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濠江機電控股有限公司

Macau E&M Holding Limited

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1408)

PROFIT WARNING

This announcement is made by Macau E&M Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2023 (the “**Relevant Period**”) and other information currently available to the Board, the Group expects to record a net loss of approximately MOP 5 million to MOP 6 million, compared with the net profit of approximately MOP 8.4 million for the six months ended 30 June 2022.

The expected loss is primarily attributable to the decrease in the overall gross profit margin as a result of the below:

- (i) the generally lower gross profit margin for certain projects undertaken by the Group in the Relevant Period;
- (ii) the slow recovery of the electrical and mechanical (“**E&M**”) industrial market in Macau after the COVID-19 pandemic, especially for the project tendering from the entertainment and resorts sector, and the uncertainty of the global economy, resulting in sluggish demand for E&M engineering services in Macau; and

- (iii) despite the above factors, the Group strives to be socially responsible and it has maintained its existing workforce without any staff redundancy during the Relevant Period.

Notwithstanding the current circumstances, the Group has maintained a sound financial position. The Board will continue to assess the impact of the challenging economic environment in Macau on the Group's operations and financial performance and negotiate with the business partners of the Group to explore if there are any measures which could be implemented to improve the financial performance of the Group.

As at the date of this announcement, the Group is still in the process of finalising the interim results for the Relevant Period. The information contained in this announcement is solely based on the information currently available to the Board and the preliminary review by the Board of the unaudited consolidated management accounts of the Group for the Relevant Period, which has not been confirmed or reviewed by the Company's auditors or reviewed by Company's audit committee. Therefore, the above information is subject to adjustments and may be different from the actual interim results of the Group for the Relevant Period. The Company's interim results announcement for the Relevant Period is expected to be published in August 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Chairman, Chief Executive Officer and Executive Director

Macau, 31 July 2023

As of the date of this announcement, the Board 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.