

TARGET

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MACAU E AND M HOLDING LTD: HANG ONTO YOUR HATS, FRIENDS AND NEIGHBOURS – BECAUSE THINGS MIGHT RIGHT THEMSELVES IN DUE COURSE

Macau E and M Holding Ltd (濠江機電控股有限公司) (Code: 1408, Main Board, The Stock Exchange of Hongkong Ltd) suffered the worst Financial Year, going back to the 2019 Financial Year.

Senior Management of Macau E and M Holding Ltd sought and obtained permission to list its entire Issued and Fully Paid-Up Share Capital on the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of The People's Republic of China (PRC) on or about September 11, 2020.

That was the Year that the Company's Financials had hit an all-time high.

But, since the 2020 Financial Year, things went from bad to worse until, in the 2023 Financial Year, Management had to concede that the Company had had to accept that the Company's financials had hit the all-time, negative figure of MOP 3,759,000.00 (MOP – Macanese Pataca, equivalent to \$HK3,646,230.00).

THE 2023 ANNUAL REPORT OF MACAU E AND M HOLDING LTD

The 2023 Annual Report of Macau E and M Holding Ltd in respect of the 2023 Financial Year, ended December 31, 2023, was published and disseminated in the HKSAR on or about Thursday, April 18, 2024.

At Page Five of the Annual Report, Mr Cheong Ka Wo (張嘉和), the Chairman of the Board of Directors, the Chief Executive Officer, and an Executive Director to boot, had this to impart to shareholders of the Company as follows:

*'On behalf of Macau E&M Holding Limited (the "**Company**"), I hereby announce the annual results of the Company and its subsidiaries (collectively the "**Group**", "**we**", "**us**" or "**our**") for the year ended 31 December 2023 (the "**Year**").*

'During the Year, we recorded total revenue of MOP128.3 million. Business activities were slower when compared with the last three years.

*The various sectors in Macau Special Administrative Region (“**Macau**”) and the entire city were overshadowed by negative sentiment. As a result, our business performance was inevitably and adversely affected.*

*‘Despite facing a challenging business environment, we did manage to win a good number of projects. However, their profit margins were not at all handsome for the strategic reason of us wishing to maintain relationship with our customers. As a result, the revenue from certain projects with low profit margin was not able to cover all the associated fixed costs and salaries of the Group. The biggest expenditure items of our operations have always been salary cost plus other fixed costs. Nevertheless, backed by our well-established market position and reputation, we will continue to secure more electrical and mechanical (“**E&M**”) contracts as well as implement stringent cost control measures, thus are confident of seeing our business and income improve in the near future.*

‘Looking forward, with the University of Macau predicting gross domestic product of Macau set to increase by between 8.3% and 21% in 2024, we are optimistic about the outlook of Macau and her E&M industry as a whole, and in turn our business performance. We will explore new business frontiers for the Group. Our eyes are set on public housing projects, new government initiatives, and pursuits of all kinds. With significant progress made in optimizing internal operations, we are achieving greater efficiencies and cost savings on various operational fronts. As importantly, we have also strengthened our core competence, best practices, advanced construction technologies and financial position...’.

At Page Seven of the 2023 Annual Report of the Company, under the heading, ‘**COMPANY OVERVIEW**,’ one was treated to learn about the business of Macau E and M Holding Ltd:

‘The Group is an E&M engineering services works contractor in Macau, ranking fifth among the E&M engineering services works contractor in Macau in 2019 according to the market research report on the E&M engineering services market provided by Frost & Sullivan in 2020. As an integrated E&M engineering service works 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 involves a combination of 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 relevant testing and commissioning thereof 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 repair and maintenance related E&M works.'

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