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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)**

### **PROPOSED BONUS WARRANTS ISSUE**

#### **Proposed 2024 Bonus Warrants Issue**

The Board proposes, subject to the satisfaction of the conditions below, to make the 2024 Bonus Warrants Issue to the Qualifying Shareholders on the basis of one (1) 2024 Warrant for every ten (10) Shares held on the Record Date.

The 2024 Warrants will be issued in registered form. Each 2024 Warrant will entitle the holder thereof to subscribe in cash for one (1) New Share at an initial subscription price of HK\$1.78, subject to customary anti-dilutive adjustments in market transactions of this type in certain events, including, among other things, share consolidations, share subdivisions, capitalization issues and capital distributions, at any time from the date of issue of the 2024 Warrants to the last date falling twelve months thereafter, which is expected to be from Thursday, 25 May 2023 to Friday, 24 May 2024 (both days inclusive).

The 2024 Bonus Warrants Issue will be conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the 2024 Warrants and the New Shares.

#### **Record Date and Closure of Register of Members**

The 2024 Warrants to be issued under the 2024 Bonus Warrants Issue will only be issued to Qualifying Shareholders. In order to qualify for the 2024 Bonus Warrants Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder. The register of members of the Company will be closed from Tuesday, 16 May 2023 to Thursday, 18 May 2023 (both days inclusive) for determining entitlements to the 2024 Bonus Warrants Issue. No transfer of Shares may be registered during the book closure period. The last day for dealing in Shares cum-entitlements to the 2024 Bonus Warrants Issue will be Thursday, 11 May 2023.

#### **General**

A circular containing, amongst other things, further details of the 2024 Bonus Warrants Issue will be despatched to the Shareholders as soon as practicable.

## **THE PROPOSED 2024 BONUS WARRANTS ISSUE**

The Board proposes, subject to the satisfaction of the condition below, to make the 2024 Bonus Warrants Issue to the Qualifying Shareholders on the basis of one (1) 2024 Warrant for every ten (10) Shares held on the Record Date.

### **GENERAL MANDATE**

The 2024 Warrants will be issued pursuant to the general mandate to issue Shares granted to the Directors at the Company's annual general meeting held on 30 May 2022 ("2022 AGM"). Under the said general mandate and on the basis of 1,782,017,000 issued Shares as at 30 May 2022 and by adding 9,054,000 Shares bought back pursuant to the buy-back mandate granted at the 2022 AGM, the Directors were authorized generally to issue up to 365,457,400 Shares. No Share has been allotted or issued under the general mandate since it was approved and a maximum of 365,457,400 Shares can be issued under the general mandate.

### **SHARES TO BE ISSUED UPON EXERCISE OF THE 2024 WARRANTS**

Each 2024 Warrant will entitle the holder thereof to subscribe in cash for one (1) New Share. Based on 2,664,063,850 issued Shares as at the date of this announcement and assuming that no further Shares will be issued or repurchased by the Company from the date of this announcement up to the Record Date, the maximum number of 2024 Warrants to be issued will be 266,406,385 warrants and upon the full exercise of the subscription rights attaching to the 2024 Warrants, a maximum of 266,406,385 New Shares (subject to adjustments) will be issued, representing 10% of the number of issued share capital of the Company as at the date of this announcement and approximately 9.09% of the issued share capital of the Company as enlarged by the New Shares to be issued upon the exercise of all 2024 Warrants. Based on the initial subscription price of HK\$1.78 per New Share, the Company would receive the subscription monies totalling up to approximately HK\$474.2 million.

As at the date of this announcement, the Company has 178,140,000 outstanding warrants expiring on 24 May 2023. Save for the aforesaid outstanding warrants, the Company has no other outstanding share options, convertible securities or similar rights entitling any person to subscribe for Shares prior to the Record Date.

### **CONDITION TO THE 2024 BONUS WARRANTS ISSUE**

The 2024 Bonus Warrants Issue will be conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the 2024 Warrants and the New Shares.

### **SUBSCRIPTION PRICE AND SUBSCRIPTION PERIOD**

The 2024 Warrants will be issued in registered form and each 2024 Warrant will entitle the holder thereof to subscribe in cash for one (1) New Share at an initial subscription price of HK\$1.78, subject to customary anti-dilutive adjustments in market transactions of this type in certain events, including, among other things, share consolidations, share subdivisions, capitalisation issues and capital distributions, at any time from the date of issue of the 2024 Warrants to the last date falling twelve months thereafter, which is expected to be from Thursday, 25 May 2023 to Friday, 24 May 2024 (both days inclusive).

The initial subscription price of HK\$1.78 represents:

- (i) a premium of approximately 14.8% to the closing price per Share of HK\$1.55 as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 16.3% to the average closing price per Share of approximately HK\$1.53 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 15.6% to the average closing price per Share of approximately HK\$1.54 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 7.2% over the average closing price per Share of approximately HK\$1.66 as quoted on the Stock Exchange for the last thirty trading days up to and including the Last Trading Day; and
- (v) a premium of approximately 9.9% over the closing price per Share of HK\$1.62 as quoted on the Stock Exchange on the date of this announcement.

The initial Subscription Price for the 2024 Warrants was determined by the Board after taking into account:

- (i) the prevailing market price of the Shares;
- (ii) the revenue increased by approximately 47.1% from approximately MOP912.0 million for the year ended 31 December 2021 to approximately MOP1.34 billion for the year ended 31 December 2022;
- (iii) as at 31 December 2022, the Group had contracts on hand yet to complete with an aggregate contract value of approximately MOP742.9 million; and
- (iv) the future business prospects of the Group.

The Directors are of the view that the prevailing market price of the Shares reflects the investors' confidence in the prospect of the Company as benefited from (a) the positive outlook of Macau's overall economic recovery; (b) the expected resumption of Macau's construction and fitting out works markets over time; and (c) the potential huge demand growth of the new energy vehicles in the People's Republic of China as supported by the government's policy measures on encouraging the development of new energy vehicles market. The Directors believe that these opportunities would enhance the Group's business development and improve its financial performance. The Directors expect the positive outlook of the Group will continue to be reflected in the future Share price and the 2024 Bonus Warrants Issue would provide an opportunity for the Shareholders capture the potential capital gain along with the growth of the Company upon exercising the Subscription Rights. The Directors consider the terms of the 2024 Bonus Warrants Issue, including the initial Subscription Price thereof, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FRACTIONAL ENTITLEMENTS**

Fractional entitlements to the 2024 Warrants (if any) will not be issued to the Qualifying Shareholders but will, where practicable, be aggregated and sold in the market for the benefit of the Company. The net proceeds of such sale will be retained for the benefit of the Company.

## **OVERSEAS SHAREHOLDERS**

The circular to be issued for the 2024 Bonus Warrants Issue and the 2024 Warrants to be issued will not be registered or filed under any securities legislation in any jurisdiction outside Hong Kong. In determining whether it would be necessary or expedient to exclude an Overseas Shareholder who is registered as a member of the Company on the Record Date, the Directors will make enquiry pursuant to Rule 13.36(2)(a) of the Listing Rules regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange of the relevant place in which such Overseas Shareholder is residing. If the Directors are of the view that, after such enquiry, the exclusion of such Overseas Shareholder is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the 2024 Warrants will not be granted to such Overseas Shareholder.

In view of the above, the 2024 Warrants which would otherwise be issued to the Non-Qualifying Shareholder(s) under the 2024 Bonus Warrants Issue will be sold in the market as soon as possible after the commencement of dealings in the 2024 Warrants, if a premium (net of expenses) can be obtained. Any net proceeds of such sale, after deduction of expenses, will be distributed in Hong Kong dollars to such Non-Qualifying Shareholder(s) pro rata to their respective holdings of Shares. Remittance thereof will be posted to them, at their own risk, unless the amount falling to be distributed to such person(s) is less than HK\$100, in which case it will be retained for the benefit of the Company.

**All Overseas Shareholders should consult their professional advisers as to whether or not they are permitted to participate in the 2024 Bonus Warrants Issue or whether any government or other consents are required or other formalities need to be observed.**

## **REASONS FOR THE 2024 BONUS WARRANTS ISSUE**

The Group is principally engaged in (1) 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 (2) provision of electric vehicle (“EV”) related services, including but not limited to (a) provision of EV charging services including sale of EV charging systems and provision of EV charging facilities for subscription fee; (b) distribution of EVs; (c) design, production, sales and marketing of EVs and EV charging systems; (d) manufacturing and production of battery packs; and (e) provision of EV charging/swapping solutions (collectively, the “EV business”). During the year ended 31 December 2022, the Group diversified its existing businesses by entering into the steel structures business which involves the sales, trading and processing of metal materials.

The Board, after considering the financial performance of the Group for the year ended 31 December 2022, considered that distributions should be made to the Shareholders in their continuous support to the Company. Initially, the Board has considered payment of cash dividend only to the Shareholders. However, after taking into account of the current economic environment, the Board considers that it will be for the best interest of the Company and the Shareholders as a whole that the Company should preserve the cash position of the Group for future development. Accordingly, in recognition of the Shareholders' continuous support to the Company, the Board proposes the 2024 Bonus Warrants Issue in addition to the bonus issue of Shares.

After considering the features of the 2024 Warrants that would provide the Shareholders with an opportunity to capture the potential gain along with the growth of the Company upon exercising the Subscription Rights attaching to the 2024 Warrants, and that the 2024 Bonus Warrants Issue will also strengthen the equity base of the Company, increase the Company's general working capital and enable the Group to carry out potential investments being identified if and when the Subscription Rights attaching to the 2024 Warrants are exercised, the Board considered that the 2024 Bonus Warrants Issue is in the interests of the Company and the Shareholders as a whole.

In addition, as the 2024 Warrants will be exercisable at any time from the date of issue to a date falling twelve months thereafter and the listing of the 2024 Warrants would enable the Shareholders to realise the value of the 2024 Warrants during its term, the Board consider the 2024 Bonus Warrants Issue would afford the Shareholders with more flexibility in managing their own investment portfolios under different market conditions.

The Company intends to apply any subscription monies received as and when Subscription Rights are exercised (i) for strengthening the business development in (a) sales, trading and processing of metal materials for construction and steel structures business; (b) EV business; and (c) lithium-ion phosphate battery-swapping systems; and (ii) towards general working capital of the Group.

## FUND RAISING ACTIVITIES OF THE GROUP IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund raising activities by issue of equity securities in the twelve months immediately before the date of this announcement.

Date of announcement	Fund-raising activity	Gross proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
23 May 2022	Bonus warrants issue of 178,201,700 warrants to the qualifying Shareholders at HK\$4.47 (subject to adjustment)	Approximately HK\$275,191 (Note)	(i) for strengthening the business development in: (a) sales, trading and processing of metal materials for construction and steel structures business; (b) electric vehicle charging services; and (c) lithium-ion phosphate battery-swapping systems; and (ii) towards general working capital of the Group.	Fully applied as intended

Note: up to and including 28 February 2023

## LISTING

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the 2024 Warrants and the New Shares which may fall to be issued upon the exercise of the Subscription Rights attaching to the 2024 Warrants. The New Shares to be issued upon exercise of the Subscription Rights attaching to the 2024 Warrants will rank pari passu in all respects with the then existing issued Shares.

## **CERTIFICATES FOR THE 2024 WARRANTS AND BOARD LOT**

Subject to the satisfaction of the condition to the 2024 Bonus Warrants Issue, it is expected that certificates for the 2024 Warrants will be posted on or before Wednesday, 24 May 2023 at the risk of the Qualifying Shareholders entitled thereto to their respective addresses shown on the register of members of the Company.

Dealings in the 2024 Warrants are expected to commence on the Stock Exchange on Thursday, 25 May 2023. The 2024 Warrants are expected to be traded on the Stock Exchange in board lots of 2,000 Warrants.

## **RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 16 May 2023 to Thursday, 18 May 2023 (both days inclusive) for determining entitlements to the 2024 Bonus Warrants Issue.

The last day for dealing in Shares cum-entitlements to the 2024 Bonus Warrants Issue will be Thursday, 11 May 2023. In order to qualify for the 2024 Bonus Warrants Issue, all outstanding transfer of Shares should be lodged with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 15 May 2023.

## **ENTITLEMENT OF THE BONUS SHARES BY THE WARRANTHOLDERS**

In order to establish entitlements to the bonus issue of shares for the year ended 31 December 2022, the Warrantholder must lodge the subscription form accompanied by the relevant warrant certificate and the relevant subscription moneys for registration with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 29 May 2023.

## **EXPECTED TIMETABLE**

The expected timetable for the 2024 Bonus Warrants Issue set out below is for indicative purposes only and has been prepared on the assumption that the condition of the 2024 Bonus Warrants Issue will be fulfilled. All times and dates in this announcement refer to Hong Kong local times and dates. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate.

The expected timetable for implementing the 2024 Bonus Warrants Issue is set forth below:

Last day of dealings in Shares cum-entitlements to the 2024 Bonus Warrants Issue	Thursday, 11 May 2023
First day of dealings in Shares ex-entitlements to the 2024 Bonus Warrants Issue	Friday, 12 May 2023
Latest time for lodging forms of transfer of Shares to ensure entitlement to the 2024 Bonus Warrants Issue	4:30 p.m. on Monday, 15 May 2023
Closure of register of members of the Company, both days inclusive	Tuesday, 16 May 2023 to Thursday, 18 May 2023
Record Date	Thursday, 18 May 2023

Despatch of the 2024 Warrant certificates by

Wednesday, 24 May 2023

Commencement of dealings in the 2024 Warrants  
on the Stock Exchange

Thursday, 25 May 2023

## GENERAL

A circular containing, among other things, further details of the 2024 Bonus Warrants Issue will be despatched to the Shareholders as soon as practicable.

## DEFINITIONS

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

“2024 Bonus Warrants Issue”	the proposed bonus issue of Warrants by the Company to the Qualifying Shareholders on the basis of one (1) 2024 Warrant for every ten (10) Shares held on the Record Date
“2024 Warrant(s)”	warrant(s) proposed to be issued by the Company to subscribe for New Shares at the initial Subscription Price under the 2024 Bonus Warrants Issue per New Share, subject to adjustments
“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)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Instrument”	the deed poll to be executed by the Company creating and constituting the 2024 Warrants
“Last Trading Day”	Wednesday, 29 March 2023, being the last trading day of the Shares immediately prior to the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macao Special Administrative Region of the People’s Republic of China
“MOP”	Macau Pataca, the lawful currency of Macau
“New Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company which may fall to be issued upon the exercise of the subscription rights attaching to the 2024 Warrants

“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, after making enquiry, are of the view that it would be necessary or expedient to exclude them from the 2024 Bonus Warrants Issue on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company at the close of business on the Record Date is/are outside Hong Kong
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Non-Qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Thursday, 18 May 2023, being the record date for ascertaining the entitlements of Shareholders to the 2024 Bonus Warrants Issue
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	in relation to each Share, the sum payable in respect of such Share to which the registered holder of each 2024 Warrant shall be entitled upon exercise of the Subscription Rights represented thereby, being HK\$1.78 or such adjusted price as may for the time being be applicable in accordance with the terms of the Instrument and, in relation to more than one Share, the aggregate of the sums payable as aforesaid in respect of all the relevant Shares
“Subscription Rights”	the rights of the Warrantheolders represented by the 2024 Warrants to subscribe for up to 266,406,385 New Shares pursuant to the 2024 Warrants, and, in relation to each 2024 Warrant, means the rights of the Warrantheolder in respect of such 2024 Warrant to subscribe for one New Share pursuant to such 2024 Warrant
“Warrantheolder(s)”	the person or persons who is or are for the time being registered in the register as the holder or joint holders of the 2024 Warrant(s)
“%”	per cent.

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

Hong Kong, 30 March 2023

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