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Macau E&M Holding Limited
濠江機電控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1408)

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Macau E&M Holding Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”), together with the comparative figures for the corresponding period in 2024 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended 30 June 2025

	<i>Notes</i>	Six months ended 30 June 2025 MOP'000 (Unaudited)	30 June 2024 MOP'000 (Unaudited)
Revenue	3	40,396	57,149
Cost of services		(35,568)	(56,627)
Gross profit		4,828	522
Other income	4	2,207	2,697
Reversal of impairment losses (impairment losses recognised) under expected credit loss model, net		156	(62)
Administrative expenses		(7,235)	(7,268)
Finance costs		(99)	(123)
Loss before tax		(143)	(4,234)
Income tax expense	5	(24)	(16)
Loss and total comprehensive expense for the period	6	(167)	(4,250)
Losses per share (<i>Macanese Pataca</i> (“ <i>MOP</i> ”) cents)	7	(0.03)	(0.85)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	<i>Notes</i>	30 June 2025 MOP'000 (Unaudited)	31 December 2024 MOP'000 (Audited)
Non-current assets			
Property, plant and equipment	9	36,427	36,968
Deposits and receivables	12	–	99
Right-of-use assets		84	75
		36,511	37,142
Current assets			
Contract assets	10	20,041	30,155
Trade and other receivables	12	19,696	29,518
Pledged bank deposits	13	44	43
Short-term bank deposits	13	98,823	41,630
Cash and cash equivalents	13	51,706	99,930
		190,310	201,276
Current liabilities			
Contract liabilities	11	4,002	988
Trade payables and accruals	14	7,871	22,063
Lease liabilities	15	51	54
Bank borrowing		645	546
Tax liabilities		56	31
		12,625	23,682
Net current assets		177,685	177,594
Non-current liabilities			
Bank borrowing		11,371	11,755
Lease liabilities	15	35	24
		11,406	11,779
Net assets		202,790	202,957
Capital and reserves			
Share capital	16	5,150	5,150
Reserves		197,640	197,807
Total equity		202,790	202,957

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital <i>MOP'000</i>	Share premium <i>MOP'000</i>	Legal reserve <i>MOP'000</i> <i>(Note a)</i>	Other reserves <i>MOP'000</i> <i>(Note b)</i>	Retained earnings <i>MOP'000</i>	Total <i>MOP'000</i>
At 1 January 2024 (audited)	5,150	111,487	30	(35,509)	124,289	205,447
Loss and total comprehensive expense for the period	—	—	—	—	(4,250)	(4,250)
At 30 June 2024 (unaudited)	<u>5,150</u>	<u>111,487</u>	<u>30</u>	<u>(35,509)</u>	<u>120,039</u>	<u>201,197</u>
At 1 January 2025 (audited)	5,150	111,487	30	(35,509)	121,799	202,957
Loss and total comprehensive expense for the period	—	—	—	—	(167)	(167)
At 30 June 2025 (unaudited)	<u>5,150</u>	<u>111,487</u>	<u>30</u>	<u>(35,509)</u>	<u>121,632</u>	<u>202,790</u>

Notes:

- In accordance with provisions of the Macau Commercial Code, the subsidiaries incorporated in the Macau Special Administrative Region (“**Macau**”) are required to transfer a minimum of 25% of the profit after taxation each year to the legal reserve until the balance meets 50% of their registered capital. The reserve is not distributable to shareholders.
- The balance of other reserves as at the end of each reporting period represents the difference between the carrying amount of the total equity of Kento Engineering Co. Ltd. (“**Kento**”) and the consideration satisfied by way of issue of shares by the Company for the acquisition of Kento by Macau E&M Company Limited, pursuant to the reorganization.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended	
	30 June 2025	30 June 2024
	<i>MOP'000</i>	<i>MOP'000</i>
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Loss before tax	(143)	(4,234)
Adjustments for:		
Finance costs	2	4
Depreciation of		
– Property, plant and equipment	541	542
– Right-of-use assets	52	51
(Reversal of impairment losses) impairment losses recognised under expected credit loss model, net	(156)	62
Bank interest income	(2,207)	(2,631)
Bank loan interest expense	97	119
	<u>(1,814)</u>	<u>(6,087)</u>
Operating cash flows before movements in working capital		
	<u>(1,814)</u>	<u>(6,087)</u>
Decrease in contract assets	10,255	12,634
Decrease (increase) in trade and other receivables	9,555	(10,783)
Increase (decrease) in contract liabilities	3,014	(2,250)
Decrease in trade payables and accruals	(14,192)	(7,187)
	<u>6,818</u>	<u>(13,673)</u>
Income tax paid	–	(17)
	<u>–</u>	<u>(17)</u>
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	<u>6,818</u>	<u>(13,690)</u>
INVESTING ACTIVITIES		
Interest received	2,588	2,274
Redemption of short-term bank deposits	41,630	27,025
Placement of short-term bank deposits	(98,823)	(85,126)
Redemption of pledged bank deposits	31	30
Placement of pledged bank deposits	(32)	(31)
	<u>(54,606)</u>	<u>(55,828)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(54,606)</u>	<u>(55,828)</u>

	Six months ended	
	30 June	30 June
	2025	2024
	MOP'000	MOP'000
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Repayment of lease liabilities	(53)	(50)
Interest paid on lease liabilities	(2)	(4)
Repayment of bank borrowing	(284)	(256)
Interest paid on bank borrowing	(97)	(119)
	<u> </u>	<u> </u>
NET CASH USED IN FINANCING ACTIVITIES	(436)	(429)
	<u> </u>	<u> </u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(48,224)	(69,947)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	99,930	114,732
	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD,		
represented by cash and cash equivalents	51,706	44,785
	<u><u> </u></u>	<u><u> </u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standards Board (“**IASB**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is incorporated in the Cayman Islands with limited liability.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis. Other than additional in accounting policies resulting from application of amendments to International Financial Reporting Standards (“**IFRSs**”), agenda decision of the IFRS Interpretations Committee (the “**Committee**”) of the International Accounting Standards Board (the “**IASB**”), and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 21 Lack of Exchangeability

The application of the amendments to IFRSs and the Committee’s agenda decision in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group’s revenue represents the amount received and receivable for revenue arising on electrical and mechanical (“**E&M**”) engineering works and maintenance and repair services.

For the purpose of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision maker, and the directors of the operating subsidiary, review the overall results and financial position of the Group. Accordingly, the Group has only one single operating segment and no further discrete financial information nor analysis of this single segment is presented.

	Six months ended	
	30 June 2025 MOP'000 (Unaudited)	30 June 2024 MOP'000 (Unaudited)
Revenue from construction contracts		
E&M engineering works	39,266	55,970
Provision of services		
Maintenance and repair services	<u>1,130</u>	<u>1,179</u>
	<u>40,396</u>	<u>57,149</u>
Timing of revenue recognition		
Over time	<u>40,396</u>	<u>57,149</u>

Geographical information

The Group's revenue is derived from operations in Macau and Sri Lanka, but the Group's non-current assets are all located in Macau as at 30 June 2025 and 31 December 2024.

	E&M engineering works		Maintenance and repair services	
	Six months ended			
	30 June 2025 MOP'000 (Unaudited)	30 June 2024 MOP'000 (Unaudited)	30 June 2025 MOP'000 (Unaudited)	30 June 2024 MOP'000 (Unaudited)
Macau	20,586	55,970	1,130	1,179
Sri Lanka	<u>18,680</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>39,266</u>	<u>55,970</u>	<u>1,130</u>	<u>1,179</u>

4. OTHER INCOME

	Six months ended	
	30 June 2025 MOP'000 (Unaudited)	30 June 2024 MOP'000 (Unaudited)
Bank interest income	2,207	2,631
Others	<u>–</u>	<u>66</u>
	<u>2,207</u>	<u>2,697</u>

5. INCOME TAX EXPENSE

	Six months ended	
	30 June 2025 MOP'000 (Unaudited)	30 June 2024 MOP'000 (Unaudited)
Current tax:		
Hong Kong Profits Tax	24	16
	<u>24</u>	<u>16</u>
Income tax expense relating to continuing operations	<u>24</u>	<u>16</u>

The Company was incorporated in the Cayman Islands and registered in Hong Kong. The Cayman Islands tax is exempted, but the Company is subject to Hong Kong Profits Tax and it is qualified for the two-tiered profits tax rates regime. The first HK\$2 million of the assessable profits is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The Company's operating subsidiary is subject to Macau Complementary Tax at a rate of 12% on the assessable income exceeding MOP600,000 for both periods.

6. LOSS FOR THE PERIOD

	Six months ended	
	30 June 2025 MOP'000 (Unaudited)	30 June 2024 MOP'000 (Unaudited)
Loss for the period has been arrived at after charging (crediting):		
Directors' emoluments	1,963	2,053
Other staff costs:		
Salaries and other allowances	8,280	10,214
	<u>10,243</u>	<u>12,267</u>
Total staff costs	10,243	12,267
Less: amounts included in cost of services	(6,108)	(8,063)
	<u>4,135</u>	<u>4,204</u>
Depreciation of		
– property, plant and equipment	541	542
– right-of-use assets	52	51
	<u>593</u>	<u>593</u>

7. LOSSES PER SHARE

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

	Six months ended	
	30 June	30 June
	2025	2024
	MOP'000	MOP'000
	(Unaudited)	(Unaudited)
Losses		
Losses for the purpose of calculating basic and diluted losses per share	<u>(167)</u>	<u>(4,250)</u>
	<i>'000</i>	<i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted losses per share	<u>500,000</u>	<u>500,000</u>

The amounts of basic and diluted losses per share are the same as there were no potential ordinary shares in issue for both periods.

8. DIVIDENDS

In the current interim period, no dividend has been proposed and distributed for the Shareholders for the six months ended 30 June 2025 (six months ended 30 June 2024: no interim dividend was declared and no final dividend for the year ended 31 December 2024 was declared).

9. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group had not acquired any property, plant and equipment for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

10. CONTRACT ASSETS

	30 June 2025 <i>MOP'000</i> (Unaudited)	31 December 2024 <i>MOP'000</i> (Audited)
Contract assets from contracts with customers	20,441	30,696
Less: Allowance for credit losses	(400)	(541)
	20,041	30,155
	30 June 2025 <i>MOP'000</i> (Unaudited)	31 December 2024 <i>MOP'000</i> (Audited)
Represented by:		
E&M engineering works	19,312	30,102
Maintenance and repair services	729	53
	20,041	30,155
	30 June 2025 <i>MOP'000</i> (Unaudited)	31 December 2024 <i>MOP'000</i> (Audited)
Analysed as current		
Unbilled revenue	10,717	17,508
Retention receivables	9,324	12,647
	20,041	30,155

The contract assets primarily relate to the Group's rights to consideration for works completed and not billed because the rights are conditional on the Group's future performances. The contract assets are transferred to trade receivables when the rights become unconditional.

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 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 asset to trade receivables when defect liability period expires.

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

As at 30 June 2025, retention money held by customers for contract works amounted to approximately MOP9,324,000 (31 December 2024: MOP12,647,000). Retention money is unsecured, interest-free and recoverable at the end of the defect liability period of individual contract ranging from 1 year to 2 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.

	30 June 2025 MOP'000 (Unaudited)	31 December 2024 MOP'000 (Audited)
Within one year	3,857	7,828
After one year	<u>5,467</u>	<u>4,819</u>
	<u>9,324</u>	<u>12,647</u>

As at 30 June 2025, none of the Group's retention money had past due but not impaired. The Group does not hold any collateral over these balances.

11. CONTRACT LIABILITIES

	30 June 2025 MOP'000 (Unaudited)	31 December 2024 MOP'000 (Audited)
Contract liabilities from contract with customers in relation to E&M works	<u>4,002</u>	<u>988</u>

Contract liabilities are classified as current as they are expected to be settled with the Group's normal operating cycle.

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

Construction contracts

When the Group receives upfront payments or cash advances before E&M engineering works commence, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contracts exceeds the amount of the cash advances.

12. TRADE AND OTHER RECEIVABLES

	30 June 2025 MOP'000 (Unaudited)	31 December 2024 MOP'000 (Audited)
Trade receivables from contracts with customers	15,991	25,303
Less: Allowance for credit losses	(278)	(327)
	15,713	24,976
Other receivables, deposits and prepayments		
– Deposits	56	155
– Prepayments	3,141	3,359
– Interest receivables	646	1,028
– Other receivables	140	99
	3,983	4,641
	19,696	29,617
Analysed as:		
Current	19,696	29,518
Non-current	–	99
	19,696	29,617

The Group allows an average credit period of 30 days to its customers. The aging analysis of the Group's trade receivables, based on invoice date at the end of each reporting period are as follows:

	30 June 2025 MOP'000 (Unaudited)	31 December 2024 MOP'000 (Audited)
0–30 days	9,350	17,487
31–60 days	3,044	1,484
61–90 days	694	209
Over 90 days	2,903	6,123
	15,991	25,303

As at 30 June 2025, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of approximately MOP6,067,000 (31 December 2024: MOP7,279,000), which are past due. Out of the past due balances approximately MOP2,329,000 (31 December 2024: MOP5,972,000) have been past due over 90 days or more and are not considered as in default as there has not been a significant change in credit quality and the amounts are still considered as recoverable based on historical experience.

13. PLEDGED BANK DEPOSITS/SHORT-TERM BANK DEPOSITS/CASH AND CASH EQUIVALENTS

Pledged bank deposits represent bank deposits which are pledged to secure bank guarantee to the Group. As at 30 June 2025, the pledged bank deposits carried interest rate at 0.4% to 2.5% per annum (31 December 2024: 1.9% to 2.5% per annum) and with an original maturity of 6 months to a year.

At 30 June 2025, the short-term bank deposits carried interest rates ranging from 3.8% to 4.1% per annum (31 December 2024: 3.8% to 4.1%) and with original maturity of more than three months (31 December 2024: more than three months).

At 30 June 2025, cash and cash equivalents include bank deposits with original maturity of three months or less carried fixed interest rates ranging from 0.4% to 4.0% (31 December 2024: 3.3% to 4.0%), and the remaining cash and cash equivalents carry interest at prevailing market rates of 0.01% (31 December 2024: 0.01%) per annum.

14. TRADE PAYABLES AND ACCRUALS

	30 June 2025	31 December 2024
	<i>MOP'000</i>	<i>MOP'000</i>
	(Unaudited)	(Audited)
Trade payables	1,650	5,721
Accruals:		
– Accrued construction costs	3,840	14,559
– Accrued legal and professional fees	1,134	1,473
– Other accrued charges	1,247	310
	<u>7,871</u>	<u>22,063</u>

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

	30 June 2025	31 December 2024
	<i>MOP'000</i>	<i>MOP'000</i>
	(Unaudited)	(Audited)
0–90 days	1,495	783
91–365 days	155	4,938
	<u>1,650</u>	<u>5,721</u>

No retention payable is held at the end of the reporting period, which is interest-free and payable at the end of defect liability period of individual contracts ranging from one to two years from the date of completion of the respective project.

15. LEASE LIABILITIES

	30 June 2025 MOP'000 (Unaudited)	31 December 2024 MOP'000 (Audited)
Lease liabilities payable:		
Within one year	51	54
Within a period of more than one year but not more than two years	25	9
Within a period of more than two years but not more than five years	10	15
	<u>86</u>	<u>78</u>
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(51)</u>	<u>(54)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>35</u>	<u>24</u>

The weighted average incremental borrowing rate applied to lease liabilities is 5% (31 December 2024: 5%).

16. SHARE CAPITAL

	30 June 2025 MOP'000	31 December 2024 MOP'000
Authorised:		
2,000,000,000 ordinary shares of HK\$0.01 each	<u>20,600</u>	<u>20,600</u>
Issued and fully paid:		
500,000,000 ordinary shares of HK\$0.01 each	<u>5,150</u>	<u>5,150</u>

17. PERFORMANCE BONDS AND CONTINGENT LIABILITY

Certain customers of construction contracts undertaken by the Group require the group entity to issue bank guarantees for the performance of contract works in the form of performance bonds and secured by pledged bank deposits. The performance bonds are released when the construction contracts are completed or substantially completed.

At the end of each reporting period, the Group had outstanding performance bonds as follows:

	30 June 2025 MOP'000 (Unaudited)	31 December 2024 MOP'000 (Audited)
Issued to the Group by a bank	<u>1,158</u>	<u>1,216</u>

As at 30 June 2025, the Group has the following outstanding promissory notes:

- (a) an amount of MOP14,366,000 (31 December 2024: MOP14,366,000) to secure the bank borrowing of MOP12,016,000 (31 December 2024: MOP12,301,000) in favour of a bank which is also secured by office premises with carrying amount of MOP16,061,000 (31 December 2024: MOP16,230,000);
- (b) an amount of MOP20,000,000 (31 December 2024: MOP20,000,000) to secure a credit facility of MOP20,000,000 (31 December 2024: MOP20,000,000) in favour of a bank; and
- (c) an amount of MOP45,386,000 (31 December 2024: Nil) to secure a credit facility of MOP41,260,000 (31 December 2024: Nil) in favour of a bank.

18. COMMITMENTS

As at 30 June 2025 and 31 December 2024, the Group did not have any significant capital commitments.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the Period, Macau's business environment remained challenging, characterized by subdued private-sector construction activity and a persistently weak property market. Nevertheless, the recovery of the gaming and tourism sectors played a key role in supporting Macau's economy, enabling it to reach 87.0% of its 2019 level.

Meanwhile, the E&M sector faced escalating competitive pressures. International firms secured major infrastructure projects by leveraging their established brands and economies of scale, while local players engaged in fierce competition for smaller-scale, limited-scope projects with narrow profit margins.

Amid these market conditions, the Group made strategic operational progress, managing 21 projects, including 15 private-sector and 6 public-sector contracts during the Period. This diverse portfolio highlighted the Group's adaptability in addressing varied client needs and navigating complex project requirements. Notably, substantial progress was made in our geographic coverage, we secured in 2024 a major closed-circuit television ("CCTV") installation project at a casino in Sri Lanka, marking the Group's first overseas project. This milestone underscores its capability to serve international markets and establishes a crucial reference for future cross-border endeavors. As at the end of the Period, three quarters of the Sri Lanka CCTV project was completed successfully, and it is expected to reach full completion by the end of 2025.

Despite these achievements, revenue for the Period decreased to approximately MOP40.4 million (same period in 2024: MOP57.1 million), primarily due to fewer projects awarded as a result of intensified competition. This decline was partly offset by disciplined cost management and operational efficiency initiatives, complemented by organizational restructuring to optimize resource allocation. These measures yielded significant financial improvements, including an 11.1 percentage-point gross profit margin increase to 12.0% and a substantial reduction in net loss to approximately MOP0.2 million (same period in 2024: net loss of approximately MOP4.3 million).

The Group maintained a robust financial position as of 30 June 2025, with cash and bank balances of MOP150.6 million. This liquidity strength, combined with a stable balance sheet, provides a solid foundation for sustaining operations, funding future initiatives, and pursuing growth opportunities both domestically and internationally.

FINANCIAL REVIEW

Revenue

During the Period, most of the industries in Macau were still in slow recovery and along with the uncertainties of the global economy, resulted in sluggish demand for E&M engineering services in Macau. Both the private and public sectors in Macau have launched more project tendering after the pandemic. However, the E&M projects have been split into relatively smaller size and scales for subcontracting services. Therefore, the Group's revenue for the Period decreased by approximately MOP16.8 million or 29.3% as compared with that for the corresponding period in 2024. As the tourism industry in Macau gradually recovers, the Group is cautiously optimistic that the other industries in Macau, including the E&M industry, will also steadily improve.

Gross profit and gross profit margin

The gross profit margin increased from 0.9% for the six months ended 30 June 2024 to 12.0% for the Period, primarily attributable to the tightening cost control and other measures for resources optimisation and enhancement of operation efficiency adopted by the Group during the Period, which reduced the service costs. The gross profit increased from approximately MOP0.5 million for the six months ended 30 June 2024 to approximately MOP4.8 million for the Period accordingly.

Other income

Other income for the Period decreased by approximately MOP490,000 or 18.2% as compared with that for the corresponding period in 2024, which was mainly attributable to the decrease in fixed deposit interest rates in the market during the Period.

Reversal of impairment losses (impairment losses recognised) under expected credit loss ("ECL") model, net

The Group applied a simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets. To measure the ECL, the Group has estimated the expected loss rates for the trade receivables and the contract assets on the same basis. The Group's impairment losses of trade receivables and contract assets reversed from approximately MOP62,000 deduction for the six months ended 30 June 2024 to approximately MOP156,000 credit for the Period. Such reversal was mainly due to the successful collection of the long-aged receivables by the Group during the Period, which resulted in the reduction of trade receivables and contract assets of the Group.

Administrative expenses

Administrative expenses slightly decreased by MOP33,000 or 0.5% as compared with that for the corresponding period in 2024, reflecting stable operations during the Period.

Income tax expense

Income tax expense for the Period increased by approximately MOP8,000 or 50.0% as compared with that for the corresponding period in 2024, primarily due to the decrease in one-off tax deduction during the Period.

Loss for the Period

The Group recorded a net loss of approximately MOP0.2 million for the Period, as compared to a net loss of approximately MOP4.3 million in the corresponding period in 2024. The reduction was mainly due to the Group's tightened cost management across projects.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group adopts a prudent approach in cash management to minimise financial and operational risks. The Group's operations mainly rely on internally generated cash flows.

In respect of the management of the liquidity risk, the Group monitors and maintains an adequate level of cash and cash equivalents to finance the Group's operations and mitigate the effects of unexpected fluctuations in cash flows.

As at 30 June 2025, the Group had net current assets of approximately MOP177.7 million (31 December and 30 June 2024: MOP177.6 million and MOP175.6 million). The current ratio of the Group as at 30 June 2025 was 15.1 times (31 December and 30 June 2024: 8.5 times and 6.4 times). The Company becomes financially strengthen gradually by time to time.

The Group has maintained a healthy liquidity position. As at 30 June 2025, the Group had bank balances of approximately MOP150.6 million (31 December 2024: MOP141.6 million), which include cash and cash equivalents of approximately MOP51.7 million (31 December 2024: MOP99.9 million), short-term bank deposits and pledged bank deposits of approximately MOP98.9 million (31 December 2024: MOP41.7 million). As at 30 June 2025, the Group's cash and cash equivalents were denominated in MOP, Hong Kong dollars and US dollars.

As at 30 June 2025, the Group had bank mortgage borrowing of approximately MOP12.0 million (31 December 2024: MOP12.3 million) at Bank of China Macau Branch with interest rate at 1 month Hong Kong Interbank Offered Rate plus 1.3% and capped interest rate at prime rate minus 3%, and the Group's gearing ratio (calculated as total debts divided by total equity) was 5.9% (31 December 2024: 6.1%).

As at 30 June 2025, the Group's share capital and reserves amounted to approximately MOP5.2 million and MOP197.6 million, respectively (31 December 2024: MOP5.2 million and MOP197.8 million, respectively).

FOREIGN EXCHANGE EXPOSURE

The Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars, MOP and US dollars. While the Group's business has entered into a new geographic location due to the new project in Sri Lanka, as the contract was confirmed in US dollars, the Company considers that it does not have significant impact on the Group's exposure to foreign exchange risks. As at 30 June 2025, the Group had no exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION OR DISPOSAL, AND FUTURE PLAN FOR MATERIAL INVESTMENT OR CAPITAL ASSET

The Group had no significant investment held and no material acquisition or disposal of subsidiaries, associates or joint ventures during the Period.

The Group had no future plan for material investment or capital asset as at 30 June 2025.

PLEDGE OF ASSETS, PERFORMANCE BONDS AND CONTINGENT LIABILITY

As at 30 June 2025, the Group had the following outstanding promissory notes:

- (a) an amount of MOP14,366,000 (31 December 2024: MOP14,366,000) to secure the bank borrowing of MOP12,016,000 (31 December 2024: MOP12,301,000) in favour of a bank which was also secured by office premises with carrying amount of MOP16,061,000 (31 December 2024: MOP16,230,000);
- (b) an amount of MOP20,000,000 (31 December 2024: MOP20,000,000) to secure a credit facility of MOP20,000,000 (31 December 2024: MOP20,000,000) in favour of a bank; and
- (c) an amount of MOP45,386,000 (31 December 2024: Nil) to secure a credit facility of MOP41,260,000 (31 December 2024: Nil) in favour of a bank.

Save as disclosed, the Group had no other pledge of assets or contingent liabilities as at 30 June 2025.

COMMITMENTS

As at 30 June 2025, the Group did not have any significant capital commitment.

EMPLOYEES AND REMUNERATION POLICY

The Group entered into labour contracts with its employees in accordance with the labour laws of Macau. The remuneration package offered to employees generally includes basic salaries, allowances, benefits-in-kind and bonus. In general, the Group determines package of its employees based on each employee's qualification, position and seniority.

For the Period, the total staff costs of the Group amounted to approximately MOP10.2 million (30 June 2024: MOP12.3 million).

As a main contractor for some of the projects the Group undertakes, the Group applies for work permits for its non-Macau resident workers on a project-by-project basis. As at 30 June 2025, the Group had 51 (31 December and 30 June 2024: 49 and 67) employees in Macau, comprising 33 Macau residents and 18 non-Macau residents (31 December and 30 June 2024: 30 and 48 Macau residents and 19 non-Macau residents for both Year/Period).

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 21 August 2020, which was effective upon the listing of its shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”). 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.

PROSPECTS

Looking ahead, despite ongoing competitive pressures and macroeconomic uncertainties, evolving market dynamics give rise to cautious optimism. Macau’s transformation into a leading global tourism destination, supported by the policies of the Central People’s Government, is expected to boost demand for new entertainment facilities and infrastructure projects. At the same time, the city’s efforts to promote economic diversification – focusing on sectors such as healthcare, financial services, high technology, and conventions, exhibitions, trade, culture, and sports – are creating a need for specialized engineering solutions that extend beyond traditional gaming infrastructure. The Group will continue to strive to secure new projects in an agile and prudent manner to maintain stable operations and reinforce its position as a leading E&M player in Macau.

The deepening integration between Macau and Hengqin is further expanding E&M sector prospects, particularly through Hengqin’s infrastructure modernization and smart city initiatives. Furthermore, the governmental authorities in Hengqin have implemented a customized accreditation framework that enables Macau-based companies to compete on an equal footing with local firms in the People’s Republic of China for both public and private sector work. This framework effectively removes longstanding market entry barriers, transforming Hengqin from a mere neighboring market into a strategically accessible platform for expansion. In response, the Group has recently established a wholly-owned subsidiary in Hengqin to capitalize on the emerging opportunities and strengthen its regional presence.

Building on the success of its Sri Lanka project, the Group will accelerate overseas growth by analyzing regional markets, cultivating strategic partnerships, and delivering tailored solutions. This geographic diversification strategy aims to reduce reliance on individual markets and enhance resilience against economic volatility.

Prudent financial management remains central to the Group’s strategy, with continued emphasis on strict budgeting, operational expense review, and disciplined resource allocation to maintain efficiency without compromising service quality.

In conclusion, the Group is maintaining stable operations while effectively navigating ongoing market challenges. Bolstered by its established market position and rigorous financial management, it will continue to enhance operational efficiency and allocate resources strategically to address current conditions and promote future prospects. Recent improvements in the Group's profit margins along with the Group's healthy liquidity management provide a solid foundation for sustainable development. The Group remains confident in its ability to adapt to market changes and sustain its business performance.

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 shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

During the Period, the Company has applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") except for the deviation from code provision C.2.1 of Part 2 of the CG Code. Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Cheong Ka Wo ("**Mr. Cheong**") is currently the chairman and chief executive officer of the Company. In view of the fact that Mr. Cheong has been assuming the responsibilities in the overall management and supervision of the daily operations of the Group since the establishment of Kento (a wholly-owned subsidiary of the Group) in January 2011, the Board believes that it is in the best interests of the Group to have Mr. Cheong taking up both roles for effective management and operations. Therefore, the Directors consider that the deviation from such code provision is appropriate. Notwithstanding the above, the Board is of the view that this management structure is effective for the Group's operations and sufficient checks and balances are in place.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the Period.

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 by the Model Code from dealing as if he/she were a Director.

INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Group did not purchase, sell or redeem any of the listed securities of the Company during the Period and up to the date of this announcement. As at 30 June 2025, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) consists of three members, namely Mr. Law Lap Tak, Ms. Lee Sze Ming and Mr. Chan Ming Kit, all being independent non-executive Directors. The Audit Committee is chaired by Mr. Law Lap Tak 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.

REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee has reviewed the accounting principles and practices adopted by the Group, the condensed consolidated financial statements of the Group for the six months ended 30 June 2025 and this announcement. The condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have not been audited or reviewed by the external auditor of the Company.

EVENTS AFTER THE PERIOD

As at the date of this announcement, the Board is not aware of any other significant events after the Period.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Company (<http://www.macauem.com/investor.asp>) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2025 will be published on the above websites in due course.

By order of the Board
Macau E&M Holding Limited
Cheong Ka Wo
Chairman

Hong Kong, 25 August 2025

As of the date of this announcement, the board of directors of the Company comprises Mr. Cheong Ka Wo and Mr. Leong Kam Leng as executive Directors; Mr. Law Lap Tak, Ms. Lee Sze Ming and Mr. Chan Ming Kit as independent non-executive Directors.