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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “Board”) of directors (the “Directors”) of MECOM Power and Construction Limited (“MECOM” or the “Company”) is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2024 (the “Year” or “FY2024”), together with the comparative results for the year ended 31 December 2023 (the “Previous Year” or “FY2023”) as follows:

FINANCIAL HIGHLIGHTS

	2024 <i>MOP’000</i>	2023 <i>MOP’000</i>
Revenue	1,506,571	1,496,393
Gross profit	118,432	120,948
Profit for the year	4,091	5,566
Aggregate value of contracts on hand yet to complete		
– Construction business	682,074	574,408
– Steel structures business	618,080	466,750

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

(Expressed in Macanese Pataca (“MOP”))

	Notes	2024 MOP'000	2023 MOP'000
Revenue	3	1,506,571	1,496,393
Cost of goods and services		(1,388,139)	(1,375,445)
Gross profit		118,432	120,948
Other income		3,169	2,673
Other gains and losses		338	6,055
Impairment losses recognised on property, plant and equipment		(3,311)	–
Reversal of impairment losses (impairment losses recognised) under expected credit loss model, net		1,636	(27,058)
Loss on fair value changes of derivative financial instruments		(474)	(1,412)
Distribution costs		(31,621)	(21,650)
Administrative expenses		(76,392)	(61,559)
Share of results of associates		7,316	937
Finance costs		(10,065)	(7,848)
Impairment loss of an associate		(1,408)	–
Profit before tax		7,620	11,086
Income tax expense	4	(3,529)	(5,520)
Profit for the year		4,091	5,566
Other comprehensive expense			
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Exchange differences arising on translation of foreign operations		(1,291)	(5,565)
Total comprehensive income for the year		<u>2,800</u>	<u>1</u>
Profit (loss) for the year attributable to:			
Owners of the Company		(3,102)	(11,585)
Non-controlling interests		7,193	17,151
		<u>4,091</u>	<u>5,566</u>
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		(4,164)	(14,923)
Non-controlling interests		6,964	14,924
		<u>2,800</u>	<u>1</u>
Basic loss per share (MOP cents)	5	<u>(0.08)</u>	<u>(0.29)</u>
Diluted loss per share (MOP cents)	5	<u>(0.08)</u>	<u>(0.29)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	Notes	MOP'000	MOP'000
Non-current assets			
Property, plant and equipment		341,389	231,620
Interests in associates		5,419	14,812
Deposit paid for property, plant and equipment		–	10,483
		<u>346,808</u>	<u>256,915</u>
Current assets			
Inventories		103,069	44,420
Contract assets	6	62,065	111,423
Trade and other receivables	7	531,813	588,073
Amounts due from related companies	8	6,106	5,056
Pledged bank deposits		27,928	24,770
Cash and cash equivalents		61,315	57,635
		<u>792,296</u>	<u>831,377</u>
Current liabilities			
Amount due to a related company		178	147
Trade payables and accrued charges	9	310,605	295,957
Derivative financial instruments		–	1,412
Deferred income		21,919	–
Tax liabilities		4,790	10,414
Bank borrowings		163,911	235,146
Lease liabilities		249	185
Bank overdrafts		–	13,250
Contract liabilities		61,518	19,595
		<u>563,170</u>	<u>576,106</u>
Net current assets		<u>229,126</u>	<u>255,271</u>
Total assets less current liabilities		<u>575,934</u>	<u>512,186</u>
Non-current liabilities			
Bank borrowings		93,786	32,052
Lease liabilities		233	169
		<u>94,019</u>	<u>32,221</u>
Net assets		<u>481,915</u>	<u>479,965</u>
Capital and reserves			
Share capital		41,008	41,056
Reserves		330,092	335,058
Equity attributable to owners of the Company		<u>371,100</u>	<u>376,114</u>
Non-controlling interests		110,815	103,851
Total equity		<u>481,915</u>	<u>479,965</u>

NOTES:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate and ultimate holding company is MECOM Holding Limited. Its registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is located at Units Q, R and S, 6/F, Praca Kin Heng Long-Heng Hoi Kuok, Kin Fu Kuok, No. 258 Alameda Dr. Carlos D’Assumpcao, Macau.

The Company is an investment holding company. The Company’s subsidiaries are principally engaged in the construction business, electric vehicle (“EV”) business and steel structures business, details of which are set out in Note 3.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Information reported to the executive Directors, being the chief operating decision maker (“CODM”), for the purpose of resources allocation and assessment of segment performance focuses on the category of services delivered or provided. The Group’s reportable segments under IFRS 8 *Operating Segments* are therefore as follows:

- (1) Construction business – the provision of construction services, including construction and fitting out works, high voltage power substation construction and its system installation works, electrical and mechanical (“E&M”) engineering services works, and provision of facilities management services;
- (2) EV business – the provision of EV related services, including but not limited to (i) provision of EV charging services including sale of EV charging systems and provision of EV charging facilities for subscription fee; (ii) distribution of EVs; (iii) design, production, sales and marketing of EVs and EV charging systems; (iv) manufacturing and production of battery packs; and (v) provision of EV charging/ swapping solutions; and
- (3) Steel structures business – the sale and processing of new material steel structures and income from leasing of steel structures.

No analysis of the Group’s assets and liabilities is disclosed as such information is not regularly provided to the CODM for review.

(i) **Disaggregation of revenue from contracts with customers**

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
<u>Construction business</u>		
Construction and fitting out works	142,774	231,066
High voltage power substation construction and its system installation works	15,173	10,353
E&M engineering services works	50,514	84,667
Facilities management services	182,973	138,240
	<u>391,434</u>	<u>464,326</u>
<u>EV business</u>		
Sale of EV charging systems	92	63
Distribution of EVs	423	–
Provision of EV charging facilities	1,402	1,613
	<u>1,917</u>	<u>1,676</u>
<u>Steel structures business</u>		
Sale and processing of new material steel structures	1,103,809	1,030,391
Total revenue from contracts with customers	<u>1,497,160</u>	<u>1,496,393</u>
Income from leasing of steel structures	9,411	–
	<u>1,506,571</u>	<u>1,496,393</u>
<u>Timing of revenue recognition</u>		
A point in time	1,104,324	1,030,454
Over time	392,836	465,939
	<u>1,497,160</u>	<u>1,496,393</u>

(ii) **Segment information**

Segment results represent the profit before tax resulted from each segment without allocation of certain other income and administrative expenses of head office, impairment loss of an associate and share of results of associates. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

FY2024

	Construction business <i>MOP'000</i>	EV business <i>MOP'000</i>	Steel structures business <i>MOP'000</i>	Total <i>MOP'000</i>
Revenue from external customers	391,434	1,917	1,113,220	1,506,571
Intersegment revenue	49	–	–	49
	<u>391,483</u>	<u>1,917</u>	<u>1,113,220</u>	<u>1,506,620</u>
Elimination of intersegment revenue				(49)
Total revenue				<u>1,506,571</u>

	Construction business <i>MOP'000</i>	EV business <i>MOP'000</i>	Steel structures business <i>MOP'000</i>	Total <i>MOP'000</i>
Segment results	<u>(7,553)</u>	<u>(6,477)</u>	<u>19,911</u>	<u>5,881</u>
Central administration costs				(4,169)
Share of results of associates				7,316
Impairment loss of an associate				<u>(1,408)</u>
Profit before tax				<u><u>7,620</u></u>

FY2023

	Construction business <i>MOP'000</i>	EV business <i>MOP'000</i>	Steel structures business <i>MOP'000</i>	Total <i>MOP'000</i>
Revenue from external customers	464,326	1,676	1,030,391	1,496,393
Intersegment revenue	<u>349</u>	<u>–</u>	<u>–</u>	<u>349</u>
	<u>464,675</u>	<u>1,676</u>	<u>1,030,391</u>	<u>1,496,742</u>
Elimination of intersegment revenue				<u>(349)</u>
Total revenue				<u><u>1,496,393</u></u>
Segment results	<u>(27,192)</u>	<u>(7,735)</u>	<u>49,839</u>	<u>14,912</u>
Central administration costs				(4,763)
Share of results of associates				<u>937</u>
Profit before tax				<u><u>11,086</u></u>

(iii) Geographical information

The Group's operations are located in Macau, Hong Kong, the People's Republic of China (the "PRC"), Singapore and Cyprus.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
Macau	1,072,842	1,320,422	97,048	58,802
The PRC	183,052	139,190	248,921	197,298
Hong Kong	187,609	11,559	–	–
Cyprus	30,825	25,222	839	815
Singapore	<u>32,243</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u><u>1,506,571</u></u>	<u><u>1,496,393</u></u>	<u><u>346,808</u></u>	<u><u>256,915</u></u>

4. INCOME TAX EXPENSE

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
Current tax		
– Macau Complementary Tax	2,157	7,056
– PRC Enterprise Income Tax	931	505
– Cyprus Corporate Income Tax	1,274	661
– Hong Kong Profits Tax	83	–
– Singapore Corporate Income Tax	109	–
	<u>4,554</u>	<u>8,222</u>
Over provision in prior years	<u>(1,025)</u>	<u>(2,702)</u>
	<u><u>3,529</u></u>	<u><u>5,520</u></u>

The Company was incorporated as an exempted company in the Cayman Islands and is exempted from Cayman Islands income tax.

Subsidiaries in Macau are subject to Macau Complementary Tax at a rate of 12% on the assessable income exceeding MOP600,000 each for both years.

Under the Law of the PRC Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The subsidiary in Cyprus is subject to Cyprus Corporate Income Tax at a rate of 12.5% on the assessable income for both years.

Subsidiaries in Hong Kong which are qualified for the two-tiered profit tax regime are subject to Hong Kong Profits Tax at a rate of 8.25% on the first HK\$2 million assessable income and 16.5% on the assessable income above HK\$2 million. Subsidiaries in Hong Kong are subject to Hong Kong Profits Tax at a rate of 8.25% for the year ended 31 December 2024. Provision for Hong Kong Profits Tax for one of the subsidiaries in Hong Kong has been made as assessable profit is generated for the year ended 31 December 2024.

No provision for taxation in Hong Kong had been made as losses were resulted for subsidiaries operated in Hong Kong for the year ended 31 December 2023.

The subsidiary in Singapore is subject to Singapore Corporate Income Tax at a rate of 17% on the assessable income for the year ended 31 December 2024. No provision for taxation in Singapore had been made as the subsidiary operating in this jurisdiction incurred a loss for the year ended 31 December 2023.

At the end of the reporting period, the Group has unused tax losses of MOP40,189,000 (2023: MOP30,681,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

5. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
Loss		
Loss for the purpose of calculating basic and diluted loss per share attributable to owners of the Company	<u>(3,102)</u>	<u>(11,585)</u>
	<i>'000</i>	<i>'000</i>

Number of shares

Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u><u>3,985,841</u></u>	<u><u>3,994,082</u></u>
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The computation of diluted loss per share does not assume the exercise from the Company's outstanding bonus warrants as the exercise price of those bonus warrants was higher than the average market price of the Company's shares for the years ended 31 December 2024 and 2023.

6. CONTRACT ASSETS

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
Contract assets from contract with customers	67,581	114,188
Less: allowance for credit losses	<u>(5,516)</u>	<u>(2,765)</u>
	<u><u>62,065</u></u>	<u><u>111,423</u></u>

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
Represented by:		
Construction and fitting out works	34,868	80,630
High voltage power substation construction and its system installation works	2,513	2,500
E&M engineering services works	24,650	27,760
Facilities management services	–	533
EV business	<u>34</u>	<u>–</u>
	<u><u>62,065</u></u>	<u><u>111,423</u></u>

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
Analysed as current		
Unbilled revenue	21,125	43,236
Retention receivables	<u>40,940</u>	<u>68,187</u>
	<u><u>62,065</u></u>	<u><u>111,423</u></u>

Typical payment terms which impact on the amount of contract assets recognised are as follows:

Construction business – construction works

The Group's construction contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits and typically net off the deposits with first payments. Unbilled revenue included in the contract assets represents the Group's rights to receive consideration for works completed but not yet billed because the exercise of such rights is conditional upon customers' satisfaction of the contract works completed by the Group, customers' or external surveyors' issuance of certification on the works or the payment milestones being met. The contract assets are transferred to trade receivables when the rights become unconditional, which is typically at the time the Group obtains certification of the completed contract works from customers or external surveyors or meets payment milestones.

The Group also typically agrees to a retention period ranging from one year to two years for 5% to 10% of the contract value. This amount is included in the contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on satisfying the defect liability period of individual contracts. The Group typically reclassifies contract assets to trade receivables when the defect liability period expires.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

At 31 December 2024, retention money held by customers for contract works amounted to MOP40,940,000 (FY2023: MOP68,187,000), of which MOP1,172,000 (FY2023: MOP2,333,000) represented the retention money held by related companies. Retention money is unsecured, interest-free and recoverable at the end of the defect liability period of individual contracts ranging from one year to two years from the date of the completion of the respective projects.

The following is an aging analysis of retention money which is to be settled, based on the expiry of defect liability period, at the end of the reporting period.

	2024 MOP'000	2023 <i>MOP'000</i>
Within one year	12,810	24,233
After one year	28,130	43,954
	40,940	68,187

As at 31 December 2024, included in the Group's contract assets are retention money with a carrying amount of MOP5,277,000 (FY2023: MOP4,247,000), which are past due but not impaired as there has not been a significant change in credit quality and the amounts are still considered as recoverable based on historical experience. The Group does not hold any collateral over these balances.

7. TRADE AND OTHER RECEIVABLES

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
Trade receivables from contracts with customers	401,582	479,486
Less: allowance for credit losses	(29,413)	(33,580)
	372,169	445,906
Other receivables, deposits and prepayments		
– Deposits	3,757	1,060
– Prepayments for new material steel structures	60,975	70,109
– Prepayments for construction	22,840	259
– Others (Note 1)	72,723	82,131
Less: allowance for credit losses	(651)	(909)
	531,813	598,556
Analysed as:		
Current assets	531,813	588,073
Non-current assets (Note 2)	–	10,483
	531,813	598,556

Notes:

- Others mainly included value-add taxes recoverable and prepayment made on behalf of its sub-contractors.
- Amount represents the deposit paid for property, plant and equipment in respect of the construction works for setting up new manufacturing and research and development facilities at the site in Jiangmen, Guangdong Province, the PRC.

The Group allows a credit period of 0 to 90 days to its customers. The aging analysis of the Group's trade receivables, net of allowance for credit losses, based on the invoice date at the end of the reporting period are as follows:

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
0 – 90 days	270,702	229,551
91 – 365 days	72,765	185,941
1 – 2 years	21,178	29,023
Over 2 years	7,524	1,391
	372,169	445,906

As at 31 December 2024, included in the Group's trade receivables balance are debtors with carrying amounts of MOP304,702,000 (FY2023: MOP279,566,000), which are past due as at the reporting date. Out of the past due balances, MOP76,485,000 (FY2023: MOP192,383,000) has been past due for more than 90 days and is not considered to be in default. Majority of the Group's trade receivables that are past due but not impaired are from customers with good credit quality with reference to their respective settlement history and forward-looking information. The Group does not hold any collateral over these balances.

8. AMOUNTS WITH RELATED COMPANIES

Amounts due from related companies (trade-nature)

The Group typically allows a credit period of 30 to 45 days to its related companies. The following is an aging analysis of the amounts due from related companies (trade receivables), net of allowance for credit losses, presented based on the invoice date at the end of the reporting period.

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
0 – 90 days	<u>1,117</u>	<u>–</u>

At 31 December 2024, a carrying amount of MOP1,117,000 (FY2023: Nil) which was past due and not impaired as there has not been a significant change in credit quality and amount is still considered as recoverable. The Group does not hold any collateral over this balance.

9. TRADE PAYABLES AND ACCRUED CHARGES

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
Trade payables	172,627	170,422
Bills payables (<i>Note</i>)	963	–
Retention payables	24,338	33,136
Other payables and accrued charges		
– Accrued staff costs	18,768	21,235
– Accrued construction costs	54,816	60,313
– Receipt in advance	20	435
– Other accruals	<u>39,073</u>	<u>10,416</u>
	<u>310,605</u>	<u>295,957</u>

Note: These relate to trade payables in which the Group has issued bills to the relevant suppliers for future settlement of trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

Trade payables

The credit period on trade purchases is 0 to 90 days. Aging analysis of the Group's trade payables based on the invoice date at the end of the reporting period is as follows:

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
0 – 90 days	132,378	42,509
91 – 365 days	37,507	101,489
1 – 2 years	2,692	26,424
Over 2 years	<u>50</u>	<u>–</u>
	<u>172,627</u>	<u>170,422</u>

Bills payables

The following is an aging analysis of bills payables which are to be settled, based on the expiry of the bills, at the end of the reporting period:

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
0 – 90 days	963	–

Retention payables

Retention payables are interest-free and payable at the end of the defect liability period of individual contracts, ranging from one to two years from the date of completion of the respective project.

The following is an aging analysis of retention payables which are to be settled, based on the expiry of the defect liability period, at the end of the reporting period.

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
On demand or within one year	21,077	24,326
After one year	3,261	8,810
	24,338	33,136

10. DIVIDENDS

No dividend had been declared by the directors of the Company for the year ended 31 December 2024 (2023: nil).

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I hereby present to you the audited consolidated annual results of the Group for the year ended 31 December 2024.

Looking back on FY2024, despite the impact of global macroeconomic instability, MECOM demonstrated strong resilience in a challenging business environment. In our major market of Macau, gross domestic product grew by 11.5% year-on-year in the first three quarters, visitor numbers increased by 23.8%, and total gaming revenue reached MOP226.8 billion, gradually recovering to 77.5% of the pre-pandemic levels in 2019. Macau's overall economic growth was moderate and had not yet recovered to the pre-pandemic level. Public and private construction project tenders slowed down to balance risks, leading to intense competition within the industry. Throughout the year, the Group maintained close communication with its major clients, casino operators and the government, while keeping up high-quality project delivery, continuing to secure orders from casino operators and public housing construction projects. In both the public and private sectors, we have managed to maintain our market leadership through our excellent engineering expertise and delivery track record.

Facing rapid changes in the macro environment, the Group strived for progress and actively expanded its business portfolio across multiple sectors and markets, successfully seizing various development opportunities to further increase its revenue. Benefiting from the Macau government's vision to develop a diversified economy and the opportunities arising from the Macau-Hengqin integrated development, the Group successfully secured the facilities maintenance service contract for the Macao Cultural Centre and the cloud computing centre expansion project. Additionally, riding the trend of the society developing into an era of high intelligence, the Group undertook multiple smart data centre projects and expanded upstream into the new construction materials industry chain, successfully expanding its client base to high-potential countries and regions such as Hong Kong, Singapore, and Australia.

During the Year, with new industrialisation, intelligent manufacturing, and green transformation becoming development drivers for the construction industry, the Group seized opportunities to penetrate into the sector of high-value new construction materials production technology. With its production base in Jiangmen City, Guangdong Province commencing operations in January 2024, the Group quickly expanded its business of processing and sales of new material steel structures into target markets such as Macau, Hong Kong, and Southeast Asia, and further into the intelligent manufacturing sector. During the Year, we formed a strategic partnership with Beijing Institute of Construction Mechanization Co., Ltd.* (北京建築機械化研究院有限公司) ("Beijing Institute of Construction Mechanization"), a central state-owned enterprise, to jointly develop and promote green energy, new materials, and complete sets of intelligent equipment manufacturing with the aim of improving production efficiency and gaining market share. Currently, the Group is participating in the substantial investments in Hong Kong's Northern Metropolis development, Macau's New Urban Zone Land Reclamation Project, Singapore's intercity rail construction and other new urban infrastructure projects. We are confident that the new construction materials industry chain business will become a long-term and sustainable growth driver for MECOM.

Looking ahead, while markets are expected to remain unstable with intense competition, more development opportunities are emerging, and we will seize those opportunities to grow ourselves with confidence. The Macau government continues to implement economic diversification plans with tourism and entertainment industry as the pillar, aiming to attract more tourists. The Macau International Airport expansion project commenced in late 2024 and is expected to complete in 2030, which will significantly boost its annual passenger throughput. The Hengqin Line of the Macau Light Rapid Transit (the “LRT”) has also commenced operation, and will accelerate Macau’s blending into the one-hour living circle of the Greater Bay Area and stimulate tourist flow. In light of government’s urban planning and Macau’s continuous development as one of the four central cities in the Greater Bay Area, we anticipate more engineering demands arising from the supporting infrastructure construction, E&M and facilities management. Moreover, as the emerging artificial intelligence technology drives global industrial upgrading, the Macau government is actively promoting digital economy to support digital transformation across industries. As a result, we anticipate more demand arising from the construction of data centres and other intelligent social infrastructure, whereby the Group will take a firm grip of the opportunities in Macau’s development to undertake diverse engineering projects and strive to expand market share.

Regarding the new development momentum, the Group seized opportunities brought by green and intelligent society transformation and expanded into the specialised equipment manufacturing sector, striving to develop sustainable business models. Studies show that the global smart building market will reach US\$570 billion as governments across the world are actively launching smart city initiatives. The Catalogue for the Guidance of Adjustment to Industrial Structure released by the National Development and Reform Commission in 2024 encourages the development and application of advanced construction technologies, aiming to accelerate construction industrialization for high-quality economic development. MECOM is responding to the calls of the country by continuing its intelligent manufacturing of new construction materials, including the introduction of a fully intelligent rebar production line with remote control, robots, and precise manufacturing in the near future, as an effort to penetrate into markets in China and Southeast Asia to gain more orders and market share for sustainable business development.

On behalf of the Board and management of the Group, I would like to express my sincere gratitude to all our employees for their efforts and dedication, and deep appreciation to our shareholders, investors, customers, suppliers, and business partners for their support and assistance over the past year.

Kuok Lam Sek

Executive Director and Chairman

Hong Kong, 28 March 2025

MANAGEMENT DISCUSSION & ANALYSIS

COMPANY OVERVIEW

The Group is a renowned comprehensive construction company that has completed a number of highly challenging international construction projects, power substation and structural steelworks, with its operations spreading across countries and regions with high potential, such as Macau, Hong Kong, Singapore and Australia. The Group's business scope covers: (1) steel structures business, including research and development and sales of new construction materials; (2) construction business, including construction and fitting out works, high voltage power substation construction and its system installation works, E&M engineering services works, facilities management and operation and maintenance services, construction, operation and maintenance of data centres; and (3) EV-related services.

- (1) The Group's steel structures business includes structural steelworks and sale and processing of new material steel structures. Structural steelworks services generally involve the provision of customised and target-oriented steel structure erection services including structural steelworks, concreting and builder works, and the integration of these constructional methods for building highly efficient structures. The Group is also engaged in the supply of new material steel structures, such as reinforced bars, steel sheet piles, galvanized sheets and other steel materials in various dimensions to the main contractors and/or construction companies for use in their construction projects, which enables the Group to cover the upstream industries of its principal construction business.
- (2) The Group's construction and fitting out works comprise civil engineering construction services and fitting out and improvement works.
 - Civil engineering construction services generally cover demolition, ground field investigation, site formation and foundation works, as well as substructures and superstructures, and roads and drainage.
 - Fitting out and improvement works generally involve alteration, renovation and upgrading works of various types, including preparation of shop drawings, modification, removal and installation of equipment and general improvement works.
 - E&M engineering services works generally involve a combination of the supply and/or installation of (i) low voltage ("LV") systems works; (ii) heating, ventilation and air-conditioning ("HVAC") systems works; and (iii) extra low voltage ("ELV") systems works, and the relevant testing and commissioning thereof, as well as management and monitoring of quality and delivery of our E&M engineering services works. LV systems works include the supply and installation of cables, earthing, lighting systems, power cables, electrical wiring, switchboards, power outlets and other related electrical equipment that relates to the power supply and distribution within a building. HVAC systems works include the supply and installation of variable refrigerant volume units, ventilation and exhaust air systems for buildings, as well as the supply and installation of related pipes, ducts, air-conditioning units, ventilation fans and other related equipment. ELV systems works include the procurement and installation of telephones, closed-circuit television (used for security video surveillance purposes) and any other systems within a building that require a transmission signal.

- Facilities management, operation and maintenance services involve the provision of facilities operation and maintenance management, alteration, upgrading, maintenance works and emergency repairs of various buildings, properties and their components (especially for hotels and resorts), high voltage power substations and their respective systems. In addition, the Group also provides data centre maintenance services, covering infrastructure operation, power equipment cooling management, security monitoring and technical support, and has been maintaining data centre facilities for the Macau government for two consecutive years.
- (3) The Group's EV business is a sustainable business opportunity which involves supplying EV related services, including but not limited to (i) provision of EV charging services including sale of EV charging systems and provision of EV charging facilities for subscription fee; (ii) distribution of EVs; (iii) design, production, sales and marketing of EVs and EV charging systems; (iv) manufacturing and production of battery packs; and (v) provision of EV charging/swapping solutions.

BUSINESS REVIEW

In 2024, Macau's gaming revenue reached MOP226.8 billion, representing a year-on-year increase of 23.9%, but has not recovered to the pre-pandemic level. Given the Macau government's cautious approach to diversifying economic development, overall construction projects in the public and private sectors have not shown explosive growth. While striving to secure new engineering projects, the Group strategically expanded into the sales and processing of new material steel structures, thus maintaining steady revenue growth.

During the Year, the Group recorded revenue of MOP1,506.6 million (FY2023: MOP1,496.4 million), with revenue from steel structures business reaching MOP1,113.2 million (FY2023: MOP1,030.4 million), accounting for 73.9% of the Group's total revenue (FY2023: 68.9%). During the Year, the decrease in large-scale construction projects owned by casino gaming and integrated resort operators led to a 15.7% reduction in our revenue from the construction business to MOP391.4 million (FY2023: MOP464.3 million). Regarding gross profit margin, despite fluctuations in average steel prices during the Year, the Group actively secured orders and strove to maintain profit levels. The overall gross profit margin stood at approximately 7.9%, which is similar to that of the same period of 2023, remaining healthy. The Group's manufacturing facilities in Jiangmen City, Guangdong Province, the PRC officially commenced production at the beginning of the year, resulting in additional administrative expenses and interest expenses for the steel structures business. Due to the combined effects of the above, the Group's net margin for the year stood at 0.3% (FY2023: 0.4%).

As at 31 December 2024, the value of the Group's contracts on hand yet to complete in respect of construction and fitting out works and steel trading was MOP682.1 million (FY2023: MOP574.4 million) and MOP618.1 million (FY2023: MOP466.8 million), respectively.

Steel Structures Business

During the Year, the Group's steel structures business achieved a steady growth, delivering approximately 211,592 tons of new steel materials, with revenue increasing by 8.0% year-on-year to MOP1,113.2 million (FY2023: MOP1,030.4 million) and becoming the Group's main source of revenue. Our steel structures were sold to Macau and Hong Kong markets, mainly for public and private projects, including the design and construction works for Macau LRT East Line, Macau's New Urban Zone Land Reclamation Project, and the Hong Kong-Shenzhen Innovation and Technology Park. For new orders, the Group secured order contracts for the supply of a total of approximately 267,422 tons of rebars, steel sheet piles, galvanized sheets and other steel materials in various dimensions.

MECOM International New Materials Technology (Guangdong) Co., Ltd.* (澳能國際新材料科技(廣東)有限公司) (“MECOM International”), an indirect non-wholly owned subsidiary of the Company, has put its manufacturing facilities into formal production and operation in early 2024. During the Year, the Group established strategic partnership with Beijing Institute of Construction Mechanization, a central state-owned enterprise, focusing on research, development and promotion of green energy, new materials, and complete intelligent equipment, in an attempt to further expand market opportunities in Macau, Hong Kong, Singapore, and Australia. The Group is planning on constructing a fully intelligent rebar production line with remote order control and management software as well as intelligent robots installed to improve production efficiency by over 20% and reduce labour costs and safety risks.

Construction Business

The Group’s clients for its construction business mainly include casino operators, integrated entertainment and resort developers and operators, and public institutions. We maintain active communication with our clients, expand our business scope to cover different customer groups, continue to develop our construction business in Cyprus, aiming to further strengthen our market position.

During the Year, the Group successfully undertook a series of large-scale construction and fitting out works projects, E&M engineering projects, and facilities management services projects, including i) the provision of repair and maintenance services for the air conditioning, electrical and building facilities of the Macao Cultural Centre Complex; ii) the provision of repair and maintenance services for the mechanical and electrical systems and equipment of the Macau Urban Development and Construction Exhibition Hall; iii) the structural steel corridors works for public housing construction projects; iv) the provision of facade lighting systems maintenance services for one of the major hotels; and v) the provision of repair and maintenance services for the peripheral facilities of the Frontier Post of Macao Port Administration Area of the Hong Kong-Zhuhai-Macau Bridge, which fully demonstrated our business capabilities and resilience. During the Year, the Group renewed three facility management services agreements for the provision of operation and maintenance services for the energy centre and mechanical, electrical and plumbing (MEP) systems of a hotel complex for a term of two years; and renewed two and secured one new facility management services agreements for the provision of maintenance services for the swimming pools and artificial water features of hotel complexes for a term of three years. The aggregate contract value of the above new projects amounted to approximately MOP329.5 million. As of the end of the Year, the Group had sufficient contracts in hand and expected to advance multiple key projects in 2025, laying a solid foundation for a sustainable business growth.

EV Business

During the Year, the Group’s EV business progressed in a steady manner as MUCharging (Macau) Limited (“MUCharging”), our indirect wholly-owned subsidiary, introduced a charging tariff for the installed charging systems at various high-end casinos, quality residential areas, and commercial buildings, including Lisboeta, Ponte 16, Kingsville, and China Plaza. Through separate contracts entered into with landlords and/or tenants of parking spaces at various projects, we provided efficient and convenient EV charging solutions, thereby increasing our market share in the EV charging market and making important contributions to the Group’s revenue diversification efforts.

In order to concentrate advantageous resources on advancing our EV business in China and Hong Kong, after thorough consideration, the Group decided to terminate the joint venture agreement signed in 2023 between MUCharging and Giken Mobility Pte. Ltd. regarding the joint development of EV business in Southeast Asian markets including Singapore, Thailand, Indonesia, and Malaysia.

FINANCIAL REVIEW

Revenue

The following table sets forth a breakdown of the Group's revenue in FY2024 and FY2023:

	2024		2023	
	<i>MOP'000</i>	<i>%</i>	<i>MOP'000</i>	<i>%</i>
<i>Construction business</i>				
Construction and fitting out works	142,774	9.5	231,066	15.4
High voltage power substation construction and its system installation works	15,173	1.0	10,353	0.7
E&M engineering services works	50,514	3.4	84,667	5.7
Facilities management services	182,973	12.1	138,240	9.2
	391,434	26.0	464,326	31.0
<i>EV business</i>	1,917	0.1	1,676	0.1
<i>Steel structures business</i>	1,113,220	73.9	1,030,391	68.9
Total	1,506,571	100.0	1,496,393	100.0

The Group's revenue for the Year increased by MOP10.2 million or 0.7%.

Revenue from the steel structures business for the Year increased by MOP82.8 million or 8.0%, which was mainly attributable to the increase in the sales volume and drop in average rebar prices. During the Year, the Group delivered approximately 211,592 tons (FY2023: 181,432 tons) of steel materials, including reinforced bars, steel sheet piles and galvanized sheets, and contributed MOP1,113.2 million (FY2023: MOP1,030.4 million) to the Group's revenue.

Revenue from the construction business decreased by MOP72.9 million or 15.7%, which was primarily attributable to the decrease in revenue generated from construction and fitting out works of MOP88.3 million or 38.2% and E&M engineering services works of MOP34.2 million or 40.3%. During the Year, the number of large-scale construction projects rolled out by the casino gaming and integrated resort operators dropped. The recurring revenue was strengthened with new maintenance contracts secured during the Year and revenue from facilities management services increased by MOP44.7 million or 32.4%.

Gross profit

The following table sets forth a breakdown of the Group's gross profit and gross margin during FY2024 and FY2023:

	2024		2023	
	Gross profit/(loss) MOP'000	Gross margin %	Gross profit/(loss) MOP'000	Gross margin %
<i>Construction business</i>				
Construction and fitting out works	(14,399)	(10.1)	(36,425)	(15.8)
High voltage power substation construction and its system installation works	1,964	12.9	1,259	12.2
E&M engineering services works	(12,018)	(23.8)	4,527	5.3
Facilities management services	54,996	30.1	52,801	38.2
	30,543	7.8	22,162	4.8
<i>EV business</i>	(2,087)	(108.9)	(4,564)	(272.4)
<i>Steel structures business</i>	89,976	8.1	103,350	10.0
Total/overall	118,432	7.9	120,948	8.1

The Group recorded a gross profit of MOP118.4 million (FY2023: MOP120.9 million) and gross margin of 7.9% (FY2023: 8.1%) for the Year.

Gross margin of the steel structures business dropped from 10.0% in FY2023 to 8.1% in FY2024, which was mainly due to the drop in average rebar prices during the Year.

Though gross loss margin of the construction and fitting out works was improved from 15.8% in FY2023 to 10.1% in FY2024, a gross loss of MOP14.4 million (FY2023: MOP36.4 million) was incurred during the Year. In addition, gross profit margin of the facilities management services dropped from 38.2% in FY2023 to 30.1% in FY2024. These were mainly due to the decrease in (i) number of construction and fitting out works projects; and (ii) gross profit margin of the projects undertaken by the Group during the Year. Apart from the increase in construction costs due to inflation, the pricing strategies and profit margins have been adjusted to remain competitive and secure contracts.

During the Year, the Group incurred additional costs for the variation orders regarding the design, supply, installation, testing, commissioning and maintenance of information technology systems for a new hotel complex in Cotai, Macau. The costs were substantially borne by the Group and without reimbursement by the property owner, resulting in E&M engineering services works recorded a gross loss margin of 23.8% in FY2024 (FY2023: gross profit margin of 5.3%).

To expand the market share and get prepared for a prospective rapid growth in the number of customers, the Group continued its investment in the EV business, and therefore recorded a gross loss of MOP2.1 million (FY2023: MOP4.6 million) for the Year in respect of the EV business segment.

Other gains and losses

Other gains and losses decreased by MOP5.7 million during the Year, which was attributable to the Group's recognition of gain on disposal of property, plant and equipment of MOP6.9 million in FY2023.

Distribution costs

During the Year, the Group incurred transportation costs of MOP29.5 million (FY2023: MOP21.7 million) for the steel structures business due to the increase in tons of steel materials delivered during the Year.

Impairment losses recognised on property, plant and equipment

In view of the loss situation of the EV business in the PRC brought about by the downturn in subscription fee income, there is indication for impairment of property, plant and equipment of the Group. An assessment for impairment was conducted to assess the recoverable amount with reference to the higher of the assets' fair value less costs to disposal and value in use. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. As a result, the Group recognised impairment loss on property, plant and equipment of MOP3.3 million (FY2023: nil).

Impairment losses reversed (recognised) under expected credit loss ("ECL") model

During the Year, the Group reversed impairment losses of MOP1.6 million for trade receivables, trade-nature amounts due from a related company, contract assets and other receivables under the ECL model, which was primarily attributable to the recovery of monies from customers.

The Group recognised impairment losses of MOP27.1 million for trade receivables, trade-nature amounts due from a related company, contract assets and other receivables under the ECL model in FY2023, which was primarily attributable to the default of a customer in the payment of monies by the due date.

Loss on fair value changes of derivative financial instruments

During the Year, the Group's foreign exchange hedging contracts were matured and settled with the bank and resulted in a loss on fair value changes of MOP474,000 (FY2023: MOP1.4 million) due to the depreciation of Renminbi ("RMB") against Hong Kong dollar ("HK\$").

Administrative expenses

Administrative expenses increased by MOP14.8 million or 24.1% mainly due to (i) salaries and other staff costs; and (ii) depreciation incurred for the steel structures business due to commencement of formal production for the manufacturing facilities in the PRC during the Year.

Finance costs

Finance costs increased by MOP2.2 million or 28.2% due to the drawdown of a new revolving loan of HK\$60 million in November 2023, thus covering only a part of the Previous Year, whereas the interest expense for the Year covered the entire twelve-month period.

Income tax expense

Income tax expense decreased by MOP2.0 million or 36.1% primarily due to the recognition of impairment losses of MOP27.1 million under the ECL model in FY2023 which was non tax-deductible in FY2023.

Profit for the Year

The Group's profit for the Year decreased by MOP1.5 million or 26.5%, which was primarily attributable to the combined effect of the abovementioned items. Net margin was 0.3% (FY2023: 0.4%).

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent approach in cash management to minimise financial and operational risks. The Group's capital expenditure and daily operations during the Year were mainly funded by cash generated from its operations and credit facilities provided by its principal bankers in Macau and the PRC.

In the management of liquidity risks, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of unexpected fluctuations in cash flows.

As at 31 December 2024, the Group had net current assets of MOP229.1 million (FY2023: MOP255.3 million). The current ratio of the Group as at 31 December 2024 was 1.4 (FY2023: 1.4).

The Group continued to maintain a healthy liquidity position. As at 31 December 2024, the Group had cash and bank balances of MOP61.3 million (FY2023: MOP57.6 million).

As at 31 December 2024, the Group had outstanding bank borrowings of MOP257.7 million (FY2023: MOP267.2 million) and the Group's unutilised credit facilities was MOP121.6 million (FY2023: MOP120.5 million). The Group's gearing ratio (calculated by dividing total debts with total equity) was 53.5% (FY2023: 55.7%).

CAPITAL STRUCTURE

As at 31 December 2024, the Company's share capital and equity amounted to MOP41.0 million and MOP481.9 million, respectively (FY2023: MOP41.1 million and MOP480.0 million, respectively).

FOREIGN EXCHANGE EXPOSURE

The Group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies. The Group is exposed to currency risks primarily through the purchases of steel materials which are denominated in RMB, while the sales are denominated in HK\$. The management will monitor and review the Group's foreign exchange exposure from time to time and ensure that appropriate measures are adopted effectively in a timely manner to manage the currency risks.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Moreira Dos Santos Mobilities Eléctrica Lda., an associate of the Group which was engaged in EV business, was wound up on 31 March 2024.

Save as disclosed above, the Group had no significant investments and no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Year.

Save as disclosed above and in the below section headed “Use of Net Proceeds from the Global Offering”, the Group had no future plans for material investments or capital assets as at 31 December 2024.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The shares of the Company (“Shares”, each a “Share”) have been listed and traded on the Main Board of the Stock Exchange since 13 February 2018 (the “Listing”).

The net proceeds from the global offering of the Company were HK\$261.6 million (equivalent to approximately MOP269.4 million) after deducting underwriting fees and commissions and all related expenses. Details of the proposed applications of such net proceeds are as disclosed in “Future Plans and Use of Proceeds” of the prospectus of the Company dated 1 February 2018 for the Listing and subsequently revised in the announcement issued by the Company dated 28 February 2019.

The following table sets out the revised applications of the net proceeds and the actual usage up to 31 December 2024:

	Revised applications (HK\$ million)	Amount of unutilised proceeds as at 1 January 2024 (HK\$ million)	Actual usage up to 31 December 2024 (HK\$ million)
Financing the issuance of performance bonds when undertaking new projects	112.4	1.1	112.4
Establishing storage facilities (<i>Note</i>)	44.3	–	44.3
Recruiting additional staff	45.2	–	45.2
Acquiring additional machinery	16.8	–	16.8
Financing the upfront costs for new projects (<i>Note</i>)	16.7	–	16.7
General working capital	26.2	–	26.2
	<u>261.6</u>	<u>1.1</u>	<u>261.6</u>

Note:

With reference to the Company’s announcement dated 28 February 2019, as the Company had already acquired an industrial unit in Macau to serve as a permanent base for the Group’s centralised warehouse, the Board had resolved to reallocate the then remaining unutilised balance of the net proceeds of approximately HK\$16.7 million that was earmarked for the purpose of strengthening the Group’s storage facilities for equipment and materials towards the financing of upfront costs (i.e. raw materials costs, labour costs and subcontracting costs) for new projects. Please refer to the aforesaid announcement for further information.

PLEDGE OF ASSETS

As at 31 December 2024, the Group had pledged (i) bank deposits of MOP27.9 million (FY2023: MOP24.8 million); and (ii) property, plant and equipment of MOP258.9 million (FY2023: MOP172.8 million) with banks as security for credit facilities.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 December 2024 (FY2023: nil).

COMMITMENTS

As at 31 December 2024, the Group had capital commitments of approximately MOP4,530,000 (FY2023: MOP63,874,000) in relation to the construction works for setting up new manufacturing and research and development facilities at the site in Jiangmen, Guangdong Province, the PRC.

EMPLOYEES AND REMUNERATION POLICY

The remuneration package offered to employees generally includes salaries, allowances, benefits-in-kind, fringe benefits including medical insurance and contributions to pension funds and bonuses. In general, the Group determines salaries of its employees based on their performance, qualifications, position and the prevailing industry practice.

As a main contractor for some of the projects we undertake, we apply for work permits for our non-Macau resident workers on a project-by-project basis. As at 31 December 2024, the Group had 405 (FY2023: 366) employees in Hong Kong, Macau, the PRC and Europe.

The Company has adopted a share option scheme (the “Share Option Scheme”) on 23 January 2018, which was effective upon the Listing. The purpose of the Share Option Scheme is to recognise and acknowledge the contributions that the eligible participants had or may have made to the Group. During the Year, no option has been granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme.

PROSPECTS

Looking ahead to 2025, the Group will continue to expand its revenue and market share in its main market Macau, as well as other target markets, including Hong Kong, Australia, Cyprus, and Southeast Asia. In Macau, as the government promotes economic diversification and stimulates tourist arrivals, gaming revenue is expected to gradually recover to pre-pandemic level. As stipulated in the new gaming concession contracts signed between each of the six casino operators and the Macau SAR government at the end of 2022, the six casino operators are expected to significantly increase their investments in renovating and modifying the existing ancillary hardware facilities. Regarding the demand for public works, the Macau government will continue to expand its investment in public projects, commence construction of public infrastructure, public housing and other projects, so as to facilitate Macau’s integration into the one-hour living circle of the Guangdong-Hong Kong-Macau Greater Bay Area, as a result of which, it is expected that there will be continuous supporting projects launched.

Benefiting from China's strong commitment to building an intelligent and green society, the demand for steel structures made of new material is expected to increase steadily. In the future, the Group will continue to increase its investment in the intelligent manufacturing segment while actively promoting the development of its steel structures business, expanding capacity configuration, and growing the steel structures business in the direction of higher added value, so as to strengthen the Group's market competitiveness.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024.

BONUS WARRANTS ISSUE

On 8 May 2023, the Company issued a circular relating to a new bonus warrants issue (the "2023 Warrants"), and obtained approval from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the 2023 Warrants and the new Shares which may fall to be issued upon the exercise of the subscription rights attaching to the 2023 Warrants. The stock code of the 2023 Warrants was 424.

The 2023 Warrants were issued to the qualifying shareholders (the "Shareholders") on the basis of one 2023 Warrant for every ten Shares held on 18 May 2023. A total of 266,408,595 2023 Warrants were issued by the Company to the qualifying Shareholders, represented by the 2023 Warrant certificates. The 2023 Warrants were issued in registered form and each 2023 Warrant entitles the holder thereof to subscribe in cash for 1 new Share at an initial subscription price of HK\$1.78 per Share during the subscription period from Thursday, 25 May 2023 to Friday, 24 May 2024 (both days inclusive). The subscription price was adjusted from HK\$1.78 to HK\$1.19 per Share with effect from 7 June 2023. Details of the adjustments are disclosed in the Company's announcement dated 6 June 2023. A total of 60,012 2023 Warrants were exercised and all of the 2023 Warrants, to the extent not yet exercised, were expired and lapsed on 24 May 2024. The subscription monies from the exercised 2023 Warrants amounted to approximately HK\$57,000, which were used as general working capital of the Group.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting (the "AGM") of the Company is scheduled to be held on Thursday, 29 May 2025. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 23 May 2025 to Thursday, 29 May 2025 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the above AGM, all transfer forms accompanied by relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 22 May 2025.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the code provisions set out in Part 2 of the Corporate Governance Code (the “CG Code”) under Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) as the basis of the Company’s corporate governance practices.

The Board is of the opinion that the Company has complied with all the code provisions in Part 2 of the CG Code throughout the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the required standards set out in the Model Code throughout the Year.

Pursuant to Rule B.13 of the Model Code, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

The Company repurchased 4,658,000 Shares on the Stock Exchange during the Year. The total consideration (including transaction costs) of the repurchases was approximately HK\$882,000. All of the repurchased Shares were cancelled during the Year. Particulars of the repurchases are as follows:

Month	Number of Shares repurchased	Purchase price per Share		Aggregate consideration HK\$
		Highest HK\$	Lowest HK\$	
October 2024	470,000	0.195	0.188	90,000
November 2024	2,728,000	0.204	0.177	515,000
December 2024	1,460,000	0.190	0.175	277,000
	<u>4,658,000</u>			<u>882,000</u>

The Board considered that the repurchases enhanced the earnings per Share and benefited the Company and its Shareholders as a whole.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury Shares) during the Year.

AUDIT COMMITTEE

The Company has established the audit committee of the Company (the “Audit Committee”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the CG Code. The Audit Committee consists of three members, namely Ms. Chan Po Yi, Patsy, Mr. Cheung Kiu Cho, Vincent and Mr. Lio Weng Tong, all being independent non-executive Directors. The Audit Committee is chaired by Ms. Chan Po Yi, Patsy who has appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the consolidated financial statements of the Group for the Year, including the accounting principles and practices adopted by the Group, as well as the risk management and internal control system of the Group.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit and loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the Year as approved by the Board of Directors on 28 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there were no other important events affecting the Group that had occurred after 31 December 2024 and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE

This announcement is published on the Company’s website at www.mecommacau.com and the Stock Exchange’s website at www.hkexnews.hk. The 2024 Annual Report will be made available on the above websites in due course in accordance with the Listing Rules.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as the Shareholders, business associates and other professional parties for their continuous support to the Group throughout the Year.

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

Hong Kong, 28 March 2025

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.

** For identification purpose only*