the cancellation and extinguishment of the Scheme Shares referred to in resolution no. 1 shall be applied by the Company in paying up in full at par the new Shares allotted and issued to the Offeror pursuant to resolution no. 2(A) above, and any one of the directors of the Company be and is hereby authorised to allot and issue the same accordingly;
- (C) any one of the directors of the Company be and is hereby authorised to do all such acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme and the restoration of capital pursuant to the Scheme, including (without limitation) the giving of consent to any modification of or addition to, the Scheme or the restoration of capital, which the Grand Court of the Cayman Islands may see fit to impose; and
- (D) any one of the directors of the Company be and is hereby authorised to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the Shares.”

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

Hong Kong, 1 June 2026

Notes:

1. Unless otherwise defined herein, capitalised terms used herein shall have the same meaning ascribed to them in the Scheme Document, of which this notice forms part.
2. A shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.
3. A **white** form of proxy for use at the EGM (or any adjournment thereof) is enclosed with the Scheme Document.

4. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the EGM, either in person or by proxy, in respect of such share(s) as if he/she/it were solely entitled thereto; but if more than one of such joint holders be present at the EGM, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall be deemed joint holders thereof.
5. In order to be valid, the **white** form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be lodged with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time for holding the EGM or any adjournment thereof, failing which the **white** form of proxy will not be valid. Completion and return of the **white** form of proxy will not preclude a member from attending the EGM and voting in person if he/she so wishes and in such event, the **white** form of proxy submitted shall be deemed to have been revoked.
6. Voting at the EGM will be taken by poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Code on Takeovers and Mergers.
7. The register of members of the Company will be closed from Thursday, 18 June 2026 to Wednesday, 24 June 2026 (both days inclusive) and during such period no transfer of Shares will be registered. In order to be entitled to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 17 June 2026.
8. If any severe weather condition is or is expected to be in force at any time after 8:00 a.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the respective websites of The Stock Exchange of Hong Kong Limited and the Company to notify the members of the date, time and venue of the adjourned meeting. For the purpose of this notice, “severe weather” refers to the scenario where a tropical cyclone warning signal number 8 or above is hoisted, a black rainstorm warning and/or the “Extreme Conditions” warning as announced by the Hong Kong Government is/are in force in Hong Kong. Further announcement(s) will be made if there is any change to the expected timetable as a result of any severe weather.