



GSS ENERGY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201432529C)

ENTRY INTO A JOINT VENTURE AGREEMENT BETWEEN GIKEN MOBILITY PTE LTD AND MUCHARGING (MACAU) LIMITED IN RELATION TO THE DEVELOPMENT OF ELECTRIC VEHICLE BUSINESS IN SOUTHEAST ASIA

1. INTRODUCTION

The board of directors (the “**Board**”) of GSS Energy Limited (the “**Company**”, together with its subsidiaries, the “**GSS Energy Group**”) refers to the previous announcement dated 2 February 2023 (the “**Previous Announcement**”) in relation to the entrance into a non-binding memorandum of understanding (“**MOU**”) with MECOM Power and Construction Limited (“**MECOM**”, together with its subsidiaries, the “**MECOM Group**”), a company listed on the Main Board of the Hong Kong Stock Exchange. The Company had stated in the Previous Announcement that it had entered into a non-binding memorandum of understanding (the “**MOU**”) with MECOM in relation to a potential strategic cooperation between the MECOM Group and the GSS Energy Group to develop the electric vehicle (“**EV**”) business in Southeast Asia.

The Board is pleased to inform that pursuant to the MOU, Giken Mobility Pte Ltd (“**GM**”), a wholly-owned subsidiary of the Company, has on 31 May 2023, entered into a joint venture agreement (“**JV Agreement**”) with MUCharging (Macau) Limited, a wholly-owned subsidiary of MECOM (“**MUCharging**”, together with GM, the “**JV Parties**”) (the “**Joint Venture**”).

Please also refer to the joint announcement by MECOM and the Company dated 31 May 2023 (the “**Joint Announcement**”), which has been attached as **Appendix** to this announcement.

2. INFORMATION ON THE JV COMPANY

Under the JV Agreement, GM and MUCharging will incorporate a joint-venture company in Singapore (the “**JV Company**”). The initial paid-up capital of the JV Company will be HK\$100,000 (equivalent to approximately S\$17,000).

Upon the incorporation of the JV Company, GM will hold 45% of the initial issued and paid-up share capital of the JV Company and MUCharging will hold 55% of the initial issued and paid-up share capital of the JV Company.

The JV Company will principally be engaged in the EV business in Southeast Asia which shall include, but is not limited to:

- (a) installation and operation of EV charging systems in the Republic of Singapore, Thailand, Indonesia and Malaysia (the “**Designated Locations**”);
- (b) installation and operation of EV battery swapping systems in the Designated Locations;
- (c) distribution of EVs such as, but not limited to, electric 4-wheelers and/or electric motorcycles of Liuzhou Wuling Motors Industrial Company Limited (柳州五菱汽車工業有限公司) (“**Wuling Industrial**”)¹ under the distribution agreement entered into between MUCharging and Wuling Industrial on 22 February 2023; and
- (d) distribution of GM’s Iso-branded electric motorcycles in the Guangdong Greater Bay Area Region of the People’s Republic of China, for which such distribution will be covered by separate distribution agreement to be entered into between MUCharging and GM from time to time.

¹ An unrelated third party to the GSS Energy Group and MECOM Group.

Upon the incorporation of the JV Company, a shareholders' agreement will be entered into among the JV Company, GM and MUCharging, (the "JV SHA") which shall contain similar terms to the provisions of the JV Agreement.

For further information on the JV Company, please refer to the section titled "Formation of Joint Venture and structure of cooperation" under the Joint Announcement.

3. INFORMATION ON MECOM AND MUCHARGING

MECOM is listed on The Stock Exchange of Hong Kong Limited and is in both the civil engineering industry and the high voltage power substation construction industry in Macau. It undertakes construction projects in four major segments, namely construction and fitting out works, high voltage power substation construction and its system installation works, electrical and mechanical engineering services works and provision of facilities management services. The MECOM Group had also diversified its existing business by entering into the EV charging solution and system services business in 2021.

For information on MUCharging, please refer to the section titled "Information of the parties" under the Joint Announcement.

4. RATIONALE FOR AND BENEFITS IN ENTERING INTO THE JV AGREEMENT

The Board is of the view that the expertise of MUCharging complements GM by offering EV charging software, hardware and services. Moreover, the distribution of Wuling Industrial's EV 4-wheelers and 2-wheelers expands the scope of GM's EV product offerings. Therefore, the Board believes that the Joint Venture is in the best interest of the Group.

For further information on the rationale for and benefits in entering into the JV Agreement by the JV Parties, please refer to the section titled "Reasons and benefits in entering into the Joint Venture Agreement" under the Joint Announcement.

5. SALIENT TERMS OF THE JV AGREEMENT

5.1. Subscription of Shares in the JV Company

The JV Parties have agreed that they will subscribe for shares in the JV Company in the following shareholding proportion:

Party	Shareholding proportion in the JV Company	Initial capital contribution
MUCharging	55.0%	HK\$55,000 (equivalent to approximately S\$9,350)
GM	45.0%	HK\$45,000 (equivalent to approximately S\$7,650)
Total	100.0%	HK\$100,000 (equivalent to approximately S\$17,000)

5.2. Consideration for and Value of the Subscription Shares; Sources of Fund

The consideration for the subscription of shares in the JV Company by GM is HK\$45,000 (equivalent to approximately S\$7,650). This will be satisfied fully in cash, and will be funded by internal sources of funds.

The consideration was arrived at, after arm's length negotiations between the JV Parties, on a willing buyer, willing seller basis, after taking into account the nominal value per share in the capital of the JV Company to be incorporated. As the JV Company will be newly incorporated

(i.e. no operations or assets), the JV Company has not made any profits or losses and the book value and net tangible asset value of the shares to be subscribed in the JV Company by GM is zero.

5.3. Board Composition of the JV Company

The first board of directors of the JV Company (the “**JV Board**”) shall consist of seven (7) directors and the chairman of the JV Board shall be appointed by MUCarging. The JV Parties shall have the power to nominate, as applicable, one or more persons to be appointed as a director on the JV Board (or any committees thereof) and nominate such director for removal from the JV Board to be replaced by another person nominated by it provided that the maximum number of directors to be nominated by MUCarging shall be four (4) and by GM shall be three (3).

5.4. Shareholder Terms

The JV Agreement also sets out certain terms to be incorporated in the JV SHA, including proceedings and financings of the JV Company, shareholder rights in relation to issuance of new shares, transfer of shares and tag-along rights and termination rights.

The provisions of the JV SHA (upon execution) will supersede the provisions of the JV Agreement.

5.5. Obligations of the JV Parties

Please refer to the section titled “*Key terms of the Joint Venture Agreement*” under the Joint Announcement for the obligations of the JV Parties in relation to the Joint Venture.

5.6. Termination

The JV Agreement:

- (a) may be terminated immediately upon mutual agreement in writing by the JV Parties;
- (b) will terminate immediately if all the shares of the JV Company are held by one (1) shareholder of the JV Company;
- (c) will terminate immediately in the event the JV Company is dissolved, wound up or ceases to exist as a separate corporate entity; and
- (d) will terminate immediately in relation to any shareholder of the JV Company after either JV Party ceased to be a holder of any share in the JV Company.

6. RELATIVE FIGURES UNDER CATALIST RULE 1006

The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”) in respect of the subscription of shares in the JV Company are as follows:

Rule 1006		Relative Figures
(a)	Net asset value of the assets to be disposed of or aggregate value of the financial assistance given, compared with the GSS Energy Group’s net asset value.	Not applicable ⁽¹⁾
(b)	The net profits/losses attributable to the assets acquired, compared with the GSS Energy Group’s net profits	Not applicable ⁽²⁾

Rule 1006		Relative Figures
(c)	Aggregate value of the consideration given or aggregate value of the financial assistance given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	0.03% ^{(3), (4)}
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁵⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable ⁽⁶⁾

Notes:

- (1) Not applicable as the subscription of shares in the JV Company relates to an acquisition of assets.
- (2) Not applicable as the JV Company has yet to be incorporated and/or operational.
- (3) Computed based on the subscription amount of HK\$45,000 (equivalent to approximately S\$7,650).
- (4) Computed based on the market capitalisation of the Company of S\$24,640,470, which is based on 630,191,057 shares (excluding treasury shares) in the Company and the weighted average price per Share of S\$0.0391, as at 24 May 2023, being the last day prior to the signing of the JV Agreement when shares of the Company were traded.
- (5) Not applicable as no equity securities are issued by the Company as consideration for the subscription of shares in the JV Company.
- (6) Not applicable as neither the Company nor the JV Company is a mineral, oil or gas company.

As none of the relative figures computed on the bases pursuant to Rule 1006 exceeds 5.0%, the subscription of shares in the JV Company constitutes a non-discloseable transaction under Chapter 10 of the Catalist Rules. This announcement is being made pursuant to Rule 1008(2) of the Catalist Rules.

7. FINANCIAL EFFECTS OF THE JOINT VENTURE

The directors of the Company are of the opinion that the formation of the Joint Venture, the entry into the JV Agreement and the subscription of shares in the JV Company are not expected to have any impact on the financial position of the GSS Energy Group (including the earnings per share or net tangible assets of the GSS Energy Group) for the financial year ending 31 December 2023.

8. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND CONTROLLING SHAREHOLDERS

None of the directors, substantial shareholders or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Joint Venture, the JV Agreement, the subscription of shares in the JV Company, other than through their respective shareholdings (if any) in the Company.

9. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Joint Venture and no service contracts in relation thereto are proposed to be entered into by the Company.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the JV Agreement will be available at the registered office of the Company at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07 Singapore 098632, for a period of three (3) months from the date of this announcement.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Joint Venture, the JV Agreement and the subscription of shares in the JV Company, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. FURTHER ANNOUNCEMENTS

The Company will continue to update its shareholders on material developments relating to its electric vehicle mobility business, if any, and will also make the appropriate announcements where there are material developments in relation to the Joint Venture, JV Agreement and the subscription of shares in the JV Company, in compliance with the requirements of the Catalyst Rules.

13. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board of
GSS ENERGY LIMITED
Anthony Kuek
Chairman
31 May 2023

This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd ("Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

*The contact person for the Sponsor is Mr Bernard Lui;
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APPENDIX

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.



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)

(Warrant code: 424)



GSS ENERGY LIMITED

*(Incorporated in Singapore with
limited liability)*

(Company Registration No. 201432529C)

(SGX: 41F)

JOINT VOLUNTARY ANNOUNCEMENT

FORMATION OF JOINT VENTURE

This is a joint voluntary announcement made by MECOM Power and Construction Limited (“**MECOM**” and together with its subsidiaries, the “**MECOM Group**”) and GSS Energy Limited, a company listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“**GSS Energy**” and together with its subsidiaries, the “**GSS Energy Group**”) to provide the shareholders and potential investors of MECOM and GSS Energy an update on the latest business development of the MECOM Group and the GSS Energy Group in relation to the formation of a joint venture.

Background

Reference is made to the joint voluntary announcement made by MECOM and GSS Energy on 2 February 2023 (the “**February Announcement**”). In furtherance of the strategic cooperation between the two parties, on 31 May 2023, MUCharging (Macau) Limited (a wholly owned subsidiary of MECOM) (“**MUCharging**”) and Giken Mobility Pte. Ltd. (a wholly owned subsidiary of GSS Energy) (“**GM**”) have entered into the joint venture agreement (the “**Joint Venture Agreement**”), in relation to cooperation in the development of the electric vehicle (“**EV**”) business primarily in the Republic of Singapore, Thailand, Indonesia and Malaysia (collectively, the “**Designated Locations**”), by way of formation of the joint venture (the “**Joint Venture**” and together with its subsidiaries, the “**Joint Venture Group**”). Unless otherwise defined, capitalised terms used in this joint voluntary announcement shall have the same meanings as those defined in the February Announcement.

KEY TERMS OF THE JOINT VENTURE AGREEMENT

Pursuant to the terms of the Joint Venture Agreement entered into between MUCharging and GM, the cooperation between MUCharging and GM shall include, but is not limited to, the following:

- (i) installation and operation of EV charging systems in the Designated Locations;
- (ii) installation and operation of EV battery swapping systems in the Designated Locations;

- (iii) distribution of EVs such as, but not limited to, electric 4-wheelers and/or electric motorcycles of Liuzhou Wuling Motors Industrial Company Limited* (柳州五菱汽車工業有限公司) (“**Wuling Industrial**”) under the distribution agreement entered into between MUCharging and Wuling Industrial on 22 February 2023 (please refer to the announcement of MECOM on 22 February 2023 for details) in the Designated Locations; and
- (iv) distribution of GM’s Iso-branded electric motorcycles in the Guangdong Greater Bay Area Region (the “**Greater Bay Area**”) of the People’s Republic of China (the “**PRC**”), for which such distribution will be covered by separate distribution agreement to be entered into between MUCharging and GM from time to time.

In addition, pursuant to the terms of the Joint Venture Agreement, MUCharging and GM acknowledge that the success of the cooperation in the development of the EV business will require a cooperative working relationship based upon good communication and teamwork between MUCharging and GM at all levels. In particular,

(a) MUCharging shall be responsible for:

- (i) construction of the EV charging stations of the Joint Venture in the Designated Locations at cost;
- (ii) provision of software systems in relation to the EVs charging systems of the Joint Venture in the Designated Locations at cost;
- (iii) connecting the software systems to the hardware of the EV charging systems installed in the Designated Locations;
- (iv) provision of swapping batteries and station solutions including both hardware and software;
- (v) sale of Wuling Industrial’s EVs products in the Designated Locations, such as but not limited to electric 4-wheelers and/or electric motorcycles, to the Joint Venture at cost; and
- (vi) providing general accounting and administrative services to the Joint Venture Group and preparing and providing the Joint Venture Group’s monthly sales figures, operating figures, and financial statements and made available to GM within 20 days after the close of the month.

(b) GM shall be responsible for:

- (i) sales and marketing of EVs in the Designated Locations, including but not limited to the provision of sales locations and/or showrooms to the Joint Venture at cost;
- (ii) sale of GM’s Iso-branded electric motorcycles to the Joint Venture at cost; and
- (iii) provision of local support where GM has a physical presence.

Formation of Joint Venture and structure of cooperation

MUCharging and GM intend to engage in the development of the EV business by way of incorporation of the Joint Venture in Singapore.

The Joint Venture shall be established as soon as practicable after the execution of the Joint Venture Agreement, and MUCharging shall be responsible for the incorporation of the Joint Venture in accordance with the terms of the Joint Venture Agreement. Upon incorporation of the Joint Venture, MUCharging shall hold 55% of the issued shares of the Joint Venture and GM shall hold 45% of the issued shares of the Joint Venture. The Joint Venture shall establish one or more companies (the “**Operating Vehicle(s)**”) in each of the Designated Locations for the purpose of carrying on the EV business in the relevant Designated Location.

MUCharging and GM agree, as soon as a project or business model is identified in one or more Designated Locations, MUCharging and GM will agree on a funding plan for the Joint Venture to fund each Operating Vehicle by way of subscription in the share capital in the Joint Venture and by provision of non-interest-bearing shareholders’ loans to the Joint Venture and/or Operating Vehicle(s) by MUCharging and GM, in view of the time needed to develop the EV business. The initial total paid-up capital of the Joint Venture will be HK\$100,000 (equivalent to approximately S\$17,000), purpose of which is for the incorporation and establishment of the Operating Vehicle(s) in each Designated Location. With the approval of MUCharging and GM, the total paid-up capital shall be increased to an amount to be mutually agreed as required. In addition, the provision of non-interest-bearing shareholders’ loans to the Joint Venture by MUCharging and GM will be on an as needed basis for funding the progress of EV business-related projects selected by the board of directors of the Joint Venture.

The board of directors of the Joint Venture shall consist of seven directors, four of which shall be nominated by MUCharging and the remaining three shall be nominated by GM.

Information of the parties

MUCharging is a wholly-owned subsidiary of MECOM and is principally engaged in the provision of EV batteries, charging solution and system services, including but not limited to the open charge point protocol ready, i.e. OCPP 2.0 ready, software systems and load management systems on the electricity consumption by EVs recognised by Hong Kong Productivity Council.

GM is a wholly-owned subsidiary of GSS Energy and is the global licence holder of the brand “Iso” which is owned by the Lamborghini family.

REASONS AND BENEFITS IN ENTERING INTO THE JOINT VENTURE AGREEMENT

As set out in the annual report of MECOM for the year ended 31 December 2022 and the announcements of MECOM dated 28 September 2022, 10 October 2022, 9 December 2022, 28 December 2022 and 2 February 2023, the MECOM Group has been actively developing the EV business, and the breadth of the EV business of the MECOM Group extends from provision of EV charging systems in residential, commercial buildings and/or shopping centres in Macau and provision of battery charging and swapping services at convenience service stations in Guangzhou to engaging in the exclusive distributorship of electric motorbikes and electric delivery vehicles supplied by the business partners of the MECOM Group. The MECOM Group is targeting to create synergy for the business expansion of its EV business in the EV market of Southeast Asia region and the Greater Bay Area.

In view of (i) the potential synergy for the business expansion of EV business, (ii) the growth of the EV business market in Southeast Asia, (iii) the substantial potentials of the new energy vehicle market in the PRC as supported by the PRC government's favourable policies targeting peak carbon emission (碳达峰) by 2030 and attainment of carbon neutral (碳中和) by 2060, including tax incentive for EV purchase and setting guidance price on petrol products, and (iv) given that the Greater Bay Area is one of the most economically advanced and affluence areas in the PRC as well as a major hub for the development and manufacturing of new energy vehicles in the PRC well equipped to serve the up and coming boom in new energy vehicle applications, the board of directors of MECOM and the board of directors of GSS Energy are of the view that the EV markets in Southeast Asia and the Greater Bay Area are on a rising trend, which the MECOM Group and GSS Energy Group intend to capitalise on such trend by tapping into each other's industry knowledge, sales and marketing channels and expertise, thus create synergies between both groups and improve the position of the two groups in the growing EV market in Southeast Asia and the Greater Bay Area.

The MECOM Group has knowledge and expertise in EV business, including but not limited to, the distribution of EV, the provision of EV charging services, the design, supply, installation, operation and maintenance services for EV charging systems in residential and/or commercial buildings, which have been one of the principal businesses of the MECOM Group. The MECOM Group is constantly exploring new business opportunities for EV business related projects and intends to further broaden its business scale. The board of directors of MECOM consider that the Joint Venture arrangement presents a good business opportunity to leverage on the strengths and resources of MECOM to further expand its revenue base and business scale.

LISTING RULES IMPLICATIONS

Based on information available as at the date of this announcement, as the highest applicable percentage ratio in relation to the Joint Venture Agreement is less than 5%, the transaction is exempt from the requirements under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Hence, this announcement is made by MECOM on a voluntary basis. MECOM will comply with the applicable requirements under the Listing Rules in relation to the development of the Joint Venture as and when appropriate.

The board of directors of MECOM and the board of directors of GSS Energy wish to state that no forecast or prediction of the profits of the MECOM Group and GSS Energy Group have been made with regard to the Joint Venture Agreement.

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

By Order of the board of directors of
GSS Energy Limited
Kuek Eng Chye, Anthony
Chairman

Hong Kong, 31 May 2023

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

As at the date of this joint announcement, the board of directors of GSS Energy comprises Mr. Yeung Kin Bond, Sydney, Mr. Lee Kok Beng and Mr. Ng Say Tiong as executive directors, Mr. Kuek Eng Chye, Anthony (Chairman) as independent non-executive director, Mr. Wong Quee Quee, Jeffrey as independent non-executive director and Mr. Fung Kau Lee, Glenn as non-independent non-executive director.

* *for identification purposes only*