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MECOM
POWER & CONSTRUCTION

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)

VOLUNTARY ANNOUNCEMENT
LETTER OF INTENT IN RELATION TO
A POTENTIAL INVESTMENT DEVELOPMENT

This announcement is made by the Company on a voluntary basis.

THE LETTER OF INTENT

The Board is pleased to announce that, on 21 October 2021, the Company entered into the Letter of Intent with Gujing Town People's Government in relation to the Potential Investment Development.

Pursuant to the Letter of Intent, the Company intends to obtain the land use right for a parcel of land with an area of 200 mu (approximately 133,200 square meters) in Xinhui District, Jiangmen City, Guangdong Province, the PRC. Based on the preliminary estimation by the Company and subject to final planning and construction approval, the land will be used for the purpose of setting up 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 costs, construction costs and other expenses (including costs for equipment purchase, research and development human resources and business promotion) to be incurred in relation to the development of the land and the manufacturing facilities thereon is roughly estimated to be RMB625,000,000. If the Potential Investment Development is materialised, the Group expects to fund such costs and expenses with its internal resources in phases at its early stage.

The Letter of Intent is intended to record the intention of, and the preliminary mutual understanding between the Company and Gujing Town People's Government in relation to the Potential Investment Development. The Letter of Intent is not legally binding and the Potential Investment Development is subject to the entering into of definitive legally-binding agreement(s).

REASONS AND BENEFITS

The Group has strong expertise in undertaking highly challenging and complex construction projects in its construction and fitting out works business and there is enormous market growth potential. To the best of the Directors' knowledge, information and belief, if the Potential Investment Development is materialised, 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.

GENERAL

As at the date of this announcement, the terms and conditions of the Potential Investment Development are still under negotiation and no definitive legally-binding agreement in relation to the Potential Investment Development has been entered into by the Group. The Potential Investment Development, if materialised, may constitute a notifiable transaction for the Company under the Listing Rules. The Company will make further announcement(s) on the Potential Investment Development as and when appropriate in accordance with the Listing Rules.

Shareholders and potential investors of the Company should be aware that the terms and conditions of the Potential Investment Development are subject to further negotiations and may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

"Board"	the board of Directors of the Company
"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
"Letter of Intent"	the non-legally binding letter of intent dated 21 October 2021 and entered into between the Company and Gujing Town People's Government in relation to the Potential Investment Development
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Potential Investment Development"	the potential acquisition of the land use rights in Xinhui District, Jiangmen City, Guangdong Province, the PRC and the potential investment in and development of manufacturing and research and development facilities thereon by the Group
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 25 October 2021

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.