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Macau E&M Holding Limited
濠江機電控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1408)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Macau E&M Holding Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026 (the "**Period**"), together with the comparative figures for the corresponding period in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	**Six months ended 30 June 2026** *MOP'000* **(Unaudited)**	30 June 2025 *MOP'000* (Unaudited)
Revenue	*3*	**23,232**	40,396
Cost of services		**(19,212)**	(35,568)
Gross profit		**4,020**	4,828
Other income	*4*	**1,866**	2,207
Reversal of impairment losses under expected credit loss model, net		**10**	156
Administrative expenses		**(6,875)**	(7,235)
Finance costs		**(104)**	(99)
Loss before tax		**(1,083)**	(143)
Income tax expense	*5*	**(17)**	(24)
Loss and total comprehensive expense for the period	*6*	**(1,100)**	(167)
Losses per share *(Macanese Pataca ("MOP") cents)*	*7*	**(0.22)**	(0.03)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	**30 June 2026** *MOP'000* **(Unaudited)**	31 December 2025 *MOP'000* (Audited)
Non-current assets			
Property, plant and equipment	*9*	**35,368**	35,906
Right-of-use assets		**178**	262
Deposits and receivables	*12*	**–**	29
		35,546	36,197
Current assets			
Contract assets	*10*	**8,996**	14,235
Trade and other receivables	*12*	**14,448**	13,893
Pledged bank deposits	*13*	**222**	230
Short-term bank deposits	*13*	**–**	54,773
Cash and cash equivalents	*13*	**171,345**	118,080
		195,011	201,211
Current liabilities			
Contract liabilities	*11*	**3,240**	1,168
Trade payables and accruals	*14*	**8,756**	14,338
Lease liabilities	*15*	**156**	168
Bank borrowings		**2,240**	2,201
Tax liabilities		**56**	38
		14,448	17,913
Net current assets		**180,563**	183,298
Non-current liabilities			
Bank borrowings		**13,132**	14,264
Lease liabilities	*15*	**27**	98
		13,159	14,362
Net assets		**202,950**	205,133
Capital and reserves			
Share capital	*16*	**5,150**	5,150
Reserves		**197,800**	199,983
Total equity		**202,950**	205,133

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital *MOP'000*	Share premium *MOP'000*	Legal reserve *MOP'000* *(Note a)*	Other reserves *MOP'000* *(Note b)*	Retained earnings *MOP'000*	Total *MOP'000*
At 1 January 2025 (audited)	5,150	111,487	30	(35,509)	121,799	202,957
Loss and total comprehensive expense for the period	–	–	–	–	(167)	(167)
At 30 June 2025 (unaudited)	5,150	111,487	30	(35,509)	121,632	202,790
At 1 January 2026 (audited)	**5,150**	**111,487**	**30**	**(35,509)**	**123,975**	**205,133**
Dividend	**–**	**–**	**–**	**–**	**(1,083)**	**(1,083)**
Loss and total comprehensive expense for the period	**–**	**–**	**–**	**–**	**(1,100)**	**(1,100)**
At 30 June 2026 (unaudited)	**5,150**	**111,487**	**30**	**(35,509)**	**121,792**	**202,950**

Notes:

a. In accordance with provisions of the Macau Commercial Code, the subsidiaries incorporated in the Macau Special Administrative Region ("**Macau**") are required to transfer a minimum of 25% of the profit after taxation each year to the legal reserve until the balance meets 50% of their registered capital. The reserve is not distributable to shareholders.

b. The balance of other reserves as at the end of each reporting period represents the difference between the carrying amount of the total equity of Kento Engineering Co. Ltd. ("**Kento**") and the consideration satisfied by way of issue of shares by the Company for the acquisition of Kento by Macau E&M Company Limited, pursuant to the reorganization.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended	
	30 June 2026	30 June 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Loss before tax	**(1,083)**	(143)
Adjustments for:		
Finance costs	**104**	99
Depreciation of		
— Property, plant and equipment	**538**	541
— Right-of-use assets	**84**	52
Reversal of impairment losses under expected credit loss model, net	**(10)**	(156)
Bank interest income	**(1,866)**	(2,207)
Operating cash flows before movements in working capital	**(2,233)**	(1,814)
Decrease in contract assets	**5,352**	10,255
(Increase) decrease in trade and other receivables	**(480)**	9,555
Increase in contract liabilities	**2,072**	3,014
Decrease in trade payables and accruals	**(5,582)**	(14,192)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES	**(871)**	6,818
INVESTING ACTIVITIES		
Interest received	**1,718**	2,588
Redemption of short-term bank deposits	**54,773**	41,630
Placement of short-term bank deposits	**–**	(98,823)
Redemption of pledged bank deposits	**20**	31
Placement of pledged bank deposits	**(12)**	(32)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**56,499**	(54,606)

	Six months ended	
	30 June 2026	30 June 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Repayment of lease liabilities	**(83)**	(53)
Interest paid on lease liabilities	**(6)**	(2)
Dividend paid	**(1,083)**	–
Repayment of bank borrowings	**(1,093)**	(284)
Interest paid on bank borrowings	**(98)**	(97)
NET CASH USED IN FINANCING ACTIVITIES	**(2,363)**	(436)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**53,265**	(48,224)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**118,080**	99,930
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by cash and cash equivalents	**171,345**	51,706

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standards Board ("**IASB**") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

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

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional/change in accounting policies resulting from application of amendments to decisions of the IRS Interpretations Committee (the "**Committee**") of the International Accounting Standards Board (the "**IASB**"), and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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

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

	Six months ended	
	30 June 2026	30 June 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Unaudited)
Revenue from construction contracts		
E&M engineering works	**18,298**	39,266
Provision of services		
Maintenance and repair services	**4,934**	1,130
	23,232	40,396
Timing of revenue recognition		
Over time	**23,232**	40,396

Geographical information

The Group's revenue is derived from operations in Macau for the six months ended 30 June 2026 and the Group's non-current assets are all located in Macau as at 30 June 2026 and 31 December 2025.

	E&M engineering works		Maintenance and repair services	
	Six months ended			
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	MOP'000	*MOP'000*	***MOP'000***	*MOP'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Macau	**18,298**	20,586	**4,934**	1,130
Sri Lanka	**–**	18,680	**–**	–
	18,298	39,266	**4,934**	1,130

4. OTHER INCOME

	Six months ended	
	30 June 2026	30 June 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Unaudited)
Bank interest income	**1,866**	2,207
	1,866	2,207

5. INCOME TAX EXPENSE

	Six months ended	
	30 June 2026	30 June 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong Profits Tax	**17**	24
Income tax expense relating to continuing operations	**17**	24

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

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

6. LOSS FOR THE PERIOD

	Six months ended	
	30 June 2026	30 June 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging (crediting):		
Directors' emoluments	**1,985**	1,963
Other staff costs:		
Salaries and other allowances	**6,782**	8,280
Total staff costs	**8,767**	10,243
Less: amounts included in cost of services	**(4,877)**	(6,108)
	3,890	4,135
Depreciation of		
— property, plant and equipment	**538**	541
— right-of-use assets	**84**	52

7. LOSSES PER SHARE

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

	Six months ended	
	30 June 2026	30 June 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Unaudited)
Losses		
Losses for the purpose of calculating basic and diluted losses per share	**(1,100)**	(167)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted losses per share	**500,000**	500,000

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

8. DIVIDEND

In the current interim period, no dividend has been proposed for the shareholders for the six months ended 30 June 2026 and a final dividend of HK0.21 cent for the year ended 31 December 2025 has been distributed (six months ended 30 June 2025: no interim dividend was declared and distributed).

9. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group had not acquired any property, plant and equipment for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

10. CONTRACT ASSETS

	30 June 2026	31 December 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Audited)
Contract assets from contracts with customers	**9,179**	14,531
Less: Allowance for credit losses	**(183)**	(296)
	8,996	14,235

	30 June 2026	31 December 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Audited)
Represented by:		
E&M engineering works	**8,934**	14,182
Maintenance and repair services	**62**	53
	8,996	14,235

	30 June 2026	31 December 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Audited)
Analysed as current		
Unbilled revenue	**2,239**	6,858
Retention receivables	**6,757**	7,377
	8,996	14,235

As at 1 January 2025, contract assets amounted to MOP30,155,000.

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

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

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

As at 30 June 2026, retention money held by customers for contract works amounted to approximately MOP6,757,000 (31 December 2025: MOP7,377,000). Retention money is unsecured, interest-free and recoverable at the end of the defect liability period of individual contract ranging from 1 year to 2 years from the date of the completion of the respective projects.

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

	30 June 2026	31 December 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Audited)
Within one year	**4,751**	6,509
After one year	**2,006**	868
	6,757	7,377

As at 30 June 2026, none of the Group's retention money had past due but not impaired. The Group does not hold any collateral over these balances.

11. CONTRACT LIABILITIES

	30 June 2026	31 December 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Audited)
Contract liabilities from contract with customers in relation to E&M works	**3,240**	1,168

At 1 January 2025, contract liabilities amounted to MOP988,000.

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

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

Construction contracts

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

12. TRADE AND OTHER RECEIVABLES

	30 June 2026	31 December 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Audited)
Trade receivables from contracts with customers	**12,781**	11,206
Less: Allowance for credit losses	**(299)**	(197)
	12,482	11,009
Other receivables, deposits and prepayments		
— Deposits	**602**	190
— Prepayments	**1,233**	2,004
— Interest receivables	**131**	719
	1,966	2,913
	14,448	13,922
Analysed as:		
Current	**14,448**	13,893
Non-current	**–**	29
	14,448	13,922

As at 1 January 2025, trade receivables from contracts with customers amounted to MOP24,976,000.

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

	30 June 2026	31 December 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Audited)
0–30 days	**2,586**	5,942
31–60 days	**338**	472
61–90 days	**665**	–
Over 90 days	**9,192**	4,792
	12,781	11,206

As at 30 June 2026, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of approximately MOP9,982,000 (31 December 2025: MOP4,925,000), which are past due. Out of the past due balances approximately MOP9,192,000 (31 December 2025: MOP4,354,000) have been past due over 90 days or more and are not considered as in default as there has not been a significant change in credit quality and the amounts are still considered as recoverable based on historical experience.

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

Pledged bank deposits represent bank deposits which are pledged to secure bank guarantee to the Group. As at 30 June 2026, the pledged bank deposits carried interest rate at 0.03% to 2.0% per annum (31 December 2025: 0.03% to 2.5% per annum) and with an original maturity of 6 months to a year.

At 30 June 2026, there were no short-term bank deposit amount with original maturity of more than three months (31 December 2025: more than three months and interest rates ranging from 0.2% to 4.0%).

At 30 June 2026, cash and cash equivalents include bank deposits with original maturity of three months or less carried fixed interest rates ranging from 0.5% to 3.8% (31 December 2025: 0.5% to 3.7%), and the remaining cash and cash equivalents carry interest at prevailing market rates of 0.01% (31 December 2025: 0.01%) per annum.

14. TRADE PAYABLES AND ACCRUALS

	30 June 2026	31 December 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Audited)
Trade payables	**362**	140
Accruals:		
— Accrued construction costs	**4,974**	10,506
— Accrued staff bonus	**773**	1,568
— Accrued legal and professional fees	**1,004**	1,175
— Other accrued charges	**1,643**	949
	8,756	14,338

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

	30 June 2026	31 December 2025
	MOP'000	*MOP'000*
	(Unaudited)	(Audited)
0–90 days	**309**	134
91–365 days	**53**	6
	362	140

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

15. LEASE LIABILITIES

	30 June 2026 *MOP'000* (Unaudited)	31 December 2025 *MOP'000* (Audited)
Lease liabilities payable:		
Within one year	**156**	168
Within a period of more than one year but not more than two years	**27**	93
Within a period of more than two years but not more than five years	**–**	5
	183	266
Less: Amount due for settlement within 12 months shown under current liabilities	**(156)**	(168)
Amount due for settlement after 12 months shown under non-current liabilities	**27**	98

The weighted average incremental borrowing rate applied to lease liabilities is 5% (31 December 2025: 5%).

16. SHARE CAPITAL

	30 June 2026 *MOP'000*	31 December 2025 *MOP'000*
Authorised:		
2,000,000,000 ordinary shares of HK$0.01 each	**20,600**	20,600
Issued and fully paid:		
500,000,000 ordinary shares of HK$0.01 each	**5,150**	5,150

17. PERFORMANCE BONDS AND CONTINGENT LIABILITY

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

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

	30 June 2026 *MOP'000* **(Unaudited)**	31 December 2025 *MOP'000* (Audited)
Issued to the Group by a bank	**1,537**	1,103

As at 30 June 2026, the Group has the following outstanding promissory notes:

(a) an amount of MOP14,366,000 (31 December 2025: MOP14,366,000) to secure the bank borrowing of MOP11,432,000 (31 December 2025: MOP11,727,000) in favour of a bank which is also secured by office premises with carrying amount of MOP15,724,000 (31 December 2025: MOP15,892,000);

(b) an amount of MOP5,000,000 (31 December 2025: MOP5,000,000) to secure a credit facility of MOP3,940,000 (31 December 2025: MOP4,738,000) in favour of a bank; and

(c) an amount of MOP65,386,000 (31 December 2025: MOP65,386,000) to secure a credit facility of MOP56,260,000 (31 December 2025: MOP56,260,000) in favour of a bank.

18. COMMITMENTS

As at 30 June 2026 and 31 December 2025, the Group did not have any significant capital commitments.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the Period, Macau's gross domestic product ("**GDP**") increased by 3.7% year-on-year, according to preliminary figures published by the Statistics and Census Service of the Macao SAR Government. The growth was primarily driven by the recovery of the tourism and consumer services sectors. This economic rebound was consumption-led, while construction investment remained subdued and grew at a slower pace than the overall economic growth. New development activity was limited, with industry activities mainly supported by refurbishment and upgrading works. As a result, local E&M contractors operated in an environment characterised by strong service-sector growth but relatively weak construction-related capital expenditure. Against this market backdrop, the Group's revenue decreased to MOP23.2 million (30 June 2025: MOP40.4 million), primarily due to the lack of new large-scale contracts, the absence of overseas project contributions and the smaller scale of newly secured contracts.

The local E&M sector continued to be highly competitive throughout the Period. While the Macau Government continued to advance certain large-scale public infrastructure projects involving E&M components, many of these initiatives were packaged as broad-ranging or integrated contracts that imposed stringent technical, financial and resource-related requirements. Private-sector clients also adopted phased development strategies, dividing comprehensive E&M works into smaller tender packages and extending project timelines. With a large number of registered contractors competing for a limited project pipeline, market competition remained intense. As a result, average contract values declined and pricing conditions remained challenging across the Group's target market segments.

Against this backdrop, the Group adhered to a principle of prudent and selective bidding. It managed 15 projects during the Period, including 10 private sector contracts and 5 public sector contracts. The project mix was dominated by asset enhancement and retrofitting works, consistent with prevailing market demand. Following completion of the Sri Lanka overseas CCTV project in 2025, the Group refocused resources on strengthening local execution capabilities and reliably delivering ongoing Macau projects.

Building on these efforts, the Group continued to tighten cost control and enhance project management oversight. It optimised procurement terms and adjusted manpower allocation in line with project progress. These measures helped improve project margins despite the highly competitive bidding environment.

Despite the decline in revenue, the Group's gross profit margin improved period-on-period, as a result of stricter cost control measures and a more selective approach to project sourcing. While enhanced operational efficiency improved project-level profitability, the reduced scale of operations and the relatively fixed nature of corporate overhead costs outweighed such improvements. As a result, the Group recorded a net loss of MOP1.1 million for the Period (30 June 2025: net loss of MOP0.2 million).

As at 30 June 2026, the Group maintained cash and bank balances — including pledged deposits — of MOP171.6 million. Ample liquidity continues to support daily operations and working capital needs. Supported by a strong balance sheet, the Group maintains sufficient financial flexibility to navigate market uncertainties and selectively pursue future tender opportunities.

FINANCIAL REVIEW

Revenue

During the Period, the economy in Macau continued to recover gradually. However, customers remained highly price-sensitive and market competition remained intense. Moreover, there was a limited number of medium-size projects in the market, which were the Group's primary target segment under its business strategy. Hence, the Group faced increasing challenges in securing new contracts through competitive tendering, leading to fewer project awards during the Period. The Group's revenue for the Period decreased by MOP17.2 million or 42.5% as compared with that for the corresponding period in 2025.

Gross profit and gross profit margin

The gross profit margin increased from 12.0% for the six months ended 30 June 2025 to 17.3% for the Period. The improvement was primarily attributable to tighter cost control measures and labour cost-sharing arrangements with the Group's subcontractors which enhanced resource utilisation and operational efficiency, particularly in relation to idle resources. As a result, the cost of services decreased and project profitability improved during the Period. Meanwhile, the Group also maintained sufficient resources and operational capacity to capture potential market opportunities while keeping related costs at a minimum. However, due to the significant decline in revenue during the Period, gross profit decreased from approximately MOP4.8 million for the six months ended 30 June 2025 to approximately MOP4.0 million for the Period, despite the improvement in gross profit margin.

Other income

Other income for the Period decreased by approximately MOP341,000 or 15.5% as compared with that for the corresponding period in 2025, which was mainly attributable to the decrease in fixed deposit interest rates in the market during the Period.

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

The Group applied a simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets. To measure the ECL, the Group has estimated the expected loss rates for the trade receivables and the contract assets on the same basis. The Group recorded a reversal of impairment losses on trade receivables and contract assets of approximately MOP10,000 for the Period, compared with a reversal of approximately MOP156,000 for the six months ended 30 June 2025. The reversal was primarily attributable to the Group's continued efforts in recovering long-outstanding receivables during the Period.

Administrative expenses

Administrative expenses slightly decreased by MOP360,000 or 5.0% as compared with that for the corresponding period in 2025, reflecting stable operations during the Period.

Income tax expense

Income tax expense for the Period decreased by approximately MOP7,000 or 29.2% as compared with that for the corresponding period in 2025, primarily due to the decrease of taxable profit of the Group.

Loss for the Period

The Group recorded a net loss of approximately MOP1.1 million for the Period, as compared to a net loss of approximately MOP167,000 in the corresponding period in 2025. The increase in net loss was mainly due to the combined effect of the factors as mentioned above.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

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

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

The Group maintained a sound financial position throughout the Period. As at 30 June 2026, the Group had net current assets of approximately MOP180.6 million (31 December and 30 June 2025: MOP183.3 million and MOP177.7 million). The current ratio of the Group remained at a healthy level of 13.5 times as at 30 June 2026 (31 December and 30 June 2025: 11.2 times and 15.1 times), reflecting its strong liquidity position and ability to meet short-term obligations.

The Group maintained a healthy liquidity position throughout the Period. As at 30 June 2026, the Group had bank balances of approximately MOP171.6 million (31 December 2025: MOP173.1 million), comprising cash and cash equivalents of approximately MOP171.4 million (31 December 2025: MOP118.1 million) and pledged bank deposits of approximately MOP222,000 (31 December 2025: MOP230,000). The Group did not have any short-term bank deposits as at 30 June 2026 (31 December 2025: MOP54.8 million). As at 30 June 2026, the Group's cash and cash equivalents were denominated in MOP, Hong Kong dollars and US dollars.

As at 30 June 2026, the Group had a bank mortgage borrowing of approximately MOP11.4 million (31 December 2025: MOP11.8 million) from Bank of China Macau Branch, bearing interest rate at one-month Hong Kong Interbank Offered Rate plus 1.3%, subject to a cap of the prime rate minus 3%. The Group also had a bank borrowing of MOP4.0 million (31 December 2025: MOP4.7 million), which was non-interest bearing as the related interest expense was fully subsidised under a Macau government program for medium-sized Macau company. The Group's gearing ratio (calculated as total debts divided by total equity) was 7.6% (31 December 2025: 8.0%).

As at 30 June 2026, the Group's share capital and reserves amounted to approximately MOP5.2 million and MOP197.8 million, respectively (31 December 2025: MOP5.2 million and MOP200.0 million, respectively).

FOREIGN EXCHANGE EXPOSURE

The Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars, MOP and US dollars. As at 30 June 2026, the Group had no exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

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

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

The Group had no future plan for material investment or capital asset as at 30 June 2026.

PLEDGE OF ASSETS, PERFORMANCE BONDS AND CONTINGENT LIABILITY

As at 30 June 2026, the Group had the following outstanding promissory notes:

(a) an amount of MOP14,366,000 (31 December 2025: MOP14,366,000) to secure the bank borrowing of MOP11,432,000 (31 December 2025: MOP11,727,000) in favour of a bank which was also secured by office premises with carrying amount of MOP15,724,000 (31 December 2025: MOP15,892,000);

(b) an amount of MOP5,000,000 (31 December 2025: MOP5,000,000) to secure a credit facility of MOP3,940,000 (31 December 2025: MOP4,738,000) in favour of a bank; and

(c) an amount of MOP65,386,000 (31 December 2025:MOP65,386,000) to secure a credit facility of MOP56,260,000 (31 December 2025: MOP56,260,000) in favour of a bank.

Save as disclosed, the Group had no other pledge of assets or contingent liabilities as at 30 June 2026.

COMMITMENTS

As at 30 June 2026, the Group did not have any significant capital commitment.

EMPLOYEES AND REMUNERATION POLICY

The Group enters 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 qualifications, position and seniority.

For the Period, the total staff costs of the Group amounted to approximately MOP8.8 million (30 June 2025: MOP10.2 million).

As a main contractor for some of the projects the Group undertakes, the Group applies for work permits for its non-Macau resident workers on a project-by-project basis. As at 30 June 2026, the Group had 50 (31 December and 30 June 2025: 50 and 51) employees in Macau, comprising 32 Macau residents and 18 non-Macau residents (31 December and 30 June 2025: 32 and 33 Macau residents and 18 non-Macau residents for both periods).

The Company adopted a share option scheme (the "**Share Option Scheme**") on 21 August 2020, which became effective upon the listing of its shares on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). The purpose of the Share Option Scheme is to recognise and acknowledge the contributions that the eligible participants had or may have made to the Group.

As at 30 June 2026, there were no outstanding share options. No share options were granted, exercised or cancelled or lapsed during the Period.

PROSPECTS

Looking ahead, construction activity in both the public and private sectors of Macau is projected to progress gradually. Development is likely to proceed in phases rather than through the rapid rollout of large-scale standalone projects. For public-sector initiatives, many are structured as integrated contracts, which may limit opportunities for individual large-scale E&M tenders. Nevertheless, demand for upgrading, maintenance and selected infrastructure works is expected to remain stable, particularly in sectors aligned with broader economic diversification efforts.

The Group will seek to expand its business scope beyond gaming-related developments. Management is actively pursuing opportunities in educational facilities, public infrastructure and municipal works, including campus and hospital renovations, in order to diversify revenue sources and optimise the balance of its business structure.

Any overseas expansion will be pursued prudently following a thorough risk-adjusted assessment, with priority given to project quality, profitability and cash flow considerations. Meanwhile, the Group's Hengqin subsidiary will continue to serve as a long-term strategic platform for its cross-border development initiatives. Although it has yet to make a meaningful contribution to the Group's financial performance, the Group remains optimistic about its long-term development potential.

Overall, management remains focused on disciplined project selection, prudent risk management and continuous operational improvement. In addition to strengthening internal execution efficiency, the Group will closely monitor the progress of its project pipeline and maintain flexibility in resource allocation to adapt to evolving market conditions. By preserving financial resilience and reinforcing core technical capabilities, the Group aims to navigate the current subdued cycle while preparing to capitalise on sustainable opportunities arising from the gradual construction recovery of Macau's construction industry and the ongoing diversification of its economy.

CORPORATE GOVERNANCE PRACTICES

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Group did not purchase, sell or redeem any of the listed securities of the Company (including sale or transfer of treasury shares) during the Period and up to the date of this announcement. As at 30 June 2026, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of three members, namely Mr. Law Lap Tak, Ms. Lee Sze Ming and Mr. Chan Ming Kit, all being independent non-executive Directors. The Audit Committee is chaired by Mr. Law Lap Tak who has appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee has reviewed the accounting principles and practices adopted by the Group, the condensed consolidated financial statements of the Group for the six months ended 30 June 2026 and this announcement. The condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have not been audited or reviewed by the external auditor of the Company.

EVENTS AFTER THE PERIOD

As at the date of this announcement, the Board is not aware of any significant events affecting the Group that have occurred after the Period.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Company (http://www.macauem.com/investor.asp) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2026 will be published on the above websites in due course.

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

Hong Kong, 25 August 2026

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