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## **MECOM POWER AND CONSTRUCTION LIMITED**

**澳能建設控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1183)**

**(Warrant Code: 2242)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF LAND USE RIGHTS IN JIANGMEN, GUANGDONG PROVINCE, THE PRC**

#### **ACQUISITION OF LAND USE RIGHTS**

Reference is made to the announcement of the Company dated 13 December 2021 in relation to the formation of the JV Company.

The Board is pleased to announce that the JV Company, a subsidiary of the Company, has successfully won the bid for the land use rights of the Land in Gujing Town, Xinhui District, Jiangmen, Guangdong Province, the PRC for a total consideration of RMB42,700,000 (equivalent to approximately HK\$49,532,000) and has received the Confirmation Letter from Jiangmen Public Resources Centre on 22 July 2022 as a result of the successful bidding.

#### **THE LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratios for the Land Acquisition exceeds 5% but is less than 25%, the Land Acquisition constitutes a discloseable transaction of the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

## ACQUISITION OF LAND USE RIGHTS

Reference is made to the announcement of the Company dated 13 December 2021 in relation to the formation of the JV Company.

The Board is pleased to announce that the JV Company, a subsidiary of the Company, has successfully won the bid for the land use rights of the Land in Gujing Town, Xinhui District, Jiangmen, Guangdong Province, the PRC for a total consideration of RMB42,700,000 (equivalent to approximately HK\$49,532,000) and has received the Confirmation Letter from Jiangmen Public Resources Centre on 22 July 2022 as a result of the successful bidding.

The major terms of the Confirmation Letter are set out as follows:

Date: 21 July 2022

Parties: (i) the JV Company, a subsidiary of the Company

(ii) Jiangmen Public Resources Centre, a public institution appointed by Jiangmen Xinhui District Natural Resources Bureau and is responsible for the public auction of the Land

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Jiangmen Public Resources Centre and its ultimate beneficial owner(s) are Independent Third Parties.

### Information relating to the Land

The Land is located in Gujing Town, Xinhui District, Jiangmen, Guangdong Province, the PRC (Parcel No. JCR2022-76). The Land has a total site area of approximately 65,986 sq.m. The plot ratio of the Land shall be 1.5 to 2.5, subject to construction planning approval. The Land is for industrial use. The term of the land use rights of the Land is 50 years.

### Consideration

The JV Company has won the bid for the land use rights of the Land for a total consideration of RMB42,700,000 (equivalent to approximately HK\$49,532,000) (the “**Consideration**”).

The JV Company has remitted an amount of RMB8,540,000 (equivalent to approximately HK\$9,906,400) as deposit (“**Deposit**”) for the bid for the land use rights of the Land. The Deposit will form and be converted to part of the Consideration. The payment of the remainder of the Consideration shall be made within seven days after the entering into of the Land Use Rights Grant Contract.

The Consideration represents the bid price for the land use rights of the Land, which was determined by the JV Company after taking into account the base price of the bidding, current market conditions, location and permitted use of the Land, and land price(s) in the surrounding area.

The Group expects that it will finance the Consideration by its internal resources.

## **REASONS FOR AND BENEFITS OF THE LAND ACQUISITION**

As disclosed in the Company's announcement dated 13 December 2021, the JV Company is established for, among other matters, the purpose of the Land Acquisition and the potential investment in and development of manufacturing and research and development facilities thereon by the Group. Its scope of business is intended to include, among other matters, setting up and operating manufacturing facilities for the fabrication and/or processing of structural steel components that are generally used in the Group's construction and fitting out works in its ordinary and usual course of business, and the research and manufacturing base for developing new materials and equipment for other new energy businesses.

The Land is situated in a prime location within the intersection of Guangdong Province Western Coastal Expressway Jiangmen Xinhui District Gujing Town Section\* (廣東省西部沿海高速公路江門市新會區古井鎮段) and South Jiangmen Avenue\* (江門大道南), adjacent to the Jinmen exit\* (金門出口) of Guangdong Province Western Coastal Expressway and 50 minutes' drive from Macau and Zhuhai.

Through the Land Acquisition and the said projects, the business presence of the Group will expand to the field of production and manufacturing serving the Group's principal businesses of construction and new energy. The production business is an extension of the Group's industrial chain, which can serve the future business development of the Group in a better way and enhance its competitiveness. Through vertical extension (including the research and development and manufacturing of new materials and equipment for the new energy business), the production business provides a manufacturing base for the Group's expansion out of Macau and exploration of other domestic and overseas markets such as the Guangdong-Hong Kong-Macao Greater Bay Area, Southeast Asia and Australia. This will enhance the Group's business scale, market competitiveness, brand influence and industry status.

Based on the valuation report on the Land prepared by an independent qualified valuer engaged by the Company, the Directors believe that the Consideration represents certain discount to the prevailing land prices in the surrounding area.

Having taken into account the above factors, the Directors believe that the Land Acquisition is beneficial to the Company and the Shareholders as a whole, and the Land is considered suitable for the business development of the Group. The Directors also consider that the terms of the Land Acquisition are on normal commercial terms, and are fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP**

The Group principally engaged in provision of construction services, including (i) construction and fitting out works; (ii) high voltage power substation construction and its system installation works; (iii) electrical and mechanical engineering services works; and (iv) provision of facilities management services, and provision of electric vehicle charging services including (a) sale of electric vehicle charging systems and (b) subscription fee income.

The JV Company is a company established with limited liability in the PRC and is owned as to 60% by the Group and 40% by the JV Partner. The JV Partner is owned as to 90% by Mr. Deng Jianghua and as to 10% by Mr. Zhu Qingshan. The JV Company is principally engaged in the setting up and operation of manufacturing facilities for the fabrication and/or processing of structural steel components and the research and manufacturing base for developing new materials and equipment for other new energy businesses.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the JV Partner and Mr. Deng Jianghua, to the extent that the JV Company is not an insignificant subsidiary (as defined in Rule 14A.09 of the Listing Rules) of the Company, are connected persons of the Company at the subsidiary level for the purpose of Chapter 14A of the Listing Rules.

## **INFORMATION ON THE COUNTERPARTY OF THE CONFIRMATION LETTER**

Jiangmen Xinhui District Natural Resources Bureau is a department of the Jiangmen People's Government which is in charge of the management of land resources in Xinhui District, Jiangmen, Guangdong Province, the PRC. Jiangmen Public Resources Centre is a public institution appointed by Jiangmen Xinhui District Natural Resources Bureau and is responsible for the public auctions in respect of state-owned land in Xinhui District, Jiangmen, Guangdong Province, the PRC (including the Land), as well as the vetting of documentation for land purchases made via such auctions.

## **LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratios for the Land Acquisition exceeds 5% but is less than 25%, the Land Acquisition constitutes a discloseable transaction of the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set forth below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	MECOM Power and Construction Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1183)
“Confirmation Letter”	the confirmation letter (《國有建設用地使用權公開交易競買結果單》) dated 21 July 2022 issued by Jiangmen Public Resources Centre to the JV Company as a result of the successful bidding of the Land and received by the JV Company on 22 July 2022
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	has the meaning ascribed to it under the section headed “Acquisition of land use rights – Consideration” in this announcement
“Deposit”	has the meaning ascribed to it under the section headed “Acquisition of land use rights – Consideration” in this announcement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) which is (are) independent of the Company and the connected persons of the Company
“Jiangmen Public Resources Centre”	Jiangmen Public Resources Exchange Centre, Xinhui Branch* (江門市公共資源交易中心新會分中心), a business unit of the Jiangmen People’s Government

“Jiangmen Xinhui District Natural Resources Bureau”	Jiangmen Xinhui District Natural Resources Bureau* (江門市新會區自然資源局), a department of the Jiangmen People’s Government
“JV Company”	MECOM International New Materials Technology (Guangdong) Co., Ltd.*(澳能國際新材料科技(廣東)有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“JV Partner”	將作重工裝備科技(澳門)有限公司(Chang Tsuo Heavy Equipment Technology (Macau) Co., Ltd.*), a company incorporated in Macau with limited liability and an Independent Third Party (save for its interests in the JV Company)
“Land”	a piece of land located at Gujing Town, Xinhui District, Jiangmen, Guangdong Province, the PRC (Parcel No. JCR2022-76) with a total site area of approximately 65,986 sq.m.
“Land Acquisition”	the acquisition of land use rights of the Land through public bidding process
“Land Use Rights Grant Contract”	the State-owned Construction Land Use Rights Grant Contract (《國有建設用地使用權出讓合同》) to be entered into by the JV Company and Jiangmen Xinhui District Natural Resources Bureau in respect of the Land Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“sq.m.”	square metre(s)

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

*For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.16 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.*

\* *For identification purpose only*

By Order of the Board  
**MECOM Power and Construction Limited**  
**Kuok Lam Sek**  
*Chairman*

Hong Kong, 22 July 2022

*As at the date of this announcement, the executive Directors are Mr. Kuok Lam Sek and Mr. Sou Kun Tou, and the independent non-executive Directors are Ms. Chan Po Yi, Patsy, Mr. Cheung Kiu Cho, Vincent and Mr. Lio Weng Tong.*