MECOM
POWER & CONSTRUCTION

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 2019 (the "**Interim Period**") and other information currently available to the Board, the Group is expecting to record a decline of approximately 85% to 95% in the profit for the Interim Period as compared to the profit (before the one-off listing expenses) for the six months ended 30 June 2018.

Based on the information currently available, the Board considers that the deterioration in financial performance of the Group during the Interim Period was mainly caused by:

(a) a significant decrease in the Group's total contract sum and recognisable revenue during the Interim Period for the following reasons:

   (i) the uncertainty of the macroeconomic atmosphere, in particular the escalating trade disputes between China and the United States, which resulted in project owners or customers who are casino owners or operators in Macau being prudent in assessing the economic environment and postponing some large projects; and

   (ii) the unexpected delays in obtaining construction project approval, construction work licensing and work permits for foreign workers from the relevant regulatory and supervisory authority in Macau.

(b) the increase in administrative expenses as a result of the recurrence of legal and professional fees after the listing.

Notwithstanding the above, the Group's management will continue to strengthen its cost control efforts while at the same time seek to explore new business opportunities to increase the Group's revenue source and diversify the Group's business and/or portfolio.

The information contained in this announcement 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 Interim Period, which have not been reviewed by the Company's external auditor and the audit committee. The Company is in the process of preparing the consolidated financial results for the Interim Period, and the actual financial results of the Group for the Interim 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 Interim Period which is expected to be published on or before 30 August 2019 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, 18 July 2019

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 Dr. Ngan Matthew Man Wong.