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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)

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Macau E&M Holding Limited (the “**Company**”) is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”, “**we**”, “**us**” or “**our**”) for the year ended 31 December 2025 (the “**Year**”), together with the comparative results for the year ended 31 December 2024 (“**FY2024**”) as follows:

### FINANCIAL HIGHLIGHTS

(in Macanese Pataca (“**MOP**”) thousand, unless otherwise stated)

	2025 <b>MOP’000</b> (Audited)	2024 <b>MOP’000</b> (Audited)
Revenue	76,799	92,052
Gross profit	12,323	7,221
Profit (loss) for the year	2,176	(2,490)
Basic earnings (loss) per share ( <i>MOP cent</i> )	0.44	(0.50)
Bank balances (including cash and cash equivalents, short-term bank deposits and pledged bank deposits)	173,083	141,603
Total equity	205,133	202,957
	<b>MOP’000</b> (Unaudited)	<b>MOP’000</b> (Unaudited)
Current ratio	11.2 times	8.5 times
Aggregate value of contracts on hand yet to complete	40,206	63,024

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December*

	<i>Notes</i>	<b>2025</b> <b>MOP'000</b> <b>(Audited)</b>	2024 <b>MOP'000</b> <b>(Audited)</b>
Revenue	3	<b>76,799</b>	92,052
Cost of services		<b>(64,476)</b>	(84,831)
		<b>12,323</b>	7,221
Gross profit			
Other income		<b>4,406</b>	5,092
Impairment losses reversed (recognised) under expected credit loss model, net		<b>375</b>	(547)
Administrative expenses		<b>(14,670)</b>	(14,038)
Finance costs		<b>(220)</b>	(193)
		<b>2,214</b>	(2,465)
Profit (loss) before tax			
Income tax expense	4	<b>(38)</b>	(25)
		<b>2,176</b>	(2,490)
Profit (loss) and total comprehensive income (expense) for the year		<b>2,176</b>	(2,490)
		<b>0.44</b>	(0.50)
Basic earnings (loss) per share ( <i>MOP cent</i> )	5	<b>0.44</b>	(0.50)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	<i>Notes</i>	<b>2025</b> <b>MOP'000</b> <b>(Audited)</b>	2024 <b>MOP'000</b> <b>(Audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>35,906</b>	36,968
Right-of-use assets		<b>262</b>	75
Deposits and receivables	7	<b>29</b>	99
		<u><b>36,197</b></u>	<u>37,142</u>
<b>Current assets</b>			
Contract assets	6	<b>14,235</b>	30,155
Trade and other receivables	7	<b>13,893</b>	29,518
Pledged bank deposits		<b>230</b>	43
Short-term bank deposits		<b>54,773</b>	41,630
Cash and cash equivalents		<b>118,080</b>	99,930
		<u><b>201,211</b></u>	<u>201,276</u>
<b>Current liabilities</b>			
Contract liabilities	8	<b>1,168</b>	988
Trade payables and accruals	9	<b>14,338</b>	22,063
Lease liabilities		<b>168</b>	54
Bank borrowings		<b>2,201</b>	546
Tax liabilities		<b>38</b>	31
		<u><b>17,913</b></u>	<u>23,682</u>
<b>Net current assets</b>		<u><b>183,298</b></u>	<u>177,594</u>
<b>Non-current liabilities</b>			
Bank borrowings		<b>14,264</b>	11,755
Lease liabilities		<b>98</b>	24
		<u><b>14,362</b></u>	<u>11,779</u>
<b>Net assets</b>		<u><b>205,133</b></u>	<u>202,957</u>
<b>Capital and reserves</b>			
Share capital		<b>5,150</b>	5,150
Reserves		<b>199,983</b>	197,807
<b>Total equity</b>		<u><b>205,133</b></u>	<u>202,957</u>

## NOTES:

### 1. GENERAL INFORMATION

Macau E&M Holding Limited was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 24 October 2017. Its registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is located at Avenida da Concórdia, nos 175–181, Edifício Industrial Wang Fu, 10 Andar B e D, Macau.

The Company is an investment holding company. The principal activities of the subsidiaries (together with the Company referred to as the “**Group**”) are engaged in the provision of electrical and mechanical (“**E&M**”) engineering works; and maintenance and repair services.

The consolidated financial statements are presented in MOP, which is the same as the functional currency of the Company.

### 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

#### Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (“**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 consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all these new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS – continued

### **New and amendments to IFRS Accounting Standards in issue but not yet effective - continued**

#### ***Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments***

The amendments to IFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

The disclosure requirements in IFRS 7 Financial Instruments: Disclosures in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The amendments are required to be applied retrospectively, with specific exceptions. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

#### ***IFRS 18 Presentation and Disclosure in Financial Statements***

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group’s consolidated financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

The Group's revenue represents the amount received and receivable for revenue arising on E&M engineering works and maintenance and repair services.

For the purpose of resources allocation and performance assessment, the executive directors of the Company, who are also the directors of Kento Engineering Company Limited, the sole operating subsidiary of the Group, being the chief operating decision maker ("CODM"), 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. No analysis of the Group's assets and liabilities is disclosed as such information is not regularly provided to the CODM for review.

#### Disaggregation of revenue from contracts with customers

	2025 <i>MOP'000</i> (Audited)	2024 <i>MOP'000</i> (Audited)
<b>Revenue from construction contracts</b>		
E&M engineering works	<u>71,424</u>	<u>89,700</u>
<b>Provision of services</b>		
Maintenance and repair services	<u>5,375</u>	<u>2,352</u>
	<u><b>76,799</b></u>	<u><b>92,052</b></u>
<b>Timing of revenue recognition</b>		
Over time	<u><b>76,799</b></u>	<u><b>92,052</b></u>

#### Geographical information

	<b>E&amp;M engineering works</b>		<b>Maintenance and repair services</b>	
	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
Macau	46,792	89,545	5,375	2,352
Sri Lanka	<u>24,632</u>	<u>155</u>	<u>–</u>	<u>–</u>
	<u><b>71,424</b></u>	<u><b>89,700</b></u>	<u><b>5,375</b></u>	<u><b>2,352</b></u>

#### 4. INCOME TAX EXPENSE

	2025 <i>MOP'000</i> (Audited)	2024 <i>MOP'000</i> (Audited)
Hong Kong Profits Tax		
Current tax	(40)	(31)
Overprovision in prior years	<u>2</u>	<u>6</u>
	<u><u>(38)</u></u>	<u><u>(25)</u></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 Hong Kong Dollar (“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. No provision for Macau Complementary Tax has been provided as a subsidiary of the Company incurred loss for the years ended 31 December 2025 and 2024.

#### 5. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share attributable to owners of the Company is based on the following data:

	2025 <i>MOP'000</i> (Audited)	2024 <i>MOP'000</i> (Audited)
<b>Earnings (loss)</b>		
Earnings (loss) for the purpose of calculating basic earnings (loss) per share	<u><u>2,176</u></u>	<u><u>(2,490)</u></u>
	<i>'000</i>	<i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings (loss) per share	<u><u>500,000</u></u>	<u><u>500,000</u></u>

No diluted earnings (loss) per share is presented for both years as there were no potential ordinary shares in issue for both years.

## 6. CONTRACT ASSETS

The contract assets arising from E&M engineering works, and maintenance and repair services are as follows:

	2025 <i>MOP'000</i> (Audited)	2024 <i>MOP'000</i> (Audited)
Contract assets from contracts with customers	14,531	30,696
Less: allowance for credit losses	(296)	(541)
	<u>14,235</u>	<u>30,155</u>
Represented by:		
E&M engineering works	14,182	30,102
Maintenance and repair services	53	53
	<u>14,235</u>	<u>30,155</u>
Analysed as current		
Unbilled revenue	6,858	17,508
Retention receivables	7,377	12,647
	<u>14,235</u>	<u>30,155</u>

As at 1 January 2024, contract assets amounted to MOP49,264,000.

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in satisfying the respective performance obligations at the reporting date on construction contracts in respect of E&M engineering works and maintenance and repair services. The contract assets are transferred to trade receivables when the rights become unconditional.

Change of contract assets as at 31 December 2025 and 2024 represents the contract revenue recognised ahead of the accumulated progress billings.

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

### Construction contracts

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 on the contract work completed by the Group, customers' or external surveyors' issuance of certification on the works or the payment milestones being met. The contract assets are transferred to trade receivables when the rights become unconditional, which is typically at the time the Group obtains certification of the completed contract works from customers or external surveyors or meets payment milestones.

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

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

At 31 December 2025, retention money held by customers for contract works amounted to MOP7,377,000 (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 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.

	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
Within one year	6,509	7,828
After one year	<u>868</u>	<u>4,819</u>
	<u><u>7,377</u></u>	<u><u>12,647</u></u>

As at 31 December 2025 and 2024, no retention money is past due. The Group does not hold any collateral over these balances.

## 7. TRADE AND OTHER RECEIVABLES

	2025 <i>MOP'000</i> (Audited)	2024 <i>MOP'000</i> (Audited)
Trade receivables from contracts with customers	11,206	25,303
Less: allowance for credit losses	<u>(197)</u>	<u>(327)</u>
	<u>11,009</u>	<u>24,976</u>
Other receivables, deposits and prepayments		
– Deposits	190	155
– Prepayments	2,004	3,359
– Interest receivables	719	1,028
– Other receivables	<u>–</u>	<u>99</u>
	<u>2,913</u>	<u>4,641</u>
Total trade and other receivables	<u><u>13,922</u></u>	<u><u>29,617</u></u>
Analysed as:		
Current	13,893	29,518
Non-current	<u>29</u>	<u>99</u>
	<u><u>13,922</u></u>	<u><u>29,617</u></u>

As at 1 January 2024, trade receivables from contracts with customers amounted to MOP27,805,000.

The Group allows a credit period of 30–60 days to its customers. The aging analysis of the Group's trade receivables at gross amount based on invoice date at the end of each reporting period are as follows:

	<b>2025</b> <i>MOP'000</i> <b>(Audited)</b>	2024 <i>MOP'000</i> (Audited)
0–30 days	<b>5,942</b>	17,487
31–60 days	<b>472</b>	1,484
61–90 days	–	209
Over 90 days	<b>4,792</b>	6,123
	<b>11,206</b>	25,303

As at 31 December 2025, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of MOP4,925,000 (2024: MOP7,279,000) which are past due as at the reporting date. Out of the past due balances MOP4,354,000 (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 amounts are still considered as recoverable based on historical experience.

## 8. CONTRACT LIABILITIES

The contract liabilities arising from E&M engineering works are as follows:

	<b>2025</b> <i>MOP'000</i> <b>(Audited)</b>	2024 <i>MOP'000</i> (Audited)
Contract liabilities from contract with customers in relation to E&M works	<b>1,168</b>	988

As at 1 January 2024, there was contract liability of approximately MOP2,310,000.

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

Change of contract liabilities as at 31 December 2025 and 2024 represents the reduction of accumulated progress billings ahead of the contract revenue recognised.

The following table shows the amount of the revenue recognised relates to carried-forward contract liabilities:

	<b>2025</b> <i>MOP'000</i> <b>(Audited)</b>	2024 <i>MOP'000</i> (Audited)
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<b>988</b>	2,310

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 construction activities commence, contract liabilities will arise at the start of the relevant contracts, until the revenue recognised on such relevant contracts exceeds the amount of the cash advances.

## 9. TRADE PAYABLES AND ACCRUALS

	2025 <i>MOP'000</i> (Audited)	2024 <i>MOP'000</i> (Audited)
Trade payables	140	5,721
Accruals:		
– Accrued construction costs	10,506	14,559
– Accrued staff bonus	1,568	–
– Accrued legal and professional fees	1,175	1,473
– Other accrued charges	949	310
	<u>14,338</u>	<u>22,063</u>

The credit period on trade payables ranges from 0 to 90 days. The aging analysis of the Group's trade payables based on invoice dates at the end of each reporting period are as follows:

	2025 <i>MOP'000</i> (Audited)	2024 <i>MOP'000</i> (Audited)
0–90 days	134	783
91–365 days	6	4,938
	<u>140</u>	<u>5,721</u>

## 10. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during 2025 and 2024.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of HK0.21 cent (equivalent to MOP0.22 cent) (2024: no final dividend in respect of the year ended 31 December 2024) per ordinary share, in an aggregate amount of HK\$1,050,000 (equivalent to MOP1,083,000) (2024: Nil), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

## CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of Macau E&M Holding Limited, I hereby announce the annual results of the Group for the Year.

During the Year, Macau's economy continued its recovery. According to the Statistics and Census Service of the Macao SAR Government, Macau's gross domestic product expanded by approximately 4.7% year on year in real terms, reflecting the gradual stabilisation of tourism and gaming activities. Despite the overall improvement in economic conditions, private sector capital expenditure remained subdued. Within the E&M sector, demand was largely driven by ongoing infrastructure developments and enhancement works at integrated resorts. Meanwhile, intensified competition for available projects created challenging pricing conditions, underlining the need for disciplined cost management and prudent project selection.

With respect to the Group, it achieved a turnaround to profitability during the Year, registering a profit and total comprehensive income of MOP2.2 million, compared with a loss in the preceding year. Despite a decline in revenue, the Group's gross profit margin improved significantly to 16.0% (2024: 7.8%), underpinned by greater cost control and operational efficiency. A notable milestone for the Year was the completion of the Group's first overseas project – a CCTV installation at a casino in Sri Lanka, marking an important step in expanding its business footprint.

Based on management's review of publicly available market forecasts, Macau's economy is expected to continue to expand in 2026. The Group therefore remains cautiously optimistic about the outlook for the E&M industry. As infrastructure modernisation and urban enhancement projects advance, this will drive higher technical requirements and service standards that highlight the importance of operational capability. Building on its strengthened operational foundation and stable financial position, the Group will continue to enhance its core E&M engineering competencies, maintain prudent cost management, and improve project execution efficiency. At the same time, it will actively participate in public infrastructure and housing projects, leverage opportunities arising from regional integration, including developments in Hengqin, and prudently assess selective overseas opportunities to broaden its revenue base further. While industry competition is expected to remain intense, the Group will continue to sharpen its competitiveness and bolster operational resilience to navigate challenges and capture sustainable growth opportunities.

On behalf of the Board and the management of the Company, I would like to express my sincere appreciation to our management team and employees for their dedication, professionalism, and contributions during the Year. I would also like to extend my gratitude to our shareholders, customers, and business partners for their steadfast trust and support. With the continued engagement of all stakeholders, the Company remains committed to delivering long-term value and pursuing steady, sustainable growth for its shareholders in the years to come.

**CHEONG Ka Wo**

*Chairman, CEO and Executive Director*

19 March 2026

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **OVERVIEW**

As an integrated E&M engineering services contractor registered with the Land, Public Works and Transport Bureau of Macau, the Company provides a comprehensive mix of E&M engineering service works based on the needs of its customers in Macau. The comprehensive mix of E&M engineering works includes the supply and/or installation of (i) low voltage systems works; (ii) heating, ventilation and air-conditioning systems works; and (iii) extra low voltage systems works, and the testing and commissioning works, as well as management and monitoring of quality and delivery of E&M engineering services works in Macau. The Group began its business through focusing on the public sector E&M engineering services works projects and gradually expanded into the private sector. The Group offers repair and maintenance service for property and hospitality facilities in Macau, including world-class hotels and integrated entertainment resorts. The demand from this sector would be driven by the strategy and planning of the casinos and hotel operators in Macau, which would in turn increase the demand for E&M repair and maintenance works.

### **BUSINESS REVIEW**

During the Year, the Macau E&M market was largely driven by government-led infrastructure initiatives, while private sector construction and real estate-related E&M activities stayed relatively muted amid cautious investment sentiment. Competition across the industry continued to intensify, particularly in large-scale infrastructure tenders, with international and Chinese Mainland contractors securing their commanding positions. In contrast, local E&M service providers focused more on smaller-scale projects and renovation works, although pricing pressure persisted. For the Year, the Group recorded total revenue of MOP76.8 million (2024: MOP92.1 million), primarily attributable to fewer contracts amid intensified competition and tighter budgets across both public and private sectors. The Group achieved a turnaround during the Year, reporting a profit and total comprehensive income of MOP2.2 million, compared with a loss and total comprehensive expense of MOP2.5 million in FY2024. Gross profit margin improved to 16.0%, driven by enhanced project execution, tightened cost control, and better resource allocation.

During the Year, the Group managed approximately 45 projects, comprising 34 private sector and 11 public sector engagements. The Group continued to pursue new tender to promote business stability and growth. Notably, it secured and completed a CCTV installation project for a casino in Sri Lanka, with a contract value of MOP24.8 million – the first overseas project of the Group, marking a significant milestone for business development and laying the groundwork for future cross-border development. The Group also maintained a healthy financial position, reporting cash and bank balances (including short-term bank deposits and pledged bank deposits) of MOP173.1 million as at year-end, with bank borrowings of MOP16.5 million. Net current assets amounted to approximately MOP183.3 million, underscoring the Group's financial stability and strong liquidity.

## FINANCIAL REVIEW

### Revenue

The following table sets forth a breakdown of the Group's revenue for the years ended 31 December 2025 and 2024:

	2025		2024	
	<i>MOP'000</i> (Audited)	%	<i>MOP'000</i> (Audited)	%
E&M engineering works	71,424	93.0	89,700	97.4
Maintenance and repair services	5,375	7.0	2,352	2.6
	<u>76,799</u>	<u>100.0</u>	<u>92,052</u>	<u>100.0</u>

The Group recorded revenue of approximately MOP76.8 million for the Year, which represented a year-on-year decrease of 16.6% (2024: MOP92.1 million). The Group's revenue decreased because certain major projects in FY2024 were substantially completed, while newly awarded projects during the Year were generally of smaller contract value and contributed less revenue.

The slow recovery of Macau's E&M market and lengthened tendering timelines, especially in the entertainment-and-resorts and public sectors, resulted in sluggish demand for E&M engineering services, which significantly affected the Group's revenue.

### Gross profit

The following table sets forth a breakdown of the Group's gross profit and gross margin for the years ended 31 December 2025 and 2024:

	2025		2024	
	Gross profit <i>MOP'000</i> (Audited)	Gross margin %	Gross profit <i>MOP'000</i> (Audited)	Gross margin %
E&M engineering works	11,540	16.2	6,838	7.6
Maintenance and repair services	783	14.6	383	16.3
	<u>12,323</u>	<u>16.0</u>	<u>7,221</u>	<u>7.8</u>

For the Year, the Group recorded a gross profit of MOP12.3 million (2024: MOP7.2 million), representing an increase of approximately MOP5.1 million or 70.7% year-on-year. The increase was primarily attributable to improved project cost management and enhanced operational efficiency during the Year. Although the number of projects secured remained relatively selective amid continued market competition, the Group adopted a more disciplined tendering approach and focused on projects with more prudent cost structures and acceptable risk profiles.

The Group's gross profit margin improved significantly from approximately 7.8% in 2024 to approximately 16.0% in 2025, representing an increase of approximately 8.2 percentage points. This improvement was mainly driven by stringent internal resource management and cost control measures, including optimisation of resource allocation, reduction of unnecessary expenditures, and enhancement of project execution efficiency.

Notwithstanding the competitive operating environment, the Group continued to maintain a stable workforce and preserve its core technical capabilities in support of long-term sustainability and competitiveness.

### **Other income**

During the Year, other income decreased by MOP0.7 million to MOP4.4 million (2024: MOP5.1 million), which was primarily attributable to lower interest income resulting from the decline in fixed deposit interest rates.

### **Impairment losses reversed (recognised) under expected credit loss model, net**

The Group recorded a net reversal of impairment losses on trade receivables and contract assets of MOP0.4 million for the Year (2024: impairment losses of MOP0.5 million). The reversal recognised during the Year was primarily attributable to improvements in the credit risk profile of certain customers and the reassessment of expected credit losses as at 31 December 2025. The Group applied the simplified approach to measure expected credit loss ("ECL") which uses a lifetime ECL for all trade receivables and contract assets in accordance with the relevant accounting standards regardless of the settlement status of the underlying receivables and assets subsequent to 31 December 2025. Trade receivables and contract assets with individual significant balances are assessed for impairment individually, the remaining trade receivables and contract assets are assessed collectively using a collective basis with appropriate groupings.

### **Administrative expenses**

Administrative expenses increased by MOP0.7 million to MOP14.7 million for the Year (2024: MOP14.0 million). The increase was primarily attributable to the traveling expenses incurred to reactivate the Company Journey Program during the Year. The Group continued to implement cost control measures across its operations, and building the corporate cultures.

## **Income tax expense**

Income tax expense recorded for the Year amounted to approximately MOP38,000 (2024: MOP25,000) which was attributed to the written-back of the over provision of tax payable of MOP2,000 for the Year and the provision of current tax of MOP40,000 (2024: MOP31,000).

## **Profit (loss) and total comprehensive income (expense) for the year**

The Group recorded a profit for the Year of MOP2.2 million (2024: loss of MOP2.5 million) which was primarily attributable to the combined effect of the abovementioned items.

## **LIQUIDITY AND 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 from its core business and its savings.

In the management of liquidity risks, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of unexpected fluctuations in cash flows. The Company had a strong cash position as at 31 December 2025. Due to economic uncertainty, the Group prefers a conservative financial strategy to maintain a robust year-end cash balance to ensure liquidity for potential projects and mitigate the liquidity risks.

As at 31 December 2025, the Group had net current assets of MOP183.3 million (2024: MOP177.6 million). The current ratio of the Group as at 31 December 2025 was 11.2 times (2024: 8.5 times).

The Group has maintained a healthy liquidity position. As at 31 December 2025, the Group had total bank balances (including cash and cash equivalents, short-term bank deposits and pledged bank deposits) of MOP173.1 million (2024: MOP141.6 million). The Group's bank balances were mainly denominated in MOP and HK\$.

As at 31 December 2025, the Group had a bank mortgage borrowing of MOP11.8 million (2024: MOP12.3 million) at The Bank of China Macau Branch with interest rate of 1 month HIBOR +1.3% and capped at Prime -3% and a bank borrowing of MOP4.7 million (2024: Nil) as a non-interest bearing loan, with the interest expense fully subsidized under the Macau government program for mid-size Macau company. The Group's gearing ratio (calculated as total debts divided by total equity) was 8.0% (2024: 6.1%).

As at 31 December 2025, the Group's share capital and reserves amounted to MOP5.2 million and MOP200.0 million, respectively (2024: MOP5.2 million and MOP197.8 million, respectively).

## **FOREIGN EXCHANGE EXPOSURE**

Although the majority of the Group's transactions and balances are denominated in HK\$ and MOP, exposing it to minimal exchange rate fluctuation between the two currencies, the Group also had limited exposure to United States Dollar and Chinese Yuan as a result of minor transactions during the Year. As at 31 December 2025, the Group had no exposure to interest-rate swaps, currency swaps and other financial derivatives.

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

The Group had incorporated a wholly owned subsidiary with minimal operation in Hengqin, China. Other than that the Group had no significant investments held and no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Year.

The Group had no future plan for material investments or capital assets as at 31 December 2025.

## **PLEDGE OF ASSETS, PERFORMANCE BONDS AND CONTINGENT LIABILITY**

At 31 December 2025, the Group had issued the following promissory notes:

- a. an amount of MOP14.4 million (2024: MOP14.4 million) to secure a bank borrowing of MOP11.8 million (2024: MOP12.3 million) in favour of a bank, which was also collateralised by office premises with carrying amount of MOP15.9 million (2024: MOP16.2 million).
- b. an amount of MOP5.0 million (2024: Nil) to secure a bank borrowing of MOP 4.7 million (2024: Nil) in favour of a bank; and
- c. aggregate amount of MOP65.4 million (2024: MOP20.0 million) to secure credit facilities of MOP56.3 million (2024: MOP20.0 million) in favour of banks.

Same as disclosed above, the Group did not have any material contingent liabilities and had not issued any material performance bonds as at 31 December 2025.

## **COMMITMENTS**

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

## **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 the remuneration package of its employees based on each employee's qualification, position and seniority.

As the main contractor for some of the projects undertaken, the Group applies for work permits for its non-Macau resident workers on a project-by-project basis. As at 31 December 2025, the Group had 50 (2024: 49) employees in Macau, comprising 32 Macau residents and 18 non-Macau residents (2024: 30 Macau residents and 19 non-Macau residents).

The Company has adopted a share option scheme on 11 September 2020, the purpose of which is to recognise and acknowledge the contributions that the eligible participants had or may have made to the Group.

## **PROSPECTS**

While private construction activity in Macau remains relatively subdued and the market continues to be dominated by public sector projects, there are emerging signs of stabilisation within the broader economic environment. Macau is expected to continue benefiting from supportive Central Government policies and initiatives that promote economic diversification and consolidate its position as a global tourism and leisure hub. Furthermore, planned developments spanning integrated resorts, entertainment facilities and infrastructure projects are anticipated to drive demand for advanced E&M engineering and maintenance services.

The deepening integration between Macau and Hengqin is also set to enhance regional connectivity and expand the area's economic foundation. The introduction of a customised accreditation framework allowing Macau-based companies to participate in public and private sector projects in Hengqin has lowered market entry barriers and created a more favourable environment for regional expansion. In response to these developments, the Group has established a wholly owned subsidiary in Hengqin to capture emerging opportunities and strengthen its cross-border presence.

Following the completion of its first overseas project in Sri Lanka, the Group will continue to explore suitable international markets to broaden its presence. Through a prudent and practical approach, it aims to expand its revenue base while strengthening long-term resilience for development. With a solid financial position and prudent operational management, the Group is well placed to pursue further business growth as market conditions evolve. It has already secured 12 projects that are expected to contribute revenue in 2026, and the Group continues to receive tender invitations from casinos, hotels, and other commercial clients, underscoring the strength of its project pipeline.

Looking ahead, although certain economic challenges may persist, the Group will leverage its technical expertise, established customer relations, and solid financial strength to create sustainable growth and long-term value for its shareholders.

## **FINAL DIVIDEND**

The Board has recommended a final dividend of HK0.21 cent (equivalent to MOP0.22 cent) (2024: Nil) per ordinary share for the year ended 31 December 2025 (the “**Final Dividend**”) to the shareholders of the Company (the “**Shareholders**”). The payment of the Final Dividend is subject to the Shareholders’ approval at the forthcoming annual general meeting of the Company. Upon the approval by the Shareholders, the Final Dividend is expected to be paid on or around Friday, 12 June 2026.

## **CLOSURE OF REGISTER OF MEMBERS FOR THE AGM AND THE FINAL DIVIDEND**

The 2026 annual general meeting of the Company (the “**AGM**”) is scheduled to be held on Wednesday, 13 May 2026. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 8 May 2026 to Wednesday, 13 May 2026 (both days inclusive), during which period no transfer of the Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 7 May 2026.

Subject to the approval of the Shareholders at the AGM, the Final Dividend will be payable to Shareholders whose names appear on the register of members of the Company as at the close of business on Thursday, 21 May 2026. For the purpose of determining the entitlement of the Shareholders to the Final Dividend, the register of members of the Company will be closed from Tuesday, 19 May 2026 to Thursday, 21 May 2026, both days inclusive, during which period no transfer of the Shares will be registered. In order for the Shareholders to qualify for the proposed Final Dividend, all properly completed share transfer forms together with the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration, no later than 4:30 p.m. on Monday, 18 May 2026.

## **CORPORATE GOVERNANCE PRACTICES**

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

During the Year, 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 contained in Appendix C1 (the “**CG Code**”) to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) except for the deviation from code provision C.2.1 of Part 2 of the CG Code. Code provision

C.2.1 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 Engineering Company Limited (a direct wholly-owned subsidiary of the Company) in January 2011, the Board believes that it is in the best interest 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 to be appropriate in the circumstances. Notwithstanding such deviation, 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 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 Year.

Pursuant to paragraph 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 of the Company, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

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

The Company and its subsidiaries did not purchase, sell or redeem any of the Company’s listed securities (including sale or transfer of treasury shares) during the Year. As at 31 December 2025, the Company does not hold any treasury shares.

## **AUDIT COMMITTEE**

The Board has established an audit committee (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 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 Audit Committee has reviewed the consolidated financial statements of the Group for the Year, including the accounting principles and practices adopted by the Group, as well as the risk management and internal control systems of the Group.

## **SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU**

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

## **EVENTS AFTER THE REPORTING PERIOD**

There were no important events affecting the Group that had occurred after 31 December 2025 and up to the date of this announcement.

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

This announcement is published on the Company's website at [www.macauem.com](http://www.macauem.com) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk). The annual report of the Company for the Year will be despatched to the Shareholders (if so requested) and will be made available on the above websites in due course in accordance with the Listing Rules.

## **APPRECIATION**

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

By Order of the Board  
**Macau E&M Holding Limited**  
**Cheong Ka Wo**  
*Chairman, CEO and Executive Director*

Macau, 19 March 2026

*As at the date of this announcement, the executive Directors are Mr. Cheong Ka Wo and Mr. Leong Kam Leng, and the independent non-executive Directors are Mr. Law Lap Tak, Ms. Lee Sze Ming and Mr. Chan Ming Kit.*