



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

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- (A) **PROPOSED ACQUISITION OF 100% OF THE SHARE CAPITAL OF EDISON MOTORS CO., LTD**
 - (B) **PROPOSED PLACEMENT OF AN AGGREGATE OF 40,500,000 NEW WARRANTS EXERCISABLE INTO 40,500,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN EXERCISE PRICE OF S\$0.07054 FOR EACH NEW WARRANT**
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1. INTRODUCTION

The Board of Directors ("**Board**" or the "**Directors**") of GSS Energy Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that Giken Mobility Pte. Ltd. (the "**Purchaser**"), a wholly-owned subsidiary of the Company, and the Company have on 19 November 2021 entered into a conditional sale and purchase agreement (the "**SPA**") with Noside Holding Pte. Ltd. (the "**Subscriber**"), Nataphat Lertviriyasawat, Phuripong Mangkornkanok (collectively, the "**Vendors**") and Vikram Ahuja (the "**Guarantor**") in relation to the proposed acquisition by the Purchaser of 100% of the share capital of Edison Motors Co., Ltd (the "**Target Company**"), from the Vendors for an aggregate consideration of S\$7,527,000 on the terms and conditions of the SPA (the "**Proposed Acquisition**"). On completion of the Proposed Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company.

The Board also wishes to announce that the Company has on 19 November 2021 entered into a warrant subscription agreement (the "**Warrant Subscription Agreement**") with the Subscriber in relation to the subscription by the Subscriber of 40,500,000 new warrants (the "**Warrants**") exercisable into 40,500,000 new ordinary shares in the capital of the Company (the "**Warrant Shares**") at an exercise price of S\$0.07054 for each Warrant (the "**Exercise Price**") (the "**Proposed Warrants Issue**").

2. THE PROPOSED ACQUISITION

2.1. Information on the Target Company

The Target Company is a private limited company incorporated in Thailand on 30 October 2017. The principal activities of the Target Company are the provision of research and development services in respect of electric motorcycles, and the trading of motor vehicles, including spare parts and equipment. By way of a product, technical design and development services agreement between the Target Company and the Purchaser entered into on 17 June 2019 (the "**Services Agreement**"), the Target Company has been providing design, technical and engineering services to the Purchaser to design and develop electric motorcycles using its proprietary patented technologies including but not limited to the body, battery pack and motor technology.

The directors of the Target Company are Nataphat Lertviriyasawat and Phuripong Mangkornkanok.

As of the date of this announcement, the Target Company has an issued capital of THB29,500,000 and a paid-up capital of THB28,320,000, comprising 295,000 ordinary shares. The current

shareholders of the Target Company and their respective shareholdings in the Target Company are as follows:

<u>Shareholder</u>	<u>Number of Shares in the Target Company</u>	<u>Percentage of Issued Share Capital of the Target Company</u>
Nattapach Lertviriyasawat	71,302	24.17%
Puripong Mangkornkanok	71,302	24.17%
Vikram Ahuja	34,396	11.66%
Alp Visrock Co., Ltd.	44,250	15.00%
Suchet Lertviriyasawat	29,500	10.00%
Montri Mangkornkanok	29,500	10.00%
Kamphon Gaterojn	14,750	5.00%
Total	295,000	100.00%

Following the Internal Restructuring (as defined below) and the Capital Increase (as defined below) which are Conditions Precedent (as defined below) to the completion of the Proposed Acquisition and immediately prior to the completion of the Proposed Acquisition, the Target Company will have an issued capital of THB38,470,000 and a paid-up capital of THB30,562,500, comprising 384,700 ordinary shares, and the shareholders of the Target Company and their respective shareholdings in the Target Company will be as follows:

<u>Shareholder</u>	<u>Number of Shares in the Target Company</u>	<u>Percentage of Issued Share Capital of the Target Company</u>
Noside Holding Pte. Ltd.	384,698	99.9994%
Nataphat Lertviriyasawat	1	0.0003%
Phuripong Mangkornkanok	1	0.0003%
Total	384,700	100%

2.2. Information on the Vendors and the Guarantor

The Subscriber is a private limited company incorporated in Singapore on 13 July 2021 and is an investment holding company.

The directors of the Subscriber are Nataphat Lertviriyasawat, Phuripong Mangkornkanok, the Guarantor and Ang Yeow Lin.

The shareholders of the Subscriber and their respective shareholdings in the Subscriber are as follows:

<u>Shareholder</u>	<u>Number of Shares in the Subscriber</u>	<u>Percentage of Issued Share Capital of the Subscriber</u>
Nataphat Lertviriyasawat	3,500	33.33%
Phuripong Mangkornkanok	3,500	33.33%
Vikram Ahuja	3,500	33.33%
Total	10,500	100%

Nataphat Lertviriyasawat, Phuripong Mangkornkanok and Vikram Ahuja are citizens of Thailand.

As at the date of this announcement, the Vendors, the Guarantor and their directors and substantial shareholders (where applicable) (i) do not have any existing interest (whether direct or deemed) in shares of the Company (“**Shares**”); and (ii) are not related to any of the Directors, substantial shareholders of the Company, or their respective associates.

Save for the Services Agreement between the Target Company and the Purchaser, there is also no connection (including business relationship between the Vendors, the Guarantor and their directors and substantial shareholders (where applicable), and the Directors or substantial shareholders of the Company.

2.3. Principal Terms of the Proposed Acquisition

2.3.1. The Proposed Acquisition

Pursuant to the terms and conditions of the SPA, the Vendors shall sell to the Purchaser, and the Purchaser shall acquire from the Vendors, 384,700 ordinary shares in the Target Company (the “**Sale Shares**”), representing 100% of the total share capital of the Target Company on completion of the Proposed Acquisition. The Purchaser is entitled to nominate the Company or a member of the Group to purchase the Sale Shares or any part thereof.

2.3.2. Consideration

The aggregate consideration for the Proposed Acquisition is S\$7,527,000 (the “**Aggregate Consideration**”) and shall be payable by the Purchaser to the Vendors as follows:

- (a) S\$3,527,000 to be satisfied by the issue and allotment of 50,000,000 new shares in the capital of the Company (the “**Consideration Shares**”) at an issue price of S\$0.07054 for each Consideration Share (the “**Issue Price**”) to the Subscriber on completion of the Proposed Acquisition (the “**Proposed Allotment**”): and
- (b) S\$4,000,000 to be satisfied in cash (the “**Cash Consideration**”) and to be paid by the Purchaser to the Subscriber in the following manner:
 - (i) S\$1,500,000 to be paid on completion of the Proposed Acquisition;
 - (ii) S\$1,500,000 to be paid on the date falling 6 months from completion of the Proposed Acquisition; and
 - (iii) S\$1,000,000 to be paid on the date falling 12 months from completion of the Proposed Acquisition;

The Aggregate Consideration for the Proposed Acquisition was arrived at after an arms’ length negotiation on a willing buyer willing seller basis, and taking into consideration factors such as the

valuation of the Target Company as provided by the Valuation Report (as defined below), technical performance and capabilities of the personnel of the Target Company in developing electric motorcycles models, including designing, engineering, prototyping and homologation and other potential benefits that may accrue to the Group.

2.3.3. Consideration Shares

The Issue Price of S\$0.07054 for each Consideration Share represents a 9.8% discount to the volume weighted average price (“**VWAP**”) of S\$0.0782 for Shares traded on the Catalist on 17 November 2021, being the last trading day prior to the signing of the SPA.

The Consideration Shares, when allotted and issued, will be credited as fully paid for, free and clear of all encumbrances and will rank pari passu with all existing shares in the capital of the Company, save that they do not rank for any dividend, rights, benefits, entitlements, allotments or other distributions, the record date of which falls on or before the date of issue of the Consideration Shares.

The Board is of the view that the partial satisfaction of the Aggregate Consideration by way of the Proposed Allotment is in line with the Subscriber’s interests to continue with the development of the business will ensure alignment of interest of the Subscriber with the Group (which includes the the Target Company) and allow the Subscriber and the Purchaser to continue with the development of the Target Company’s business together. It would also allow the Company to conserve its cash reserves and provide the Company with greater financial flexibility in the future.

2.3.4. Source of Funds

The Cash Consideration of S\$4,000,000 is intended to be funded by the Group’s internal resources, of which S\$3,500,000 will be funded from the net proceeds of S\$4,834,998 received by the Company from the Previous Placement (as defined below). As set out in the Company’s announcement dated 19 August 2021, 80% of the net proceeds of the Previous Placement, being the amount of S\$3,867,998.40, is intended to be utilized for the financing of the Group’s business expansion such as expansion into the e-mobility business and to design and develop electric 2-wheelers and other related electronic vehicle technologies. The utilization of S\$3,500,000 from the net proceeds received from the Previous Placement for the payment of the Cash Consideration is in accordance with the stated use of proceeds.

2.3.5. Conditions Precedent

Completion of the Proposed Acquisition is conditional on, amongst others, the following conditions precedent (the “**Conditions Precedent**”):

- (a) (i) the completion of the change in shareholding of the Target Company such that the Sale Shares, representing 100% of the issued share capital of the Target Company, are legally and beneficially owned by the Vendors, with the Subscriber holding 384,698 Sale Shares, Nataphat Lertviriyasawat holding 1 Sale Share and Phuripong Mangkornkanok holding 1 Sale Share (the “**Internal Restructuring**”); and (ii) all necessary consents, waivers and approvals of, notices to and filings or registrations having been obtained for the Internal Restructuring (including any approvals required from the Board of Investment of Thailand (“**BOI**”));
- (b) the Target Company having (i) completed a capital increase to increase its share capital to increase its issued capital to THB 38,470,000 with paid-up capital of THB 30,562,500), comprising 384,700 ordinary shares, representing a 25% increase in the paid-up share capital of the Target Company) (the “**Capital Increase**”) in order to satisfy the requirements of the BOI and (ii) obtained the investment promotion certificate for Trade and Investment Support Office (“**TISO**”) business from the BOI;

- (c) the Target Company having obtained a foreign business certificate for TISO business based on the investment promotion certificate with the Department of Business Development in Thailand;
- (d) the completion of a due diligence exercise on the Target Company to the reasonable satisfaction of the Purchaser;
- (e) the Company and the Subscriber having entered into the Warrant Subscription Agreement and the issuance of the Warrants having been completed in accordance with the terms of the Warrant Subscription Agreement;
- (f) the approval of the board of directors and shareholders of the Subscriber having been obtained in respect of the sale and purchase of the Sale Shares (if required);
- (g) the approval of the board of directors and shareholders of the Purchaser having been obtained in respect of the sale and purchase of the Sale Shares (if required);
- (h) the Share Issue Mandate (as defined below) shall be valid, subsisting and adequate for the purposes of the issue of the Consideration Shares as at the date of completion of the Proposed Acquisition and the Proposed Allotment;
- (i) the approval of the board of directors and (if required) shareholders of the Company having been obtained in respect of the Proposed Allotment of the Consideration Shares under the SPA and the issuance of the Warrants and Warrant Shares under the Warrant Subscription Agreement;
- (j) the Company having obtained confirmation or clarification from the SGX-ST that shareholders' approval is not required for the sale and purchase of the Sale Shares;
- (k) the Company having obtained the listing and quotation notice from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Consideration Shares and the Warrant Shares, such notice not having been amended or revoked before the completion of the Proposed Acquisition;
- (l) all necessary consents, waivers and approvals of, notices to and filings or registrations with any governmental authority or any other third party required pursuant to any applicable law, including but not limited to, approvals from the Sponsor (as defined below) and the SGX-ST, to consummate the transactions contemplated under the SPA having been obtained and such consents, waivers and approvals being in full force and effect and not having been revoked or amended before the completion of the Proposed Acquisition; and
- (m) there being no material adverse change in the business, operations, assets, position (financial, trading or otherwise), profits or prospects of the Target Company; and
- (n) Nataphat Lertviriyasawat, Phuripong Mangkornkanok and Vikram Ahuja (the "**Beneficial Vendors**") remaining in the employment of the Target Company, no notice of termination having been issued to any of them by the Target Company and no notice of resignation having been issued by any of them.

If the Conditions Precedent are not satisfied (or otherwise waived by the Purchaser on or before 30 June 2022 (or such other date as may be mutually agreed between the parties), the SPA (other than certain surviving provisions) shall be terminated.

2.3.6. Limitation of Liability

The aggregate amount of the liability of the Vendors for all claims (excluding claims brought against them for breach of fundamental warranties such as share title and tax warranties) shall not exceed

S\$15,000, the quantum of which was a commercial decision between the parties and arrived at after an arms' length negotiations, taking into account that fundamental warranties have been excluded from the limitation on liability and the familiarity of the Purchaser with the business operations of the Target Company arising from the working relationship between the Purchaser and the Target Company under the Services Agreement. In any event, as described in paragraph 2.3.5(d) above, the completion of a due diligence exercise on the Target Company to the reasonable satisfaction of the Purchaser is a Condition Precedent to the completion of the Proposed Acquisition.

2.3.7. Non-Compete Restrictions

Each Beneficial Vendor undertakes with the Purchaser and the Company that during the period of his employment with the Target Company and for a period of 3 years following his resignation from the Target Company or any of its subsidiaries or affiliates or termination of their employment for whatsoever reason, such Beneficial Vendor shall not directly in any manner whatsoever engage in any capacity with any business competitive with the Company's business or any business then engaged in by the Target Company, any of its subsidiaries or any of its affiliates or have any interest as owner, stockholder, officer, consultant, agent or otherwise in any business competitive with the Target Company's business.

2.4. **Rationale for the Proposed Acquisition**

The Proposed Acquisition is in line with the Group's strategy to expand into the e-mobility market to design and develop electric 2-wheelers and other related electric vehicle technologies. The Target Company possesses certain patents in relation to the electric 2-wheelers and has successfully developed 2 models of electric 2-wheeler for the Company. After the completion of the Proposed Acquisition, the Group will possess the patents, design, research and development capabilities, technical support to manufacture the electric 2-wheelers with initial distribution in Thailand and potential markets in the Asia and Pacific regions.

Additionally, the Purchaser has a close working relationship with the Target Company under the Services Agreement and is familiar with the business operations of the Target Company. The Purchaser is the biggest client and source of funding of the Target Company for the development and upgrading of the Target Company's technologies. It has in-depth knowledge of the Target Company's technologies, having worked closely with the Target Company over the last 2 years to upgrade the Target Company's technology capabilities. In the course of their business relationship, the Purchaser has verified that the Target Company owns and/or licensed the requisite intellectual property in respect of its technologies.

2.5. **Financial Information Relating to the Sale Shares**

2.5.1. Book Value

Based on the unaudited financial statements of the Target Company for the financial period ended 30 June 2021, the net tangible asset value of the Sale Shares was S\$439,000 and the book value of the Sale Shares was -S\$108,000 as at 30 June 2021.

2.5.2. Valuation

The Purchaser appointed an independent valuer, AV CAPITAL Pte Ltd (the "**Independent Valuer**"), to conduct a valuation on the Target Company. Based on the valuation report dated 17 November 2021 (the "**Valuation Report**") which was issued by the Independent Valuer, the fair value for a 100% equity shareholding in the Target Company is approximately S\$8,940,000 (equivalent to

approximately THB 223,000,000) as at 30 September 2021 and computed using the discounted cashflow method¹.

2.6. Relative Figures under Rule 1006 of the Catalyst Rules

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”) are as follows:

Rule 1006		Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the group’s net asset value. This basis is not applicable to an acquisition of assets	Not applicable ⁽¹⁾
(b)	The net profits attributable to the Sale Shares, compared with the Group’s net profits ⁽²⁾	-4.44% ⁽³⁾
(c)	The aggregate value of the aggregate consideration received, for the Proposed Acquisition compared with the Company’s market capitalisation based on the total number of issued Shares excluding treasury shares	21.39% ⁽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	8.62% ⁽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

Notes:

- (1) Not applicable as the Proposed Acquisition does not relate to a disposal of assets.
- (2) “Net profits” means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Based on the net loss attributable to the Sale Shares of S\$108,000 based on the unaudited accounts of the Target Company for the financial period from 1 January 2021 to 30 June 2021 and the net profits attributable to the Group of S\$2,432,000 based on the Group’s latest announced financial statements for the 6-month financial period ended 30 June 2021
- (4) Based on the Aggregate Consideration of S\$7,527,000 and the Company’s market capitalisation of S\$45,371,011 as at 17 November 2021, being the last trading day prior to the signing of the SPA. The market capitalisation of the Company is determined by multiplying the number of Shares in issue (being 580,191,957 Shares, excluding treasury shares) by the VWAP of S\$0.0782 of the Shares transacted on 17 November 2021 (being the last trading day prior to the signing of the SPA), which is lower than the Group’s net asset value per share of S\$0.1141 as at 30 June 2021.

¹ The discounted cashflow method measures the value of a company based on its current and potential cash general capability by constructing the future free cashflow projections and discounting them using a selected cost of capital to arrive at a present value.

- (5) Based on the 50,000,000 Consideration Shares and the 580,191,957 Shares (excluding treasury shares) in issue as at the date of the SPA

None of the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75%. However, under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 of the Catalist Rules involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules.

Pursuant to Practice Note 10A paragraph 4.1 of the Catalist Rules, tests based on assets under Rule 1006(a) of the Catalist Rules and profits under Rule 1006(b) of the Catalist Rules may involve a negative figure in the numerator, denominator or both, which may not give a meaningful indication of the significance of a transaction to the issuer, in instance where, for example, the issuer is loss-making and/or an acquisition of a loss-making asset. Under paragraph 4.6 of Practice Note 10A of the Catalist Rules, if the transaction does not fall within the situations in paragraphs 4.3 and 4.4, Rule 1014 shall apply to the transaction.

Notwithstanding that Proposed Acquisition represents the acquisition of a loss-making asset by an where (i) the absolute relative figure computed on the basis of each of Rule 1006(c) and Rule 1006(d) does not exceed 75%; and (ii) the net loss attributable to the asset to be acquired amounts to 5% or less of the consolidated net profit of the Company (taking into account only the absolute values), the Proposed Acquisition does not fall within the situations in paragraphs 4.3 and 4.4 of Practice Note 10A of the Catalist Rules. In accordance with Rule 1007(1), the Company will therefore be consulting the SGX-ST via the Sponsor on the treatment of the Proposed Acquisition.

2.7. Service Contracts

No person is proposed to be appointed as a Director in connection with the Proposed Acquisition and the Proposed Allotment and no service contracts in relation thereto are proposed to be entered into by the Company.

3. THE PROPOSED WARRANTS ISSUE

3.1. Information on the Subscriber

Please refer to paragraph 2.2 above for information on the Subscriber.

3.2. Principal Terms of the Proposed Warrants Issue

The principal terms and conditions of the Warrants are set out below:

Number of Warrants	:	40,500,000
Exercise Ratio	:	Each Warrant will carry the right to subscribe for one (1) Warrant Share at the Warrants Exercise Price during the relevant Exercise Period.
Issue Price	:	S\$1000 in aggregate
Exercise Price	:	S\$0.07054

The Exercise Price represent a discount of 9.8% to the VWAP of S\$0.0782 for trades done on the SGX-ST for 17 November 2021, being the last trading day prior to the signing of the Warrant Subscription Agreement.

- Exercise Period: :
- (a) 13,500,000 Warrants shall be exercisable at any time during the period commencing on the first (1st) anniversary of the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants;
 - (b) 13,500,000 Warrants shall be exercisable at any time during the period commencing on the second (2nd) anniversary of the date of issue of the Warrant and expiring at 5.00 p.m. on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants; and
 - (c) 13,500,000 Warrants shall be exercisable at any time during the period commencing on the third (3rd) anniversary of the date of issue of the Warrant and expiring at 5.00 p.m. on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants.

The Warrants that remain unexercised at the expiry of the abovementioned expiry periods (the “**Expiration Date**”) shall lapse and cease to be valid.

Constitution of the Warrants : The Warrants will be constituted by the deed poll to be executed by the Company (the “**Deed Poll**”), and are subject to the terms and conditions of the Warrants as set out in the Deed Poll.

Special Condition(s) : Where the holder of the Warrants is the Subscriber, the Warrants shall only be exercisable by the Subscriber on the terms and conditions of the Deed Poll, provided that the following conditions are satisfied at the time that the relevant Warrants are exercised:

- (a) the Beneficial Vendors remain in the employment of the Group, no notice of termination having been issued to any of the Beneficial Vendors by the relevant Group company (excluding any notice of termination issued by the relevant Group company to any of the Beneficial Vendors without cause) and no notice of resignation having been issued by any of the Beneficial Vendors;
- (b) the Beneficial Vendors not having breached any of the provisions of their respective employment contracts with the relevant Group company (including but not limited to the non-compete and non-solicitation clauses contained therein), and not having failed to perform and comply in all respects with any of the covenants and agreements under their respective employment contracts with the relevant Group company;
- (c) the Subscriber not having breached any provision of the Warrants Subscription Agreement, and not

having failed to perform and comply in all respects with any of its covenants and agreements under the Warrants Subscription Agreement, and none of the representations and warranties provided by the Subscriber in the Warrants Subscription Agreement are unfulfilled, untrue or incorrect; and

- (d) the Subscriber and the Beneficial Vendors not having breached any provision of the SPA, and not having failed to perform and comply in all respects with any of their respective covenants and agreements under the SPA, and none of the representations and warranties provided by any of them in the Warrants Subscription Agreement are unfulfilled, untrue or incorrect.

Where the holder of the Warrants is one of the Beneficial Vendors, the relevant Warrants shall only be exercisable by that Beneficial Vendor on the terms and conditions of the Deed Poll, provided that the following conditions are satisfied at the time that the relevant Warrants are exercised:

- (a) that Beneficial Vendor remains in the employment of the Group, no notice of termination having been issued to that Beneficial Vendor by the relevant Group company (excluding any notice of termination issued by the relevant Group company to that Guarantor without cause) and no notice of resignation having been issued by that Beneficial Vendor;
- (b) that Beneficial Vendor not having breached any of the provisions of his employment contract with the relevant Group company (including but not limited to the non-compete and non-solicitation clauses contained therein), and not having failed to perform and comply in all respects with any of the covenants and agreements under his employment contract with the relevant Group company;
- (c) the Subscriber (if still a holder of Warrants) not having breached any provision of the Warrants Subscription Agreement, and not having failed to perform and comply in all respects with any of its covenants and agreements under the Warrants Subscription Agreement, and none of the representations and warranties provided by the Subscriber in the Warrants Subscription Agreement are unfulfilled, untrue or incorrect; and
- (d) the Subscriber (if still a holder of Warrants) and the Beneficial Vendors not having breached any provision of the SPA, and not having failed to perform and comply in all respects with any of their respective covenants and agreements under the SPA, and none of the representations and

warranties provided by any of them in the Warrants Subscription Agreement are unfulfilled, untrue or incorrect.

Status of Warrant Shares	:	The Warrants shall be issued free from all claims, charges, liens and other encumbrances whatsoever and the Warrant Shares to be issued on the exercise of the Warrants shall rank pari passu in all respects with and carry all rights similar to existing Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date of which falls on or before the date of issue of such Warrant Shares to be issued pursuant to the exercise of the Warrants.
Listing and Transferability of the Warrants	:	<p>The Warrants shall be non-transferable, except with the Company's consent and provided that the transferee (i) does not fall within the category of restricted persons set out in Rule 812(1) of the Catalist Rules, and (ii) will not become a controlling shareholder of the Company in the event of the exercise/conversion of all the convertible securities held by the transferee.</p> <p>The Warrants will be issued in registered form and will not be listed and traded separately.</p>
Adjustments	:	The Exercise Price and/or the number of Warrants will, after their issue, be subject to adjustments in certain prescribed circumstances including consolidation or subdivision of Shares, capitalisation issues, rights issues and certain capital distributions. Appropriate announcements on the adjustments will be made by the Company.
Notice of Expiry	:	The expiry of the Warrants will be announced via SGXNET, and notice of expiry shall be sent to the holder of the Warrants at least 1 month before the Expiration Date.
Alteration to Terms	:	No material alteration to the terms of the Warrants after the issue thereof to the advantage of the holders of the Warrants and prejudicial to shareholders of the Company shall be made unless first approved by shareholders of the Company in general meeting, and, if necessary, SGX-ST.

3.3. Placement Agent and Private Placement

No placement agent has been appointed in respect of the Proposed Warrants Issue. The Target Company was introduced to the Purchaser and the Company through business associates when the Purchaser and the Company were studying the e-mobility market in Thailand. The Purchaser and the Company eventually engaged the Target Company to provide research and development services to design the Company's first electric two-wheelers models using the proprietary technology of the Target Company.

There will not be any prospectus or offer information statement issued in connection with the Proposed Warrants Issue as the foregoing will be undertaken pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore.

3.4. Conditions Precedent

Completion of the issuance of the Warrants is conditional on, amongst others, the following conditions precedent:

- (a) the Share Issue Mandate (as defined below) shall be valid, subsisting and adequate for the purposes of the issue of the Warrants and the Warrant Shares as at the completion of the Proposed Warrants Issue;
- (b) approval in principle for the listing and quotation of the Warrant Shares on the Catalist being obtained from the SGX-ST and not revoked or amended as at the completion of the Proposed Warrants Issue and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscriber;
- (c) the issue of the Warrants and the issue and subscription of the Warrant Shares and not being prohibited by any statute, order, rule or regulation promulgated after the date of this Agreement by any applicable legislative, executive or regulatory body or authority of Singapore; and
- (d) there having been no occurrence of any event or discovery of any fact rendering any of the warranties provided by the Company and Subscriber untrue or incorrect in any material respect as at the completion of the Proposed Warrants Issue as if they had been given again on the completion of the Proposed Warrants Issue;
- (e) the Company and the Subscriber not being in breach of any of the undertakings and the covenants in the Warrant Subscription Agreement as at the completion of the Proposed Warrants Issue; and
- (f) the Proposed Acquisition having been completed in accordance with the terms of the SPA.

If the above conditions precedent are not satisfied (or otherwise waived) within 3 months from the date of the Warrant Subscription Agreement (or such other date as may be mutually agreed between the parties), the Warrant Subscription Agreement (other than certain surviving provisions) shall be terminated.

3.5. Rationale for the Proposed Warrants Issue

The Company has decided to undertake the Proposed Warrants Issue to strengthen the Group's financial position and provide flexibility to capitalise on growth opportunities and also to ensure alignment of interest with the Beneficial Vendors and incentivise them to contribute positively to the Group. When the Warrants are exercised, the Proposed Warrants Issue will result in an injection of funds into the Company for research and development of e-mobility products, and to provide general working capital for the Group.

3.6. Use of Proceeds

The estimated proceeds from the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants) after deducting expenses incurred in connection with the same is expected to amount to approximately S\$2,856,870 (the "**Net Proceeds**").

The Company intends to utilise the Net Proceeds in the following proportions:

<u>Use of Net Proceeds</u>	<u>Amount of Net Proceeds</u>	<u>Proportion</u>
Research and development of e-mobility products	S\$1,428,435	50%
Working Capital	S\$1,428,435	50%

Total	S\$2,856,870	100%
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Pending the utilisation of the Net Proceeds for such purposes, such proceeds may be placed in deposits with banks or financial institutions or invested in short-term money markets or debt instruments or for any other purpose on a short-term basis as the Board may, in its absolute discretion, deem fit from time to time.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report of the use of proceeds from the exercise of the Warrants in the Company's interim and full-year financial statements issued and the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation when such funds are materially disbursed.

3.7. Directors' Confirmation

The Directors are of the opinion that after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Company has decided to undertake the Proposed Warrants Issue to strengthen the Group's financial position and provide flexibility to capitalise on growth opportunities. The exercise of the Warrants will result in an injection of funds into the Company for potential research and development of e-mobility products, and provide general working capital for the Group.

The Directors are of the further opinion that, as at the date of this announcement, after taking into consideration the Group's present bank facilities and the Net Proceeds from the exercise of the Warrants, the working capital available to the Group is sufficient to meet its present requirements.

4. AUTHORITY FOR ISSUE OF CONSIDERATION SHARES AND WARRANT SHARES

4.1. Share Issue Mandate

The Consideration Shares and the Warrant Shares will be issued pursuant to the general mandate approved by the Company's shareholders at the annual general meeting of the Company held on 23 April 2021 (the "**Share Issue Mandate**").

The Share Issue Mandate authorises the Directors to allot and issue new Shares and/or convertible securities of not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the Share Issue Mandate (being 496,858,657 Shares), of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders shall not be more than 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the Share Issue Mandate (being approximately 248,429,328 Shares).

Prior to the date of the SPA and the Warrant Subscription Agreement, 83,333,300 Shares were previously issued and allotted on 6 September 2021 pursuant to the placement of shares announced by the Company on 19 August 2021, 23 August 2021, 31 August 2021 and 6 September 2021 (the "**Previous Placement**"). Accordingly, the total number of Shares that may be issued pursuant to the Share Issue Mandate other than on a pro rata basis is 165,096,028 Shares. Accordingly, the Proposed Allotment of the 50,000,000 Consideration Shares and the 40,500,000 Warrant Shares (assuming the Warrants are fully exercised) will be within the limits of the Share Issue Mandate and specific shareholder approval from shareholders for the issuance and allotment of the Consideration Shares and Warrant Shares is not required.

4.2. Restricted Persons

The Subscriber does not fall within the category of restricted persons as listed in Rule 812(1) of the Catalist Rules. Accordingly, none of the Consideration Shares or the Warrants will be issued and allotted to any person who is a Director or substantial shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Catalist Rules.

4.3. Additional Listing Application

The Company, through its sponsor, Stamford Corporate Services Pte Ltd, will be making an application to the SGX-ST for the listing of and quotation for the Consideration Shares and the Warrant Shares on the Catalist of the SGX-ST. The Company will make the necessary announcements upon receipt of the listing and quotation notice from the SGX-ST.

5. FINANCIAL EFFECTS

5.1. Assumptions

The financial effects of the Proposed Acquisition are based on the unaudited financial statements of the Target Company for the financial year ended on 31 December 2020 and the audited consolidated financial statements of the Group for the financial year ended 31 December 2020.

The financial effects of the Proposed Warrants Issue (and the issue and allotment of the Warrant Shares assuming full exercise of the Warrants) on the Group are prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020.

The financial effects set out below are purely for illustrative purposes only and do not reflect the actual financial performance or position of the Company and the Group after the Proposed Acquisition, the Proposed Warrants Issue (and the issue and allotment of the Warrant Shares assuming full exercise of the Warrants).

5.2. Net Tangible Assets (“NTA”)

Assuming that the Proposed Acquisition and the issue and allotment of the Warrant Shares (and assuming full exercise of the Warrants) had been completed on 31 December 2020, being the end of the most recently completed financial year of the Group, the effect on the NTA per Share for the financial year ended 31 December 2020 is as follows:

	Before the Proposed Acquisition and the Proposed Warrants Issue	After the Proposed Acquisition only	After the issue and allotment of the Warrant Shares only (assuming full exercise of the Warrants)	After the Proposed Acquisition and after the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants)
NTA (S\$'000)	52,494	48,608	55,351	51,465
Number of ordinary shares in issue ('000)	496,859	630,192 ²	620,692	670,692

² Includes the 83,333,300 Shares which were issued and allotted on 6 September 2021 pursuant to the Previous Placement

NTA per Share (S\$ cents)	10.57	7.71	8.92	7.67
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5.3. Earnings per Share (“EPS”)

Assuming that the Proposed Acquisition and the issue and allotment of the Warrant Shares (and assuming full exercise of the Warrants) had been completed on 1 January 2020, being the beginning of the most recently completed financial year of the Group, the effect on the EPS per Share for the financial year ended 31 December 2020 is as follows:

	Before the Proposed Acquisition and the Proposed Warrants Issue	After the Proposed Acquisition only	After the issue and allotment of the Warrant Shares only (assuming full exercise of the Warrants)	After the Proposed Acquisition and after the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants)
Profit attributable to shareholders of the Company (S\$'000)	5,592	5,100	5,592	5,100
Weighted average number of shares ('000)	496,859	630,192	620,692	670,692
EPS (S\$ cents)	1.13	0.81	0.90	0.76

6. SHAREHOLDING EFFECTS

As at the date of this announcement, the Company has an issued share capital of S\$63,590,662 comprising 580,191,957 Shares³. Immediately following the completion of the Proposed Acquisition and the Proposed Allotment, the Company will have an enlarged issued and paid-up capital of S\$67,117,662 comprising 630,191,957 Shares. The Consideration Shares represent approximately 8.62% of the issued Shares of the Company as at the date of this announcement and approximately 7.93% of the issued Shares comprised in the enlarged share capital of the Company immediately after completion of the Proposed Acquisition and the Proposed Allotment.

Following the completion of the Proposed Acquisition and the Proposed Allotment and assuming that the Warrants are fully exercised (and further assuming that no further Shares are issued after the completion of the Proposed Acquisition and the Proposed Allotment but before the completion of the exercise of the Warrants), the Company will have an enlarged issued and paid-up capital of S\$69,974,532 comprising 670,691,957 Shares. Assuming the Warrants are fully exercised and assuming that no further Shares are issued after the completion of the Proposed Acquisition and the Proposed Allotment but before the completion of the exercise of the Warrants, the Warrant Shares represent approximately 6.98% of the issued Shares of the Company as at the date of this announcement, approximately 6.43% of the issued Shares comprised in the enlarged share capital of the Company immediately after the completion of the Proposed Acquisition and the Proposed Allotment and approximately 6.04% of the issued Shares comprised in the enlarged share capital of the Company after the completion of the Proposed Acquisition and the Proposed Allotment and immediately after the issuance of the Warrant Shares.

³ Includes the 83,333,300 Shares which were issued and allotted on 6 September 2021 pursuant to the Previous Placement

The effect of the Proposed Acquisition, the Proposed Allotment and the Proposed Warrants Issue on the shareholdings of the Subscriber is as follows:

Before the Proposed Acquisition and the Proposed Warrants Issue		After the Proposed Acquisition and the Proposed Allotment only		After the Proposed Acquisition, the Proposed Allotment and the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants by the Subscriber)	
No. of Shares	Shareholding Percentage ⁽¹⁾	No. of Shares	Shareholding Percentage ⁽²⁾	No. of Shares	Shareholding Percentage ⁽³⁾
-	-	50,000,000	7.93%	90,500,00	13.49%

Notes:

- (1) Based on the total number of issued Shares comprising 580,191,957 Shares as of the date of this announcement (including the 83,333,300 Shares which were issued and allotted on 6 September 2021 pursuant to the Previous Placement).
- (2) Based on the enlarged total number of issued Shares comprising 630,191,957 Shares.
- (3) Based on the enlarged total number of issued Shares comprising 670,691,957 Shares.

The issuance and the allotment of the Consideration Shares and the Warrant Shares to the Subscriber will not result in a change of controlling interest in the Company.

7. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and their respective associates, and to the best of knowledge of the Directors, none of the substantial shareholders of the Company and their respective associates has any interest, direct or indirect, in the SPA and the Warrant Subscription Agreement and transactions contemplated therein, other than through their respective directorships and/or shareholding interests, if any, in the Company.

8. DOCUMENTS FOR INSPECTION

The following documents are available for inspection during normal business hours at the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, subject to prior appointment and prevailing COVID-19 restrictions in Singapore, for a period of 3 months from the date of this announcement:

- (a) the SPA;
- (b) the Warrant Subscription Agreement; and
- (c) the Deed Poll; and
- (d) the Valuation Report.

9. 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 Proposed Acquisition, the Proposed Allotment and the Proposed Warrants Issue and 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.

10. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action in respect of securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Completion of the Proposed Acquisition, the Proposed Allotment and the Proposed Warrants Issue is subject to fulfilment of the conditions in the SPA and the Warrant Subscription Agreement and, as at the date of this announcement, there is no certainty or assurance that the Proposed Subscription will be proceed to Completion. In the event of any doubt, shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

By Order of the Board of
GSS ENERGY LIMITED

Anthony Kuek
Chairman
19 November 2021

This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "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, Telephone number: 6389 3000 Email: Bernard.lui@morganlewis.com