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MECOM POWER AND CONSTRUCTION LIMITED

澳能建設控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1183)

PROFIT WARNING

This announcement is made by MECOM Power and Construction Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders and potential investors of the Company that, based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 (the “**Period**”) and other information currently available to the Board, the Group is expected to record a profit for the Period in the range of approximately MOP10.4 million to MOP12.8 million, while the profit for the six months ended 30 June 2023 was approximately MOP38.2 million. The Board considers that the deterioration in the operating results of the Group for the Period was mainly caused by:

- (a) a decrease in the Group’s revenue from the construction business as less large-scale construction projects were rolled out by the casino gaming and integrated resort operators during the Period. In addition, gross margin of the projects undertaken by the Group decreased as the pricing strategies and profit margins have been adjusted by the Group to remain competitive and secure contracts, which was further exacerbated by an increase in construction costs due to inflation; and
- (b) a decrease in the Group’s profit from the steel structures business due to a decrease in the average rebar prices for the Period.

The information contained in this announcement regarding the operating results of the Group for the Period is only a preliminary assessment by the Board based on the information currently available and the unaudited consolidated management accounts of the Group for the Period, which have not been audited by the Company’s external auditor nor reviewed by the audit committee of the Company. The actual financial results of the Group for the Period may be different from what is disclosed in this announcement. Shareholders and potential investors of the Company are advised to read carefully the Company’s interim results announcement for the Period which is expected to be published before the end of August 2024 pursuant to the requirements of the Listing Rules.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By Order of the Board
MECOM Power and Construction Limited
Kuok Lam Sek
Chairman

Hong Kong, 2 August 2024

As at the date of this announcement, the executive Directors are Mr. Kuok Lam Sek and Mr. Sou Kun Tou, and the independent non-executive Directors are Ms. Chan Po Yi, Patsy, Mr. Cheung Kiu Cho, Vincent and Mr. Lio Weng Tong.