



澳能建設控股有限公司

MECOM Power and Construction Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1183



2025
INTERIM REPORT

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Kuok Lam Sek (*Chairman*)

Mr. Sou Kun Tou

(*Chief Executive Officer and Deputy Chairman*)

Independent Non-executive Directors

Ms. Chan Po Yi, Patsy

Mr. Cheung Kiu Cho, Vincent

Mr. Lio Weng Tong

AUDIT COMMITTEE

Ms. Chan Po Yi, Patsy (*Chairlady*)

Mr. Cheung Kiu Cho, Vincent

Mr. Lio Weng Tong

REMUNERATION COMMITTEE

Mr. Lio Weng Tong (*Chairman*)

Ms. Chan Po Yi, Patsy

Mr. Cheung Kiu Cho, Vincent

NOMINATION COMMITTEE

Mr. Cheung Kiu Cho, Vincent (*Chairman*)

Mr. Lio Weng Tong

Ms. Chan Po Yi, Patsy

COMPANY SECRETARY

Ms. Tam Wing Yee

AUTHORISED REPRESENTATIVES

Mr. Sou Kun Tou

Ms. Tam Wing Yee

REGISTERED OFFICE

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Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MACAU

Units Q, R and S

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Kin Fu Kuok

No.258 Alameda Dr. Carlos D'Assumpção

Macau

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Sheung Wan, Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

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Grand Cayman KY1-1111

Cayman Islands

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

and Registered Public Interest Entity Auditor

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Hong Kong

Corporate Information (Continued)

LEGAL ADVISERS

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As to Macau law:

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Macau

As to Cayman Islands law:

Conyers Dill & Pearman
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
Cayman Islands

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bank of Communications Co., Ltd.
China Guangfa Bank Co. Ltd, Macau Branch
Dah Sing Bank, Limited
Tai Fung Bank Limited

STOCK CODE

1183

WEBSITE

www.mecommacau.com

Management Discussion and Analysis

COMPANY OVERVIEW

MECOM Power and Construction Limited (“MECOM” or the “Company”) and its subsidiaries (collectively 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) intelligent manufacturing business, including research and development and sales of new construction materials and manufacturing and sales of intelligent equipment; (2) construction business, 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 facilities management and operation and maintenance services; and (3) electrical vehicle (“EV”) related services.

- (1) The Group is engaged in the research and development and sales of new construction materials (such as reinforced bars, steel sheet piles, galvanized sheets and other construction 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. During the six months ended 30 June 2025 (the “Period”), the Group also put intelligent equipment into official production for use in various types of high-rise buildings.
- (2) The Group’s construction and fitting out works comprise structural steelworks services, civil engineering construction services and fitting out and improvement works.
 - 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.
 - 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.

High voltage power substation construction and its system installation works involve the provision of planning, scheduling, project management and construction services for customised high-voltage substations and complex power transmission infrastructures installed with high voltage power systems.

Management Discussion and Analysis (Continued)

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.

- (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

During the Period, multiple factors such as inflation, persistent geopolitical conflicts and trade barriers posed intensified uncertainty to the global economy. Amid the challenging business environment, governments around the world took proactive steps to seek changes, and implemented various strategies in response to the industrial reforms brought about by AI-based technological innovation, to promote smart and efficient social development. This brought enormous growth opportunities to business sectors such as intelligent equipment development and manufacturing and regional engineering construction.

Thanks to the effectiveness of the "tourism+" strategy and the favourable policies from the central government, Macau, the Group's primary market, grew with its GDP increased by 1.8% compared with the six months ended 30 June 2024 (the "Previous Period") and the number of visitor arrivals for the Period grew by 14.9% year-on-year. In addition, Macau actively pushed forward an economic diversification strategy with focus on modern finance, data centres and technological innovation, and entered into intensive cooperation with other cities of the Guangdong-Hong Kong-Macao Greater Bay Area in emerging fields, under which a number of large-scale infrastructure projects, including the Macao-Hengqin International Education Town, the International Integrated Tourism and Cultural Zone of Macau and the Pearl River West International Aviation Hub of Macau, were commenced, with a goal of building a more resilient industrial system. These projects are closely connected with the overall planning of the Guangdong-Hong Kong-Macao Greater Bay Area, spurring demand for steel structures, new materials processing and related intelligent equipment, thus having vast market potential.

Management Discussion and Analysis (Continued)

The Hong Kong and Singapore markets, both of them are markets the Group is now exploring, demonstrated positive growth signals during the Period, particularly in the social infrastructure and emerging industries. Hong Kong's gross domestic product is estimated to increase by 3.1% in real terms for the second quarter of 2025 over a year earlier, and as compared with the increase of 3.0% for the first quarter, which was primarily due to its strong exports performance and improved domestic demand. As emphasized in the Hong Kong Budget that was delivered in the Period, infrastructure development is key to enhancing the city's competitiveness. Among all, the "Northern Metropolis" will be developed as Hong Kong's key zone for future development and will serve to promote economic integration between Hong Kong and Shenzhen. This will include pushing forward railway and airport expansions, expediting housing supply, promoting the construction of data centres and other smart infrastructures, and fostering the development of international trade and shipping hub. Singapore experienced rapid development as it has gained access to significant international capital in recent years. Driven by the recovery of the construction industry with the promotion of social infrastructure development by the public sector, coupled with the increased outputs of the manufacturing industry thanks to the revival of demand in emerging markets, Singapore recorded a strong GDP growth of 4.2% year-on-year in the first half of 2025.

During the Period, the Group devoted itself to product innovation and sales efficiency enhancement, vigorously expanded its new construction materials industry chain business, and undertook data centers and other large-scale engineering projects. As the Group further expanded into the high-potential Hong Kong and Singapore markets, following Macau where the Group's revenue is mainly derived from, Hong Kong became the Group's second largest market with its revenue contribution doubled over the Previous Period and the contribution from the Singapore market rapidly grew to 3.9% from 0.4% in the Previous Period.

The Group reported a total revenue of MOP803.2 million (the Previous Period: MOP746.2 million). The intelligent manufacturing business (including research and development and sales of new construction materials) contributed a revenue of MOP529.7 million (the Previous Period: MOP554.9 million), accounting for approximately 65.9% (the Previous Period: 74.4%) of the Group's total revenue. Gross profit significantly grew by 51.5% to MOP71.9 million (the Previous Period: MOP47.5 million), with gross margin improved to 9.0% (the Previous Period: 6.4%). Net profit increased by 155.3% to MOP20.4 million (the Previous Period: MOP8.0 million). Net margin was 2.5% (the Previous Period: 1.1%) for the Period.

As at 30 June 2025, the value of the Group's contracts on hand yet to complete in respect of the construction business and the intelligent manufacturing business was MOP595.3 million (31 December 2024: MOP682.1 million) and MOP567.0 million (31 December 2024: MOP618.1 million), respectively.

Management Discussion and Analysis (Continued)

Intelligent Manufacturing Business (including research and development and sales of the new construction materials and manufacturing and sales of intelligent equipment)

The Group actively penetrates into the sector of high-value new construction materials production technology, and extends its reach to complete sets of intelligent equipment manufacturing business, providing powerful growth engines for the Group's long-term and sustainable development. During the Period, the intelligent manufacturing business segment contributed approximately 65.9% to the Group's total revenue and delivered order contracts for the supply of a total of approximately 102,180 tons of various customised new construction materials for use in large-scale public and private engineering construction projects in Macau, Hong Kong and Southeast Asia, including the design and engineering works of the East Line of Macao Light Rapid Transit, the land reclamation project in the Macau New Urban Zone, the Airportcity Link at Hong Kong International Airport, the development of the New Central Harbourfront and the processing engineering for steel columns in Sentosa of Singapore and other key projects. Compared with the Previous Period, revenue from the segment dropped which was primarily attributable to a decline in sales volume of new construction materials following completion of certain projects. On a positive note, taking advantage of its efficient delivery and premium quality of products, the Group recorded a growth in gross profit of the intelligent manufacturing business with its gross margin improved to 8.8% (the Previous Period: 5.4%).

In general, the demand for structural steelworks and new construction materials has been constant and solid, as reflected by the increasing number of orders received by the Group from international customers. During the Period and up to the date of this report, the Group secured new order contracts for the supply of a total of approximately 104,143 tons of various customised new construction materials for new projects in the Macau, Hong Kong and Singapore markets serving both the public and private sectors. New projects with their construction commencing in the second half of 2025 are expected to contribute significantly to the Group.

In the new intelligent equipment manufacturing segment, the Group has been recognised by Beijing Institute of Construction Mechanization Co., Ltd.* (北京建築機械化研究院) ("Beijing Institute of Construction Mechanization"), a central state-owned enterprise, for having years of proven project delivery and excellent technical capabilities, and both parties entered into a strategic cooperation to jointly develop and promote the application of green energy, new materials, and complete sets of intelligent equipment. During the Period, the Group and Beijing CABR Building Maintenance Machinery Technology Co., Ltd.* (北京凱博擦窗機械科技有限公司), a wholly-owned subsidiary of Beijing Institute of Construction Mechanization, became strategic partners and put intelligent window cleaning machine into official production. Initial orders have already been received for use in various types of high-rise buildings such as skyscrapers and hotels. The products will be launched in the South China region and regions across the Middle East and Africa. The parties will further conduct their research and development activities for the launch of intelligent robots and other specialised equipment.

In order to seize the huge opportunities in the new construction materials industry chain and intelligent equipment manufacturing sectors, the Group expanded the production capacity of its manufacturing facilities in Jiangmen City, Guangdong Province in the first half of 2025. Currently, the Group is participating in the development of Northern Metropolis in Hong Kong, the land reclamation project in the Macau New Urban Zone, and a new round of substantial investments in large-scale urban ancillary infrastructure facilities such as intercity rails in Singapore.

Management Discussion and Analysis (Continued)

Construction Business

The Group's clients mainly include casino operators, integrated entertainment and resort developers and operators, and public institutions. During the Period, revenue from the Group's construction business significantly grew by approximately 43.9% over the same period in 2024, which was primarily attributable to successive completion and delivery of important construction milestones of a number of major projects, including the project secured from the Macau government for the construction of data centre to promote smart city development and the civil engineering project for the construction of the Barra Substation. The Group successfully undertook a series of large-scale construction and fitting out works projects, E&M engineering projects and facilities management services projects during the Period. They included key projects such as (i) the data centre construction and fitting out works and equipment procurement service for the Macau government; and (ii) renovation and upgrading works for casino operators. The aggregate contract value of new projects amounted to approximately MOP158.6 million.

During the Period, the Group focused on the delivery of high-quality projects while maintaining its cost effectiveness. By optimising the efficiency in project management and execution, gross margin of the construction business remained stable. As at 30 June 2025, the Group had sufficient contracts on hand. The Group anticipates taking forward a number of key projects in the second half of 2025 for stable revenue streams.

EV Business

During the Period, MUCharging (Macau) Limited, an indirect wholly-owned subsidiary of the Group, continued to charge tariffs on the installed charging systems at various high-end integrated entertainment and resort complexes, high-quality residential areas and commercial buildings including City of Dreams, Studio City, the Venetian, Lisboaeta, Ponte 16, Kingsville, and China Plaza. We provided efficient and convenient EV charging solutions to landlords and/or tenants of parking spaces under those projects pursuant to the separate contracts entered into with them to diversify the Group's revenue. The Group also sought market opportunities for strategic cooperation with industry leaders to optimise the layout of the EV business.

Management Discussion and Analysis (Continued)

FINANCIAL REVIEW

Revenue

The following table sets forth a breakdown of the Group's revenue during the six months ended 30 June 2025 and 2024:

	Six months ended			
	30.6.2025 MOP'000 (Unaudited)	%	30.6.2024 MOP'000 (Unaudited)	%
Construction business				
Construction and fitting out works	85,468	10.6	64,069	8.6
High voltage power substation construction and its system installation works	50,849	6.3	9,183	1.2
E&M engineering services works	11,646	1.5	34,384	4.6
Facilities management services	125,194	15.6	82,210	11.0
	273,157	34.0	189,846	25.4
EV business	332	0.1	1,452	0.2
Intelligent manufacturing business	529,678	65.9	554,866	74.4
Total	803,167	100.0	746,164	100.0

The Group's revenue for the Period increased by MOP57.0 million or 7.6% to MOP803.2 million.

Revenue from the intelligent manufacturing business for the Period decreased by MOP25.2 million or 4.5% which was mainly attributable to the decrease in the sales volume. During the Period, the Group delivered approximately 102,180 tons (the Previous Period: 108,842 tons) of new construction materials, including reinforced bars, steel sheet piles and galvanized sheets, which contributed MOP529.7 million (the Previous Period: MOP554.9 million) to the Group's revenue.

Revenue from the construction business for the Period increased by MOP83.3 million or 43.9%, which was mainly attributable to the following:

- The civil construction works of 110/22/11kV Barra Substation in Macau Peninsula, Macau were commenced in the second half of 2024 with progress works of MOP49.1 million certified during the Period; and
- The Group, together with a leading global provider of information and communications technology infrastructure and smart devices, undertook construction of data centres for the Macau government with awarded contract sum of MOP90.7 million. During the Period, progress works of MOP44.8 million were certified.

Management Discussion and Analysis (Continued)

Gross profit

The following table sets forth a breakdown of the Group's gross profit and gross profit margin during the six months ended 30 June 2025 and 2024:

	Six months ended			
	30.6.2025		30.6.2024	
	Gross profit/(loss) MOP'000 (Unaudited)	Gross profit/(loss) margin %	Gross profit/(loss) MOP'000 (Unaudited)	Gross profit/(loss) margin %
Construction business				
Construction and fitting out works	(6,077)	(7.1)	(10,273)	(16.0)
High voltage power substation construction and its system installation works	3,467	6.8	140	1.5
E&M engineering services works	507	4.4	152	0.4
Facilities management services	27,643	22.1	28,323	34.5
	25,540	9.3	18,342	9.7
EV business	(33)	(10.1)	(1,008)	(69.4)
Intelligent manufacturing business	46,412	8.8	30,143	5.4
Total	71,919	9.0	47,477	6.4

The Group's gross profit increased by MOP24.4 million or 51.5% to MOP71.9 million for the Period. Gross profit margin improved from 6.4% for the Previous Period to 9.0% for the Period.

Gross profit margin of the intelligent manufacturing business improved from 5.4% for the Previous Period to 8.8% for the Period, as approximately 35.0% (the Previous Period: 15.0%) of revenue were generated from customers in Hong Kong and Singapore, in which higher gross profit margin were secured from sales orders in these markets.

Though gross loss margin of the construction and fitting out works improved from 16.0% in the Previous Period to 7.1% in the Period, a gross loss of MOP6.1 million (the Previous Period: MOP10.3 million) was incurred during the Period. In addition, gross profit margin of the facilities management services dropped from 34.5% for the Previous Period to 22.1% for the Period. Apart from the increase in construction costs due to inflation, the casino operators have reduced the unit rate and service scope of the Group's facilities operation and maintenance projects of various properties for cost savings, which contributed to a decrease in gross profit margin of the projects undertaken by the Group.

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 MOP33,000 for the Period in respect of the EV business segment.

Management Discussion and Analysis (Continued)

Other income

Other income increased by MOP7.2 million during the Period, which was attributable to the Group's recognition of insurance claims of MOP5.8 million as compensation for certain defects incurred at the phase 2 development of a new hotel complex in Cotai, Macau. The rectification costs were recognised and borne by the Group in prior years.

Other gains and losses

Other gains and losses increased by MOP2.4 million during the Period, which was attributable to the Group's recognition of exchange gain of MOP4.2 million mainly arising from its PRC operations (the Previous Period: MOP1.8 million).

Distribution costs

During the Period, the Group incurred transportation costs of MOP14.0 million (the Previous Period: MOP10.6 million) for the sales of new construction materials.

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

The Group's impairment losses of trade receivables, trade-nature amounts due from a related company, contract assets and other receivables were MOP2.6 million. The Group applied a simplified approach to measure ECL which uses a lifetime ECL for all trade receivables, trade-nature amounts due from a related company, contract assets and other receivables. To measure the ECL, the Group has estimated the expected loss rates for the trade receivables, the trade-nature amounts due from related companies, contract assets and other receivables on the same basis.

During the Previous Period, the Group reversed impairment losses of MOP6.2 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.

Administrative expenses

Administrative expenses increased by MOP2.7 million or 7.7% mainly due to (i) salaries and other staff costs; and (ii) depreciation incurred for the intelligent manufacturing business due to expansion of the manufacturing facilities in the PRC during the Period.

Finance costs

Finance costs decreased by MOP0.9 million or 17.5% due to the decrease in bank borrowings during the Period.

Income tax expense

Income tax expense increased by MOP2.7 million or 166.8% mainly due to the increase in gross profit during the Period.

Profit for the Period

The Group's profit for the Period increased by MOP12.4 million or 155.3%, which was primarily attributable to the combined effect of the abovementioned items. Net margin improved from 1.1% for the Previous Period to 2.5% for the Period.

Management Discussion and Analysis (Continued)

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 Period 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 risk, 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 30 June 2025, the Group had net current assets of MOP242.0 million (31 December 2024: MOP229.1 million). The current ratio of the Group as at 30 June 2025 was 1.4 (31 December 2024: 1.4).

The Group continued to maintain a healthy liquidity position. As at 30 June 2025, the Group had total cash and bank balances of MOP116.6 million (31 December 2024: MOP61.3 million).

As at 30 June 2025, the Group had outstanding bank borrowings of MOP240.5 million (31 December 2024: MOP257.7 million) and unutilised credit facilities of MOP132.5 million (31 December 2024: MOP121.6 million). The Group's gearing ratio (calculated by dividing total debts with total equity) was 47.2% (31 December 2024: 53.5%).

CAPITAL STRUCTURE

As at 30 June 2025, the Company's share capital and equity amounted to MOP41.0 million and MOP510.0 million, respectively (31 December 2024: MOP41.0 million and MOP481.9 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

The Group had no significant investments and no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Period.

Save as disclosed in this report, the Group had no future plans for material investments or capital assets as at 30 June 2025.

Management Discussion and Analysis (Continued)

PLEDGE OF ASSETS

As at 30 June 2025, the Group had pledged (i) bank deposits of MOP45.3 million (31 December 2024: MOP27.9 million); and (ii) property, plant and equipment (including right-of-use assets) of MOP258.1 million (31 December 2024: MOP258.9 million) with banks as security for credit facilities.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2025 (31 December 2024: nil).

COMMITMENTS

As at 30 June 2025, the Group had no significant capital commitments (31 December 2024: MOP4,530,000).

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, positions and the prevailing industry practice.

As a main contractor for some of the projects we undertake, we apply work permits for our workers on a project-by-project basis. As at 30 June 2025, the Group had 507 (31 December 2024: 405) employees in Hong Kong, Macau, the PRC, Singapore and Cyprus.

The Company has adopted a share option scheme (the "Share Option Scheme") on 23 January 2018, which was effective upon the listing of the Company's shares on the Stock Exchange on 13 February 2018. 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 Period, no option has been granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme.

PROSPECTS

In the Report on the Work of the Government 2025 released in the first quarter, the PRC central government proposes to break through the traditional elements by new quality productive forces, emphasizing the importance of integrated development between technological innovation and industrial innovation, and to accelerate the development of a modernised industrial system and promote intensive integration between technological innovation and industrial innovation so as to inject more impetus and support for high-quality development. To echo with the calls of the PRC central government, Hong Kong and Macau, the Group's main markets, actively pursues the promotion of new quality productive forces, develop new business formats and enhance the smart transformation of industries. This provides enormous business opportunities for companies to expand into new areas of development with huge potential.

Management Discussion and Analysis (Continued)

To take advantage of this once-in-a-generation market opportunity ahead, the Group has become strategic partners with Beijing Institute of Construction Mechanization, a leading national construction equipment research and development institution and a central state-owned enterprise, to jointly develop and promote the application of green energy, new materials, and complete sets of professional intelligent equipment manufacturing, with aims to enhance competitiveness and gain market share. Starting from the second half of 2025, the Group will press ahead with successive expansion of the entire intelligent rebar production line which is technology-intensive and is equipped with management software for implementing remote order placement control and deploys gripping robots that can significantly enhance production efficiency and reduce labour costs in production and the probability of production safety incidents. These represent an important step by the Group towards enhancing new quality productive forces and developing itself as an industrial enterprise through long-term and groundbreaking upgrading and transformation.

The Group is also dedicating its efforts to set up the only research and manufacturing base for the development of intelligent window cleaning machine and specialised construction robots in the South China region to achieve more efficient, intelligent and sustainable production capabilities. The cooperation with Beijing Institute of Construction Mechanization has enabled the Group to enter into the business sector of intelligent window cleaning machine production and sales. In the future, the Group and Beijing Institute of Construction Mechanization will co-develop a series of high-complexity intelligent window cleaning machine to boost domestic and overseas sales. The intelligent window cleaning machine meets the requirements under the national strategy of “Made in China 2025” and has gained international recognitions. It integrates functions of intelligent cleanliness identification, remote intelligent monitoring and fault diagnosis and has better management and more eco-friendly features. This will bring new opportunities for the Group to open up the expansive market in the intelligent construction sector and inject strong growth impetus.

On the other hand, the rapid popularisation of AI and cloud services has become a global growth engine which stimulates the construction of computing networks and drives demand for data centres and their long-term operation and maintenance around the world. The Macau (Hengqin) International Data Center* (澳門(橫琴)國際數據中心), which is one of the key projects in Guangdong-Macao Cooperation Park in Hengqin, opened in the first half of 2025, serving as an international hub for digital trade to boost information technology development in the cooperation zone. Hong Kong is a strategically located international financial centre, its government and the IT service providers, e-commerce platforms and banks in Hong Kong have strong demand for data centres. A study indicates that the supply of data centres in Asia Pacific will double in the next three years, which is conducive to the robust development of the data centre construction and maintenance industry. The Group will grasp opportunities arising from the expanding global computing demand to secure more data centre operation and maintenance orders from both the public and private sectors so as to open up a new growth area.

Looking forward to the second half of 2025, major markets will advance under the development planning of new quality productive forces and computing network construction, but the market environment will remain highly dynamic. Staying attuned to industry and market developments, the Group will strive to become a new quality industrial enterprise focusing on intelligent engineering and equipment, thereby creating more growth opportunities for future development. The Group will also actively respond to industry trends, continue to invest in technological innovation with focus on the new materials processing and equipment products sectors, and initiate intensive cooperation with domestic and overseas industry leaders to jointly develop smart construction equipment. In terms of market expansion, the Group will actively explore the Singapore and other overseas emerging markets, and will reduce the reliance on a few markets through business layout optimisation to establish a more balanced development model with stronger risk resilience. This series of strategic initiatives will help the Group seize opportunities arising from industrial transformation and achieve high-quality sustainable development.

Report on Review of Condensed Consolidated Financial Statements

**TO THE BOARD OF DIRECTORS OF
MECOM POWER AND CONSTRUCTION LIMITED**
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of MECOM Power and Construction Limited (the "Company") and its subsidiaries set out on pages 16 to 40, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 August 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTES	Six months ended	
		30.6.2025 MOP'000 (Unaudited)	30.6.2024 MOP'000 (Unaudited)
Revenue	3	803,167	746,164
Cost of goods and services		(731,248)	(698,687)
Gross profit		71,919	47,477
Other income	4	8,581	1,343
Other gains and losses	5	4,169	1,792
Distribution costs		(15,098)	(12,002)
Impairment losses (recognised) reversed under expected credit loss model, net	8	(2,631)	6,153
Loss on fair value changes of derivative financial instruments		–	(474)
Administrative expenses		(37,813)	(35,108)
Finance costs	7	(4,444)	(5,388)
Share of results of associates		6	7,213
Impairment loss of an associate		–	(1,408)
Profit before tax		24,689	9,598
Income tax expense	6	(4,311)	(1,616)
Profit for the period	8	20,378	7,982
Other comprehensive income (expenses)			
<i>Item that may be reclassified subsequently to profit and loss:</i>			
Exchange differences on translation of foreign operations		7,854	(6,460)
Total comprehensive income for the period		28,232	1,522
Profit for the period attributable to:			
Owners of the Company		15,867	6,949
Non-controlling interests		4,511	1,033
		20,378	7,982
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		20,826	2,970
Non-controlling interests		7,406	(1,448)
		28,232	1,522
Basic earnings per share (MOP cents)	9	0.40	0.17
Diluted earnings per share (MOP cents)	9	0.40	0.17

Condensed Consolidated Statement of Financial Position

AT 30 JUNE 2025

	NOTES	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
Non-current assets			
Property, plant and equipment	10	336,441	341,389
Interests in associates		5,425	5,419
		341,866	346,808
Current assets			
Inventories	11	139,710	103,069
Contract assets	12	54,378	62,065
Trade and other receivables	13	454,804	531,813
Amounts due from related companies	14	4,703	6,106
Pledged bank deposits	15	45,270	27,928
Cash and cash equivalents	15	116,632	61,315
		815,497	792,296
Current liabilities			
Amount due to a related company	14	79	178
Trade payables and accrued charges	16	299,683	310,605
Tax liabilities		7,796	4,790
Bank borrowings	17	166,785	163,911
Lease liabilities		279	249
Contract liabilities		87,408	61,518
Deferred income		11,476	21,919
		573,506	563,170
Net current assets		241,991	229,126
Total asset less current liabilities		583,857	575,934
Non-current liabilities			
Bank borrowings	17	73,722	93,786
Lease liabilities		126	233
		73,848	94,019
Net assets		510,009	481,915
Capital and reserves			
Share capital	18	41,001	41,008
Reserves		350,787	330,092
Equity attributable to owners of the Company		391,788	371,100
Non-controlling interests		118,221	110,815
Total equity		510,009	481,915

Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributed to owners of the Company							Non-controlling interests	Total
	Share capital	Share premium	Legal reserve	Other reserve	Translation reserve	Retained earnings	Sub-total		
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
			(Note a)	(Note b)					
At 1 January 2024 (audited)	41,056	335,524	45	(147,114)	(12,869)	159,472	376,114	103,851	479,965
Profit for the period	-	-	-	-	-	6,949	6,949	1,033	7,982
Other comprehensive expense for the period	-	-	-	-	(3,979)	-	(3,979)	(2,481)	(6,460)
Total comprehensive (expense) income for the period	-	-	-	-	(3,979)	6,949	2,970	(1,448)	1,522
Exercise of bonus warrants	- *	73	-	-	-	-	73	-	73
At 30 June 2024 (unaudited)	41,056	335,597	45	(147,114)	(16,848)	166,421	379,157	102,403	481,560
At 1 January 2025 (audited)	41,008	334,722	45	(147,114)	(13,931)	156,370	371,100	110,815	481,915
Profit for the period	-	-	-	-	-	15,867	15,867	4,511	20,378
Other comprehensive income for the period	-	-	-	-	4,959	-	4,959	2,895	7,854
Total comprehensive income for the period	-	-	-	-	4,959	15,867	20,826	7,406	28,232
Shares repurchased and cancelled	(7)	(131)	-	-	-	-	(138)	-	(138)
At 30 June 2025 (unaudited)	41,001	334,591	45	(147,114)	(8,972)	172,237	391,788	118,221	510,009

Note a: In accordance with provision of the Macau Commercial Code, the subsidiaries incorporated in 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 meet 50% of their registered capital. The reserve is not distributable to shareholders.

Note b: The balance of other reserve represents the difference between the aggregate share capital of MOP90,000 of EHY Construction and Engineering Company Limited ("EHY"), and Sun Hung Yip Engineering Construction Company Limited ("SHY") and the consideration of MOP147,204,000 satisfied by way of issue of shares by MECOM Power and Construction Limited (the "Company") for the acquisition of EHY and SHY by MECOM EHY Limited and MECOM Sun Hung Yip Limited respectively, pursuant to the reorganisation which was completed on 31 May 2017 in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited.

* less than MOP1,000

Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended	
	30.6.2025 MOP'000 (Unaudited)	30.6.2024 MOP'000 (Unaudited)
OPERATING ACTIVITIES		
Profit before tax	24,689	9,598
Adjustments for:		
Depreciation of property, plant and equipment (including right-of-use assets)	13,828	4,566
Bank interest income	(618)	(503)
Interest expense on bank borrowings	4,420	5,373
Interest on lease liabilities	24	15
Share of results of associates	(6)	(7,213)
Impairment loss of an associate	–	1,408
Loss on fair value changes of derivative financial instruments	–	474
Impairment losses recognised (reversed) under expected credit loss model, net	2,631	(6,153)
Loss on write-off of property, plant and equipment	4	54
Operating cash flows before movements in working capital	44,972	7,619
Decrease in contract assets	8,102	24,796
Decrease in trade and other receivables	74,012	58,168
Increase in inventories	(36,641)	(64,163)
(Decrease) increase in trade payables and accrued charges	(10,922)	58,131
Increase (decrease) in contract liabilities	25,890	(12,206)
Decrease in deferred income	(10,443)	–
Cash generated from operations	94,970	72,345
Income taxes paid	(1,382)	(1,056)
NET CASH FROM OPERATING ACTIVITIES	93,588	71,289
INVESTING ACTIVITIES		
Interest received	593	475
Dividends received from an associate	–	12,875
Payment arising from net settlement of derivative financial instruments	–	(1,860)
Purchases of property, plant and equipment	(5,383)	(42,080)
Net proceeds from deregistration of an associate	–	78
Repayments from related companies	1,416	569
Withdrawal of pledged bank deposits	972	4,225
Placement of pledged bank deposits	(18,159)	(8,011)

Condensed Consolidated Statement of Cash Flows (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended	
	30.6.2025 MOP'000 (Unaudited)	30.6.2024 MOP'000 (Unaudited)
NET CASH USED IN INVESTING ACTIVITIES	(20,561)	(33,729)
FINANCING ACTIVITIES		
Advances from a related company	453	472
Repayments of bank borrowings	(200,851)	(198,837)
New bank borrowings raised	180,172	210,598
Interest paid for bank borrowings	(4,420)	(5,373)
Repayments of lease liabilities	(140)	(89)
Interest paid for lease liabilities	(24)	(15)
Repayments to a related company	(552)	(547)
Drawdown on bank overdrafts	–	29,224
Repayments of bank overdrafts	–	(32,661)
Proceeds from exercise of bonus warrants	–	73
Payment on shares repurchased and cancelled	(138)	–
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(25,500)	2,845
NET INCREASE IN CASH AND CASH EQUIVALENTS	47,527	40,405
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	61,315	57,635
Effect of foreign exchange rate changes	7,790	(3,597)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	116,632	94,443

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Company and its subsidiaries (the "Group") 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 the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

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 an IFRS Accounting Standard

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by 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 an IFRS Accounting Standard 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

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) Electric vehicles ("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.
- (3) Intelligent manufacturing business (formerly named as "Steel structures business") – the sale and processing of new construction materials and income from the 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.

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

(i) Disaggregation of revenue from contracts with customers

	Six months ended	
	30.6.2025 MOP'000 (Unaudited)	30.6.2024 MOP'000 (Unaudited)
Construction business		
Construction and fitting out works	85,468	64,069
High voltage power substation construction and its system installation works	50,849	9,183
E&M engineering services works	11,646	34,384
Facilities management services	125,194	82,210
	273,157	189,846
EV business		
Sale of EV charging systems	27	33
Distribution of EVs	–	423
Provision of EV charging facilities	305	996
	332	1,452
Intelligent manufacturing business		
Sale and processing of new construction materials	517,922	554,866
Total revenue from contracts with customers	791,411	746,164
Income from the leasing of steel structures	11,756	–
Total revenue	803,167	746,164
Timing of revenue recognition		
A point in time	517,949	555,322
Over time	273,462	190,842
	791,411	746,164

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. REVENUE AND SEGMENT INFORMATION *(Continued)***(ii) Segment information**

	Six months ended 30 June 2025			
	Construction business MOP'000 (Unaudited)	EV business MOP'000 (Unaudited)	Intelligent manufacturing business MOP'000 (Unaudited)	Total 2025 MOP'000 (Unaudited)
Revenue from external customers	273,157	332	529,678	803,167
Intersegment revenue	–	–	1,784	1,784
	273,157	332	531,462	804,951
Elimination of intersegment revenue				(1,784)
				803,167
Segment results	16,014	(182)	10,245	26,077
Central administration costs				(1,394)
Share of results of associates				6
Profit before tax				24,689

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

(ii) Segment information *(Continued)*

	Six months ended 30 June 2024			Total 2024 MOP'000 (Unaudited)
	Construction business MOP'000 (Unaudited)	EV business MOP'000 (Unaudited)	Intelligent manufacturing business MOP'000 (Unaudited)	
Revenue from external customers	189,846	1,452	554,866	746,164
Intersegment revenue	40	–	–	40
	189,886	1,452	554,866	746,204
Elimination of intersegment revenue				(40)
				746,164
Segment results	3,203	(1,690)	3,734	5,247
Central administration costs				(1,454)
Share of results of associates				7,213
Impairment loss of an associate				(1,408)
Profit before tax				9,598

Segment results represent the profit before tax resulted from each segment without allocation of certain 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.

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

(iii) Geographical information

The Group's operations are located in Macau, the People's Republic of China (the "PRC"), Hong Kong, 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	
	Six months ended			
	30.6.2025 MOP'000 (Unaudited)	30.6.2024 MOP'000 (Unaudited)	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
Macau	500,933	587,798	88,664	97,048
The PRC	98,942	60,692	252,464	248,921
Hong Kong	164,592	81,187	–	–
Singapore	20,899	1,986	–	–
Cyprus	17,801	14,501	738	839
	803,167	746,164	341,866	346,808

4. OTHER INCOME

	Six months ended	
	30.6.2025 MOP'000 (Unaudited)	30.6.2024 MOP'000 (Unaudited)
Bank interest income	618	503
Government grants <i>(note (a))</i>	117	203
Others <i>(note (b))</i>	7,846	637
	8,581	1,343

Notes:

- (a) During the current interim period, the Group recognised government grant of Macau Patacas ("MOP")117,000 (six months ended 30 June 2024: MOP203,000) in respect of Covid-19 related Bank Loan Interest Subsidy for Industrial and Commercial Support scheme provided by the Macau government.
- (b) During the period ended 30 June 2025, the Company received compensation income of MOP5.8 million from a customer's insurance company for certain defects identified at one of the construction projects in Macau, for which the Group had recognised and borne the rectification costs in prior years.

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

5. OTHER GAINS AND LOSSES

	Six months ended	
	30.6.2025 MOP'000 (Unaudited)	30.6.2024 MOP'000 (Unaudited)
Exchange gain, net	4,173	1,846
Loss on write-off of property, plant and equipment	(4)	(54)
	4,169	1,792

6. INCOME TAX EXPENSE

	Six months ended	
	30.6.2025 MOP'000 (Unaudited)	30.6.2024 MOP'000 (Unaudited)
Current tax		
– Macau Complementary Tax	1,556	1,464
– PRC Enterprise Income Tax	253	520
– Cyprus Corporate Income Tax	824	643
– Hong Kong Profit Tax	359	18
– Singapore Corporate Income Tax	508	–
	3,500	2,645
Under (over) provision in prior year	811	(1,029)
	4,311	1,616

The Company was incorporated 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 periods.

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 periods.

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

6. INCOME TAX EXPENSE *(Continued)*

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

Subsidiaries in Hong Kong which are qualified for the two-tiered profit tax regime are subject to Hong Kong Profit 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 of the Group are subject to Hong Kong Profit Tax at a rate of 8.25% for both periods.

The subsidiary in Singapore is subject to Singapore Corporate Income Tax at a rate of 17% on the assessable income for the six months ended 30 June 2025. No provision for taxation in Singapore had been made as the subsidiary operating in this jurisdiction incurred a loss for the six months ended 30 June 2024.

At the end of the current interim period, the Group has unused tax losses of MOP44,473,000 (31 December 2024: MOP40,189,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of MOP1,838,000, MOP15,651,000, MOP14,794,000, MOP5,268,000, MOP3,444,000 and MOP1,831,000 (31 December 2024: MOP1,838,000, MOP15,571,000, MOP11,352,000, MOP3,048,000 and MOP6,749,000) that will expire in 2025, 2026, 2027, 2028, 2029 and 2030 respectively. Other losses may be carried forward indefinitely.

7. FINANCE COSTS

	Six months ended	
	30.6.2025 MOP'000 (Unaudited)	30.6.2024 MOP'000 (Unaudited)
Interest expense on bank borrowings	4,420	5,373
Interest on lease liabilities	24	15
	4,444	5,388

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

8. PROFIT FOR THE PERIOD

	Six months ended	
	30.6.2025 MOP'000 (Unaudited)	30.6.2024 MOP'000 (Unaudited)
Profit for the period has been arrived at after charging:		
Directors' emoluments	4,487	4,487
Other staff costs:		
Salaries and other allowances	58,098	74,137
Retirement benefit scheme contributions	804	1,655
Total staff costs	63,389	80,279
Less: amounts included in cost of goods and services	(45,231)	(62,772)
	18,158	17,507
Impairment losses recognised (reversed) on:		
– Trade receivables	2,896	(5,262)
– Contract assets	(415)	(595)
– Other receivables	163	(296)
– Trade-nature amount due from a related company	(13)	–
	2,631	(6,153)
Depreciation of property, plant and equipment (including right-of-use assets)	13,828	4,566
Expenses relating to short-term leases	3,305	2,262

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

9. EARNINGS PER SHARE

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

	Six months ended	
	30.6.2025 MOP'000 (Unaudited)	30.6.2024 MOP'000 (Unaudited)
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)	15,867	6,949
	'000	
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	3,980,817	3,986,007

The computation of diluted earnings 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 period ended 30 June 2024. The bonus warrants expired on 24 May 2024.

For the six months ended 30 June 2025, no bonus warrant has been issued or is outstanding.

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

10. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, (i) the Group acquired approximately MOP5,383,000 (six months ended 30 June 2024: MOP10,428,000) plant and machinery and computer equipment; (ii) the Group incurred MOPnil (six months ended 30 June 2024: MOP31,652,000) for the construction in progress in setting up new manufacturing and research and development facilities in relation to steel structure business at the site in Jiangmen, Guangdong Province, the PRC; and (iii) the Group transferred construction in progress of approximately MOP995,000 to plant and machinery (six months ended 30 June 2024: MOP107,356,000 to leasehold land and buildings upon completion of the manufacturing and research and development facilities at the site in Jiangmen, Guangdong Province, the PRC).

During the current interim period, the Group wrote-off certain plant and machinery and resulted in a loss on write-off of property, plant and equipment amounted to approximately MOP4,000 (six months ended 30 June 2024: MOP54,000).

Since the second half of the year 2024, the Group entered into several leasing contracts with customers for steel structures leasing with a contractual term of 18 months. As at 30 June 2025, certain plant and machinery with carrying amount of MOP42,894,000 (31 December 2024: MOP50,215,000) are held for rental to others and are expected to be used during more than one period. A lease income of MOP11,756,000 (six months ended 30 June 2024: MOPnil) has been recognised as the Group's revenue for the current period, and a deferred income of MOP11,476,000 is recognised in the condensed consolidated statement of financial position as of 30 June 2025 (31 December 2024: MOP21,919,000).

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

11. INVENTORIES

The inventories are mainly finished goods from intelligent manufacturing business and are stated at the lower of cost or net realisable value.

12. CONTRACT ASSETS

	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
Contract assets from contract with customers	59,479	67,581
Less: Allowance for credit losses	(5,101)	(5,516)
	54,378	62,065
Analysed as current		
Unbilled revenue	14,035	21,125
Retention receivables	40,343	40,940
	54,378	62,065

Construction business

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 offs the deposits with first payments. Unbilled revenue included in 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 with 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.

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

12. CONTRACT ASSETS (Continued)

Construction business (Continued)

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 its satisfaction of the defect liability period of individual contracts. The Group typically reclassifies contract asset to trade receivables when the defect liability period expires and certificate of making good defects is obtained.

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 MOP40,343,000 (31 December 2024: MOP40,940,000) of which MOP52,000 (31 December 2024: MOP1,172,000) 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.

	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
Within one year	11,811	12,810
After one year	28,532	28,130
	40,343	40,940

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

13. TRADE AND OTHER RECEIVABLES

	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
Trade receivables from contracts with customers	318,930	401,582
Less: Allowance for credit losses	(31,945)	(29,413)
	286,985	372,169
Other debtors, deposits and prepayments		
– Deposits	3,460	3,757
– Prepayments for new construction materials	93,080	60,975
– Prepayments for construction	1,465	22,840
– Others (Note)	70,628	72,723
Less: allowance for credit losses	(814)	(651)
	454,804	531,813

Note: Others mainly included value-added taxes recoverable, receivables from certain sub-contractors and other receivables.

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 invoice date at the end of the reporting period are as follows:

	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
0 – 90 days	187,572	270,702
91 – 365 days	80,154	72,765
1 – 2 years	13,954	21,178
Over 2 years	5,305	7,524
	286,985	372,169

At 30 June 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of MOP147,640,000 (31 December 2024: MOP304,702,000) which are past due as at the reporting date. Out of the past due balances, MOP63,600,000 (31 December 2024: MOP76,485,000) has been past due more than 90 days and is not considered as 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.

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

14. AMOUNTS WITH RELATED COMPANIES

	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
<i>Non-trade nature</i>		
Amounts due from related companies		
ACEL Engineering Company Limited (note a)	3,573	1,086
China State Construction (Hong Kong) - China Construction (Macau) – EHY Joint Venture ("CSHK – CCM – EHY JV") (note b)	–	3,903
	3,573	4,989
<i>Trade nature</i>		
Amount due from a related company		
CSHK – CCM – EHY JV (note b)	1,131	1,131
Less: Allowance for credit losses	(1)	(14)
	1,130	1,117
	4,703	6,106

The Group typically allows a credit period of 30 to 45 days to its related companies. The following is an aging analysis of the trade-nature amounts due from related companies, presented based on invoice date at the end of the reporting period.

	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
0 – 90 days	–	1,117
91 – 365 days	1,130	–

At 30 June 2025, a carrying amount of MOP1,130,000 (2024: MOP1,117,000) which was past due but 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.

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

14. AMOUNTS WITH RELATED COMPANIES (Continued)

	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
<i>Non-trade nature</i>		
Amount due to a related company		
Lei Hong Engineering Limited (note a)	79	178

Notes:

- (a) Mr. Sou Kun Tou and Mr. Kuok Lam Sek ("Mr. Kuok"), the executive directors of the Company have beneficial interests and control over these related companies. The amounts are unsecured, interest free and repayable/recoverable on demand.
- (b) CSHK-CCM-EHY JV is an associate of the Group. The non-trade amount is unsecured, interest free and recoverable on demand.

15. PLEDGED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

Pledged bank deposits represent fixed-rate bank deposits which are pledged to secure bank guarantee and bills payables of the Group. As at 30 June 2025, the pledged bank deposits carried interest rate ranging from 0.21% – 3.35% (31 December 2024: 0.21% – 3.65%) per annum and with an original maturity of three to six months.

As at 30 June 2025, the bank balances carry interest at prevailing market rate of 0.001% – 0.25% (31 December 2024: 0.001% – 0.25%) per annum.

16. TRADE PAYABLES AND ACCRUED CHARGES

	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
Trade payables	155,159	172,627
Retention payables	22,438	24,338
Bills payables (note)	6,733	963
Other creditors and accrued charges		
– Accrued staff costs	12,565	18,768
– Accrued construction costs	65,817	54,816
– Other accruals	36,946	39,073
– Receipts in advance	25	20
	299,683	310,605

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 condensed consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

16. TRADE PAYABLES AND ACCRUED CHARGES *(Continued)*

The credit period of trade purchases 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:

	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
0 – 90 days	116,029	132,378
91 – 365 days	38,606	37,507
1 – 2 years	122	2,692
Over 2 years	402	50
	155,159	172,627

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.

	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
On demand or within one year	18,381	21,077
After one year	4,057	3,261
	22,438	24,338

Retention payables are 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.

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

17. BANK BORROWINGS

	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
Bank loans		
– repayable within one year	166,785	163,911
– repayable more than one year but not exceeding two years	68,224	23,433
– repayable more than two years but not more than five years	5,498	70,353
	240,507	257,697
Less: amount shown under current liabilities	(166,785)	(163,911)
Amount shown under non-current liabilities	73,722	93,786
Analysis by:		
– Secured (note)	151,213	144,697
– Unsecured	89,294	113,000
	240,507	257,697

As at 30 June 2025, the Group held variable-rate bank loans with aggregate amount of MOP207,966,000 (31 December 2024: MOP240,629,000) with interest rates ranging from Prime rate issued by Macau Monetary Authority ("Prime rate") less 1.05% to 2.0% (31 December 2024: Prime rate less 1.05% to 2.0%) per annum in Macau, and ranged from Loan Prime Rate ("LPR") plus 0.25% or LPR less 0.20% to 0.25% (31 December 2024: LPR plus 0.25% or LPR less 0.20% to 0.25%) per annum in the PRC, respectively.

In addition, the Group has fixed-rate bank loans in the PRC with an aggregate amount of MOP32,541,000 (31 December 2024: MOP17,068,000) which are repayable within one year with interest rate ranging from 2.8% to 3.0% (31 December 2024: 3.0%) per annum.

Note: As at 30 June 2025, the Group's bank borrowings amounted to MOP151,213,000 (31 December 2024: MOP144,697,000) are secured by property, plant and equipment (including right-of-use assets) of MOP226,164,000 (31 December 2024: MOP223,093,000) and construction in progress of MOP31,919,000 (31 December 2024: MOP35,843,000).

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

18. SHARE CAPITAL

	Number of shares	Amount MOP'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	5,000,000,000	51,500
Issued and fully paid:		
At 1 January 2024 (audited)	3,985,997,216	41,056
Exercise of bonus warrants (<i>note a</i>)	59,972	—*
At 30 June 2024 (unaudited)	3,986,057,188	41,056
Shares repurchased and cancelled (<i>note b</i>)	(4,658,000)	(48)
At 31 December 2024 (audited)	3,981,399,188	41,008
Shares repurchased and cancelled (<i>note c</i>)	(680,000)	(7)
At 30 June 2025 (unaudited)	3,980,719,188	41,001

* less than MOP1,000

Notes:

- The bonus warrants were issued to the qualifying shareholders on the basis of one warrant for every ten shares held on 18 May 2023. During the six months ended 30 June 2024, 59,972 bonus warrants have been exercised at a total consideration of approximately HK\$71,000 (equivalent to MOP73,000).
- The Company repurchased 470,000, 2,728,000 and 1,460,000 shares of the Company in October, November and December for an aggregate consideration of approximately HK\$90,000 (equivalent to MOP93,000), HK\$515,000 (equivalent to MOP530,000), and HK\$277,000 (equivalent to MOP286,000), respectively, and cancelled those shares.
- The Company repurchased 680,000 shares of the Company in January for an aggregate consideration of approximately HK\$134,000 (equivalent to MOP138,000) and cancelled those shares.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the current interim period.

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

19. RELATED PARTY DISCLOSURES

(i) Transactions

The Group had the following transactions with related parties during the current interim period:

Name of related parties	Nature of transaction	Six months ended	
		30.6.2025 MOP'000 (Unaudited)	30.6.2024 MOP'000 (Unaudited)
Mr. Kuok and Ms. Wong Fong Peng (the spouse of Mr. Kuok)	Short-term office rental expenses paid	343	343
CSHK – CCM – EHY JV (note 14(b))	Management expenses paid	2	57

(ii) Compensation of key management personnel

The remuneration of executive directors of the Company and other members of key management was as follows:

	Six months ended	
	30.6.2025 MOP'000 (Unaudited)	30.6.2024 MOP'000 (Unaudited)
Short term benefits	7,064	7,058
Post-employment benefits	11	11
	7,075	7,069

Notes to the Condensed Consolidated Financial Statements (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

20. PERFORMANCE BONDS AND CONTINGENT LIABILITY

Certain customers of construction contracts undertaken by the Group require the group entities to issue guarantees for the performance of contract works in the form of performance bonds and secured by pledged bank deposits (note 15), promissory notes and corporate guarantee. The performance bonds are released when the construction contracts are completed or substantially completed.

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

	30.6.2025 MOP'000 (Unaudited)	31.12.2024 MOP'000 (Audited)
Issued to the Group by banks	60,687	60,052

As at 30 June 2025, the Group has obtained total credit facilities of approximately MOP113,300,000 (31 December 2024: MOP113,300,000) for the issuance of performance bonds and these credit facilities were secured by (i) the pledged bank deposits of approximately MOP18,360,000 (31 December 2024: MOP18,084,000); (ii) the promissory notes of approximately MOP309,000,000 (31 December 2024: MOP309,000,000); and (iii) the corporate guarantee provided by the Company.

Other Information

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 of the Company (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") in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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 Period.

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 of all the Directors, each of the Directors confirmed that he/she has complied with the required standards 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 Board did not recommend the payment of an interim dividend for the Period (for the six months ended 30 June 2024: nil).

Other Information (Continued)

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

The Company repurchased 680,000 shares of the Company ("Shares", each a "Share") on the Stock Exchange during the Period. The total consideration (including transaction costs) of the repurchases was approximately HK\$134,000. All of the repurchased Shares were cancelled during the Period. Particulars of the repurchases are as follows:

	Number of Shares repurchased	Purchase price per Share		Aggregate consideration HK\$
		Highest HK\$	Lowest HK\$	
January 2025	680,000	0.170	0.148	134,000

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 Period. As at 30 June 2025, the Company did not have any treasury shares.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company or the applicable laws of the Cayman Islands where the Company is incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

Other Information (Continued)**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register kept under section 352 of the SFO, or required to be notified to the Company and the Stock Exchange in accordance with the Model Code contained in the Listing Rules were as follows:

(i) Long positions in the Shares and underlying Shares of the Company

Name of Director	Nature of interest	Number of Shares	Approximate percentage of shareholding interest ^(Note 1)
Mr. Kuok Lam Sek ("Mr. Kuok") ^(Note 2)	Interest of the controlled corporation	2,040,802,000	51.27%
Mr. Sou Kun Tou ("Mr. Sou") ^(Note 2)	Interest of the controlled corporation	2,040,802,000	51.27%
Ms. Chan Po Yi, Patsy	Beneficial interest	675,000	0.02%

Notes:

- (1) Based on 3,980,719,188 Shares in issue as at 30 June 2025.
- (2) MECOM Holding Limited is owned as to 35% by Mr. Kuok, 35% by Mr. Sou, 15% by Mr. Lam Kuok Wa ("Mr. Lam") and 15% by Mr. Lao Ka Wa ("Mr. Lao"), respectively. Mr. Kuok, Mr. Sou, Mr. Lam and Mr. Lao are parties acting in concert.

Other Information (Continued)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

(ii) Interests in associated corporation of the Company

Name of Director	Name of associated corporation	Nature of interest	Number of shares	Percentage holding
Mr. Kuok ^(Note)	MECOM Holding Limited	Beneficial owner and interest held jointly with other persons	100	100%
Mr. Sou ^(Note)	MECOM Holding Limited	Beneficial owner and interest held jointly with other persons	100	100%

Note: MECOM Holding Limited is owned as to 35% by Mr. Kuok, 35% by Mr. Sou, 15% by Mr. Lam and 15% by Mr. Lao, respectively. Mr. Kuok, Mr. Sou, Mr. Lam and Mr. Lao are parties acting in concert.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register kept under section 352 of the SFO, or required to be notified to the Company and the Stock Exchange in accordance with the Model Code.

Other Information (Continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the interests or short positions of persons other than the Directors and chief executive of the Company in the Shares and underlying Shares as required by Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company or as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in the Shares and underlying Shares of the Company

Name	Nature of interest	Number of Shares	Approximate percentage of shareholding interest ^(Note 1)
Mr. Lam ^(Note 2)	Interest of the controlled corporation	2,040,802,000	51.27%
Mr. Lao ^(Note 2)	Interest of the controlled corporation	2,040,802,000	51.27%
MECOM Holding Limited	Beneficial owner	2,040,802,000	51.27%
Mr. Kuok Wai Hang ^(Note 3)	Interest of the controlled corporation	540,617,500	13.58%
Macau New Base Investment Company Limited ("Macau New Base")	Beneficial owner	540,617,500	13.58%

Notes:

- (1) Based on 3,980,719,188 Shares in issue as at 30 June 2025.
- (2) MECOM Holding Limited is owned as to 35% by Mr. Kuok, 35% by Mr. Sou, 15% by Mr. Lam and 15% by Mr. Lao, respectively. Mr. Kuok, Mr. Sou, Mr. Lam and Mr. Lao are parties acting in concert.
- (3) Macau New Base is owned as to 100% by Mr. Kuok Wai Hang.

Save as disclosed above, as at 30 June 2025, the Directors had not been notified by any other persons (other than the Directors or chief executive of the Company) who had interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Other Information (Continued)

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 23 January 2018 and became effective upon the the listing of the Company's shares on the Stock Exchange on 13 February 2018. 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 Period, no option has been granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme.

DISCLOSURE REQUIREMENT UNDER RULE 13.21 OF THE LISTING RULES

Facility Agreement dated 4 July 2024

In July 2024, EHY Construction and Engineering Company Limited ("EHY") and Sun Hung Yip Engineering Construction Company Limited ("SHY") as borrowers and the Company as guarantor entered into the facility agreement (the "2024 Facility Agreement A") with Tai Fung Bank (the "Bank") for (i) a revolving commitment for issuance of bank guarantees of up to HK\$110,000,000 for EHY and SHY, and (ii) a revolving loan facility of up to HK\$43,000,000 and a bank overdraft facility of up to HK\$10,000,000 for EHY, for the period up to 11 July 2025 (collectively, the "2024 Facilities A").

Facility Agreement dated 15 October 2024

In October 2024, Ao Gang Construction (Macau) Limited ("Ao Gang") as borrower and the Company and MECOM International New Materials Technology (Guangdong) Co., Ltd.* ("MECOM International") as guarantors entered into the facility agreement (the "2024 Facility Agreement B") with the Bank for (i) the revolving invoice financing facility of up to HK\$40,000,000 for the period up to 11 October 2025, and (ii) a revolving loan facility of up to HK\$60,000,000 for the period up to 27 October 2025 (collectively, the "2024 Facilities B").

Under the terms of the 2024 Facility Agreement A and 2024 Facility Agreement B (collectively, the "2024 Facility Agreements"), it will constitute an event of default if, among other things, Mr. Kuok and Mr. Sou cease to exercise management control right over the Company. On and at any time after the occurrence of a continuing event of default, the Bank may, upon notice to the borrowers and/or guarantors thereunder (as the case may be), cancel all or any part of the commitment immediately and/or declare that all or part of the 2024 Facilities A and the 2024 Facilities B (collectively, the "2024 Facilities"), together with the accrued interest, and all other amounts accrued or outstanding become immediately due and payable and/or declare that all or part of the 2024 Facilities be payable on demand; and/or exercise any or all of its rights, remedies, powers and discretions under the 2024 Facility Agreements.

As at 30 June 2025, the 2024 Facility Agreements still subsisted.

Please refer to the Company's announcements dated 5 July 2024 and 16 October 2024 for further information.

Other Information (Continued)

Facility Agreement dated 7 July 2025

In July 2025, EHY and SHY as borrowers and the Company as guarantor entered into the facility agreement (the "2025 Facility Agreement A") with the Bank for (i) a revolving commitment for issuance of bank guarantees of up to HK\$110,000,000 for EHY and SHY, and (ii) a revolving loan facility of up to HK\$43,000,000 and a bank overdraft facility of up to HK\$10,000,000 for EHY, for the period up to 11 July 2026 (collectively, the "2025 Facilities A").

Facility Agreement dated 21 July 2025

In July 2025, Ao Gang as borrower and the Company and MECOM International as guarantors entered into the facility agreement (the "2025 Facility Agreement B") with the Bank for (i) the revolving invoice financing facility of up to HK\$40,000,000 for the period up to 11 October 2026, and (ii) a revolving loan facility of up to HK\$60,000,000 for the period up to 27 October 2026 (collectively, the "2025 Facilities B").

Under the terms of the 2025 Facility Agreement A and 2025 Facility Agreement B (collectively, the "2025 Facility Agreements"), it will constitute an event of default if, among other things, Mr. Kuok and Mr. Sou cease to exercise management control right over the Company. On and at any time after the occurrence of a continuing event of default, the Bank may, upon notice to the borrowers and/or guarantors thereunder (as the case may be), cancel all or any part of the commitment immediately and/or declare that all or part of the 2025 Facilities A and the 2025 Facilities B (collectively, the "2025 Facilities"), together with the accrued interest, and all other amounts accrued or outstanding become immediately due and payable and/or declare that all or part of the 2025 Facilities be payable on demand; and/or exercise any or all of its rights, remedies, powers and discretions under the 2025 Facility Agreements.

Please refer to the Company's announcements dated 8 July 2025 and 25 July 2025 for further information.

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.

REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee and the Company's external auditor, Deloitte Touche Tohmatsu, have reviewed the accounting principles and practices adopted by the Group and have reviewed the condensed consolidated financial statements of the Group for the six months ended 30 June 2025 and this interim report.

Other Information (Continued)

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, there were no other important events affecting the Group that had occurred after 30 June 2025 and up to the date of this report.

On behalf of the Board

MECOM Power and Construction Limited

Kuok Lam Sek

Chairman

Hong Kong, 28 August 2025

** For identification purpose only*