



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

DISPOSAL OF INTEREST IN AN ASSOCIATED COMPANY

1. INTRODUCTION

- 1.1. The board of directors (the **"Board"**) of GSS Energy Limited (the **"Company"** and its subsidiaries, the **"Group"**) wishes to announce that, its wholly-owned subsidiary, Giken Motors Asia Pacific Pte. Ltd. (**"GMAP"**), has, on 17 January 2024, entered into an agreement (the **"Agreement"**) with YL Global Ventures Sdn. Bhd. (**"YL Global"**) and Dato' Lai Keng Onn (the **"Purchaser"**) for, amongst others, the disposal of all of the shares held by GMAP (the **"Sale Shares"**) in Synergic Modern Sdn. Bhd (**"SMSB"**), representing 19% of the total issued and paid-up capital of SMSB (the **"Disposal"**).
- 1.2. The Company had previously disclosed in its unaudited condensed interim financial statements for the six (6) months ended 30 June 2023 dated 14 August 2023 that GMAP had, in April 2023, invested approximately S\$3,000 (the **"Investment Consideration"**) to acquire a 19% non-controlling interest in SMSB (the **"Acquisition"**). Following the Acquisition, GMAP provided loans to SMSB totaling an aggregate amount of RM184,858.60 (equivalent to S\$52,777¹) (the **"Loans"**) to finance SMSB's operational costs. The Board was of the view that the provision of the Loans was in the best interest of the Group as SMSB was envisaged to be a key distribution partner for the Group's electric vehicles in Malaysia.
- 1.3. In connection to the Disposal and pursuant to the terms of the Agreement, GMAP, YL Global, SMSB and the Purchaser shall have no further claims against each other, and any claim made prior to the execution of the Agreement shall be deemed to have been settled fully upon execution of the Agreement. Accordingly, all amounts owing under the Loans are deemed to be settled fully upon GMAP's execution of the Agreement (the **"Waiver"**).

2. THE DISPOSAL

2.1. Information on the Purchaser

The Purchaser is Dato' Lai Keng Onn, the majority shareholder of SMSB. The Purchaser is not related to any of the Directors, the substantial shareholders of the Company, or their respective associates. As of the date of this announcement, the Purchaser does not hold any shareholding interest (whether direct or indirect) in the Company or any of its subsidiaries.

2.2. Consideration

The aggregate value of the consideration that has been paid to GMAP in cash for the Disposal is RM1.00 (equivalent to S\$0.29) (the **"Consideration"**). The Consideration was determined through negotiations on a willing-buyer, willing-seller basis, taking into account the delays in the launch of the Group's Uno-X electric motorcycle in Malaysia, the shift in the business direction of SMSB that was determined by the majority shareholder of SMSB and the relative amounts invested by the other shareholders into SMSB.

¹ In this announcement, all figures converted from Malaysian Ringgit (**"RM"**) to Singapore Dollar (**"S\$"**) is based on the prevailing exchange rate of RM1.00 : S\$0.2855, as at 16 January 2024, as published by the Monetary Authority of Singapore.

No valuation was conducted in connection with the Disposal.

2.3. Net asset value and net loss of SMSB and the Sale Shares

Based on the unaudited financial statements of SMSB for the financial year ended 30 June 2023, the net asset value of SMSB was RM352,485 (equivalent to S\$100,634) and the net loss of SMSB was RM7,015 (equivalent to S\$381).

The net asset value and net loss attributable to the Sale Shares is are therefore, RM352,485 and RM7,015 respectively (equivalent to S\$100,634 and S\$381 respectively).

2.4. Rationale for Disposal and Waiver

The Group had previously appointed SMSB to distribute the Group's Uno-X electric motorcycle in Malaysia. However, due to delays in obtaining the necessary regulatory approvals in Malaysia for the sale and distribution of the Group's Uno-X electric motorcycle, as well as the costs incurred by SMSB, the majority shareholder of SMSB has determined to pivot the business direction of SMSB and SMSB will indefinitely cease working with the Group for the Group's Uno-X electric motorcycle in Malaysia. Further, as part of the terms of the Agreement and in consideration for the waiver of the Loans owing by SMSB, SMSB has agreed to waive all obligations owing by GMAP.

In light of the above, the Company's management has recommended for the Group to dispose of its 19% shareholding interest in SMSB and to waive the Loans. The Board has reviewed management's recommendations and approved the Disposal and the Waiver.

The Company is currently negotiating with several parties to be appointed as the distributor for the Group's Uno-X electric motorcycle in Malaysia. The Company currently anticipates that the new distributor will be appointed in the second half of 2024. Concurrently, the Group will continue its efforts to obtain approval from the Malaysian authorities for the distribution of the Group's Uno-X electric motorcycle.

2.5. Relative figures computed based on Rule 1006 of the Catalist Rules

The relative figures in relation to the Disposal as set out below are computed on the applicable bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "Catalist Rules") based on the latest announced unaudited condensed interim consolidated financial statements of the Group for the six (6) months ended 30 June 2023.

Rule 1006	Bases of Calculation	Relative Figures
(a)	The net asset value of assets to be disposed, compared with the Group's net asset value	0.15% ^{(1) (2)}
(b)	The net profit attributable to the assets acquired or disposed of, compared with the Group's net profit	0.01% ⁽³⁾
(c)	The aggregate value of consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	0.27% ^{(4) (5)}
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable ⁽⁶⁾

(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves.	Not Applicable ⁽⁷⁾
-----	--	-------------------------------

Notes:

- (1) In accordance with paragraph 3.2(a) of Practice Note 10A of the Catalist Rules, the amount of RM184,858.60 (equivalent to S\$52,777), being the Loans waived by GMAP is added to the net asset value attributable to the Sale Shares.
- (2) The net asset value attributable to the Sale Shares is approximately S\$71,897, compared with the Group's net asset value of S\$47,981,000.
- (3) The net loss attributable to the Sale Shares is approximately S\$381, compared with the Group's net loss of S\$ 3,318,000.
- (4) In accordance with paragraph 3.2(b)(iii) of Practice Note 10A of the Catalist Rules, the amount of S\$52,777, being the Loans waived by GMAP, is included to the value of the consideration for the Sale Shares.
- (5) The consideration for the Disposal is RM1 (equivalent to S\$0.29). The market capitalization of the Company of S\$19,535,950 is determined by multiplying 630,191,957 ordinary shares in issue ("**Shares**") as at the date of this announcement by the closing share price of approximately S\$0.031 for trades done on 16 January 2024, being the full market day immediately preceding the date of this announcement.
- (6) Rule 1006(d) of the Catalist Rules is not applicable as the Disposal does not involve an issue of equity securities.
- (7) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

As none of the absolute relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceed 5%, the Disposal would ordinarily constitute a "non-discloseable transaction" as defined in Chapter 10 of the Catalist Rules.

However, under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 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.

Following the Disposal and the Waiver, the Company will incur a loss on disposal of approximately S\$55,777 comprising the waiver of the Loans and the write-off of the Investment Consideration.

As the relative figure computed pursuant to Rules 1006(b) is a negative figure, and the Disposal constitutes a disposal of a loss-making asset by an issuer (whether profitable or loss-making), the operative provision of Practice Note 10A of the Catalist Rules is paragraph 4.3(e).

With reference to paragraph 4.3(e) of Practice Note 10A of the Catalist Rules, the Disposal constitutes a disposal of a loss-making asset by an issuer (whether profitable or loss-making), where: (i) the absolute relative figure computed on the basis of each of Rule 1006(a) and Rule 1006(c) amounts to 5% or less; and (ii) if the disposal will result in a loss on disposal, the loss on disposal amounts to 5% or less of the consolidated net profit or net loss of the issuer.

Based on the above, as the Disposal satisfies the requirements of, and falls under paragraph 4.3(e) of Practice Note 10A of the Catalist Rules, no announcement and shareholders' approval of the

Disposal is required. Nevertheless, in the interest of good corporate governance, the Company is making a voluntary announcement on the Disposal pursuant to Rule 1008(2) of the Catalist Rules.

The Disposal is not expected to have any material financial impact on the consolidated net tangible assets per share or earnings per share for the financial year ending 31 December 2023.

3. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors, controlling shareholders or substantial shareholders of the Company has an interest, direct or indirect in the Disposal or the Waiver, other than through their respective shareholdings in the Company.

4. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement will be available for inspection during normal business hours at the Company's registered office at 141 Cecil Street, #07-06 Tung Ann Association Building, Singapore 069541, for a period of three (3) months from the date of this announcement.

By Order of the Board of
GSS ENERGY LIMITED

Anthony Kuek
Chairman
17 January 2024

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