

**WECON HOLDINGS LTD:**  
**WELCOME TO THE FAMILY COMPANY OF**  
**MR AND MRS TSANG KA YIP !**

For a company, said to be ranked highly in the construction industry of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), especially a company with an admitted 35-year history, it would be logical to assume that (a) it was well-respected by its competitors as well as those corporate entities, requiring the need of its services and (b) that such a company would have achieved profits, commensurate with the esteem with which it was widely said to have been well deserved.

But, in the case of the more-recent history of Wecon Holdings Ltd () (Code: 1793, Main Board, The Stock Exchange of Hongkong Ltd), a number of conundrums lead one to contemplate whether or not some matters are amiss.

And the longer that one studies the Share Offer Prospectus, the more red flags come into view.

Further, on reading many of the statements, contained in this Company's 452-Page Prospectus, the more questions come to the fore.

**The Initial Public Offering (IPO) Of Wecon Holdings Ltd**

Wecon Holdings Ltd published and disseminated its Share Offer Prospectus in the HKSAR on January 30, 2019.

Management Offered a total of 200 million, one-cent Shares at the Indicative Offer Price Per Share, ranging

from a low of 62.50 cents to a high of 75 cents.

HKSAR Investors were Offered 20 million Shares and 180 million Shares were set aside to be placed with, assumedly, Qualified Institutional Investors, Professional Investors and/or select, Well-Heeled Individual Investors along with their corporate entities that they were said to control.

At Pages 286 through to 288 of the Share Offer Prospectus, prospective investors were told how the net proceeds from the IPO, estimated at \$HK107.20 million, were intended to be utilised, assuming that the Offer Price Per Share were struck at the midpoint of the Indicative Offer Price: 68.75 cents:

- Approximately, \$HK76.60 million, that is about 71.40 percent of the net proceeds from the Share Offer, *‘will be used to further strengthen our capacity in undertaking more building construction and RMAA works projects in Hong Kong’*;
- Approximately, \$HK16.50 million, that is about 15.40 of the net proceeds from the Share Offer, *‘will be used to employ additional staff to further strengthen our manpower to support our growth’*;
- Approximately, \$HK4.10 million, that is about 3.90 percent of the net proceeds from the Share Offer, *‘will be used for office upgrade and renovation’*;
- Approximately, \$HK3.30 million, that is about 3.10 percent of the net proceeds from the Share Offer, *‘will be used for the development of engineering and technological innovation to improve our operational efficiency and enhance our quality of service’*; and,
- Approximately, \$HK6.70 million, that is about 6.20 percent of the net proceeds from the Share Offer, *‘will be used for general working capital and general corporate purposes’*.

### **The History And Business Of Wecon Holdings Ltd**

Wecon Ltd () was incorporated in the HKSAR on April 30, 1974.

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