APPENDIX B DATED 14 APRIL 2022

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Appendix is circulated to the shareholders of GSS Energy Limited (the "**Company**") together with the annual report for the financial year ended 31 December 2021 (the "**Annual Report**"). Its purpose is to provide information on the Proposed Diversification (as defined herein) to be tabled at the AGM (as defined herein) of the Company to be held on 29 April 2022 at 10.00 a.m. by electronic means. The Notice of AGM (as defined herein) and the attached Proxy Form are enclosed with the Annual Report.

If you are in any doubt about this Appendix or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of GSS Energy Limited (the "**Company**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Appendix, the Notice of AGM and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company by physical share certificate(s), you should immediately forward this Appendix, the Notice of AGM and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix 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 Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix. The contact person for the Sponsor is Mr. Bernard Lui (Tel: 6389 3000 or email: bernard.lui@morganlewis.com).

This Appendix has been made available on SGXNet and the Company's website and may be accessed at the URL https://www.gssenergy.com.sg/. A printed copy of this Appendix will NOT be despatched to Shareholders (as defined herein).

To minimise physical interactions and Covid-19 transmission risks, Shareholders will not be able to attend the AGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the AGM by (i) watching a "live" webcast or listening to a "live" audio feed; (ii) asking questions "live" at the virtual information session or submitting questions in advance of the AGM ; and (iii) voting by appointing the Chairman of the AGM as proxy at the AGM. Please refer to the Notice of AGM which has been uploaded on SGXNet for further information, including the steps to be taken by Shareholders to participate at the virtual information session and/or AGM.

GSS ENERGY LIMITED

(Company Registration Number: 201432529C)
(Incorporated in the Republic of Singapore)

APPENDIX TO THE NOTICE OF AGM IN RELATION TO THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE THE ELECTRIC VEHICLE MOBILITY BUSINESS

IMPORTANT DATES AND TIMES:

Last date and time to pre-register to attend the Virtual Information Session ("**VIS**")	:	19 April 2022 at 10.00 a.m
Date and time of VIS	:	20 April 2022 at 10.00 a.m
Last date and time for submission of questions in advance of the AGM	:	21 April 2022 at 10.00 a.m
Last date and time to pre-register to attend the AGM	:	26 April 2022 at 10.00 a.m
Last date and time for lodgment of Proxy Form	:	26 April 2022 at 10.00 a.m
Date and time of AGM	:	29 April 2022 at 10.00 a.m
Place of AGM and VIS	:	The AGM and VIS will be held by electronic means

CONTENTS

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Appendix are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. Further, the Company disclaim any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

DEFINITIONS

The following definitions apply throughout in this Appendix except where the context otherwise requires or otherwise stated:

"**Acquisition**"	:	Has the meaning ascribed to it in paragraph 2.3 of this Appendix
"**Aggregated Transactions**"	:	Has the meaning ascribed to it in paragraph 2.5 of this Appendix
"**AGM**"	:	Annual general meeting of the Company to be held by way of electronic means on 29 April 2022 at 10.00 a.m.
"**Appendix**"	:	This appendix to the Notice of AGM dated 14 April 2022
"**Audit Committee**"	:	The audit committee of the Company as at the Latest Practicable Date
"**Board**"	:	The board of directors of the Company as at the Latest Practicable Date
"**Catalist Rules**"	:	Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Companies Act**"	:	Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
"**Company**"	:	GSS Energy Limited
"**Conflicted Individual**"	:	Has the meaning ascribed to it in paragraph 2.9 of this Appendix
"**Consideration Shares**"	:	Has the meaning ascribed to it in paragraph 2.3 of this Appendix
"**Director(s)**"	:	The director(s) of the Company as at the Latest Practicable Date
"EICMA 2021"	:	Has the meaning ascribed to it in paragraph 2.3 of this Appendix
"**Edison Motors**"	:	Edison Motors Co., Ltd
"**Existing Business**"	:	Has the meaning ascribed to it in paragraph 2.1 of this Appendix
"**First Major Transaction**"	:	Has the meaning ascribed to it in paragraph 2.5 of this Appendix
"**GEL Scheme**"	:	Has the meaning ascribed to it in paragraph 4.1 of this Appendix
"**GEL 2018 Scheme**"	:	Has the meaning ascribed to it in paragraph 4.1 of this Appendix
"**Giken Mobility**"	:	Giken Mobility Pte. Ltd.
"**Giken Sakata**"	:	Giken Sakata (S) Limited
"**Group**"	:	The Company and its subsidiaries
"**Latest Practicable Date**"	:	31 March 2022, being the latest practicable date prior to the issuance of this Appendix

"**New Business**"	:	The electric vehicle mobility business as described in Section 2.2 of this Appendix
"**Proposed Diversification**"	:	The proposed diversification of the Group's business to include the New Business
"**Register of Members**"	:	The register of members of the Company
"**Services Agreement**"	:	Has the meaning ascribed to it in paragraph 2.3 of this Appendix
"**SFA**"	:	The Securities and Futures Act 2001 of Singapore, as amended, supplemented, or modified from time to time
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Persons who are registered as holders of the Shares in the Register of Members of the Company except that where the registered holder is CDP, the term "**Shareholders**" shall, where the context admits, mean the Depositors whose securities accounts are credited with Shares
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Sponsor**"	:	Stamford Corporate Services Pte. Ltd.
"**Substantial Shareholder**"	:	A person who has an interest or interests in one or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company
"**TLV**"	:	Has the meaning ascribed to it in paragraph 2.3 of this Appendix
"%"	:	Per centum or percentage

The terms "**Depositor**" shall have the meaning ascribed to it in Section 81SF of the SFA.

The terms "**treasury shares**" and "**subsidiary**" shall have the meanings ascribed to them in Section 4 and Section 5 of the Companies Act, respectively.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Appendix shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

GSS ENERGY LIMITED

(Company Registration Number: 201432529C)
(Incorporated in the Republic of Singapore)

LETTER TO SHAREHOLDERS

Board of Directors:

Kuek Eng Chye, Anthony (Non-Executive Chairman)
Yeung Kin Bond, Sydney (Group CEO, Executive Director)
Ng Say Tiong (Executive Director)
Lee Kok Beng (Executive Director)
Fung Kau Lee, Glenn (Non-Independent Non-Executive Director)
Wong Quee Quee, Jeffrey (Independent Non-Executive Director)

Registered Office:

1 Harbourfront Avenue, #14-07
Keppel Bay Tower,
Singapore 098632

14 April 2022

To: The Shareholders of the Company

Dear Sir/Madam,

THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE THE ELECTRIC VEHICLE MOBILITY BUSINESS

1. INTRODUCTION

1.1 The Company will be holding its AGM on 29 April 2022 at 10.00 a.m. by electronic means. The Notice of AGM and the Proxy Form have been circulated on 14 April 2022.

1.2 Purpose of the Appendix

The purpose of this Appendix is to provide Shareholders with information relating to the Proposed Diversification and to seek Shareholders' approval for the Proposed Diversification.

This Appendix has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purposes.

1.3 The SGX-ST

The SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

1.4 Legal Adviser

Morgan Lewis Stamford LLC is the legal adviser to the Company as to Singapore law in relation to the Proposed Diversification and this Appendix.

2. THE PROPOSED DIVERSIFICATION

2.1 Existing Business

The Company is currently primarily engaged in the following businesses:

(a) the precision engineering business, comprising the manufacture and sale of micro shafts and other precision parts and assembly of mechanisms used in computers and a range of electronic products, including the manufacture of basic precious and non-ferrous metal products; and

(b) the oil and gas business[1].

(collectively, the "**Existing Business**").

2.2 Scope of New Business

The Group proposes to expand the scope of its Existing Business to include the electric vehicle mobility business (the "**New Business**").

It is intended that the New Business will consist of the end-to-end development and production of electric motorcycles and other electric vehicles, and related components and peripherals, comprising the following activities:

(a) engaging in research, ideation, engineering and prototyping of electric motorcycles and other electric vehicles and related components and peripherals;

(b) engaging in the development, manufacture, production assembly and distribution of electric motorcycles and other electric vehicles and related components and peripherals including but not limited to battery solution for electric motorcycles and other electric vehicles;

(c) holding investments in the electric vehicle mobility sector (including without limitation investments or participation in units, securities, partnership interests or any other form of economic participation in any trust, entity or unincorporated association that carries on or invests, directly or indirectly, in the New Business);

(d) engaging in the marketing and promotion of total solutions in the electric vehicle mobility sector, including the provision of advisory or other solutions in relation to the development, manufacture, production assembly and distribution of electric motorcycles and other electric vehicles, swapping and charging stations for electric motorcycles and other electric vehicles and software development for electric motorcycles and other electric vehicles; and

(e) any other ancillary activities related to the New Business.

For the avoidance of doubt, the Group remains committed to the continuance of its Existing Business for so long as its Existing Business remains viable and its continuity is in the best interest of the Group.

2.3 Information on the New Business

In 2019, the Group commenced the design of electric motorcycles and completed a motorcycle assembly line in Batam, Indonesia with a 5,100 square feet sample lot assembly line and a production capacity of up to 500 electric motorcycles per month. In 2020, the Group obtained the World Manufacturer Identifier (WMI)[2] for its motorcycle assembly factory. The electric motorcycle assembly facility of the Group has room for the expansion of the production capacity to up to 5,000 electric motorcycles per month.

On 17 June 2019, Giken Sakata and Edison Motors in Thailand entered into a product, technical design and development services agreement (the "**Services Agreement**") whereby Edison Motors has been providing design, technical and engineering services to the Group to design and develop electric motorcycles using its proprietary patented technologies including but not limited to the body, battery pack and motor technology.

---

[1] After the initial discovery of oil and gas in 2018, the Group decided in 2019 to farm out its oil and gas projects due to the industry outlook and to focus its resources on the precision engineering business. Please refer to (i) the Company's announcement dated 18 June 2019 in relation to the disposal of 80% of the issued and paid-up share capital of GSS Energy Trembul Limited, a wholly-owned subsidiary of the Company and (ii) the Annual Report of the Company for the financial year ended 31 December 2019 for further details on the farming out its oil and gas assets.

[2] ISO 3780:2009 specifies the content and structure of an identifier in order to establish, on a world-wide basis, the identification of road vehicle manufacturers. The WMI constitutes the first section of the vehicle identification number (VIN) described in ISO 3779 (Source: The official website of the International Organization for Standardization with the relevant information accessible at https://www.iso.org/standard/45844.html).

In early 2020, Giken Mobility entered into a global licensing agreement with Town Life Veicoli S.R.L. ("**TLV**") which is part of the Lamborghini family helmed by Mr Ferruccio Lamborghini of Tonino Lamborghini S.p.A.. of the international motorcycle brand "Iso" until 2044.

On 19 August 2021, the Company announced that it had entered into a placement agreement for the placement of an aggregate 83,333,300 Shares to AP Capital Ltd, Yau Kok Seng, Sim Siew Tin Carol (Shen Xiuzhen, Carol), Wilson Lim C W and Hooi Hing Lee to raise net proceeds of approximately S$4,834,998, of which 80% would be allocated to financing the Group's business expansion, including the expansion into the e-mobility business to design and develop electric two-wheelers and other related electric vehicle technologies. The placement was completed on 6 September 2021 and the Company has used S$2,868,000 of the net proceeds from the placement to partially fund the consideration for the Acquisition. Please refer to the Company's announcement dated 30 March 2022 in relation to the use of the proceeds from the placement for further details.

On 19 November 2021, the Company announced that Giken Mobility had entered into a conditional sale and purchase agreement with Noside Holding Pte. Ltd., Nataphat Lertviriyasawat, Phuripong Mangkornkan and Vikram Ahuja in relation to the proposed acquisition by Giken Mobility of 100% of the share capital of Edison Motors for an aggregate consideration of S$7,527,000 (the "**Acquisition**"). The aggregate consideration for the Acquisition is S$7,527,000, of which S$3,527,000 was satisfied by the issue and allotment of 50,000,000 new shares in the Company (the "**Consideration Shares**") at an issue price of S$0.07054 for each new share to Noside Holding Pte. Ltd. on the completion of the Acquisition. Edison Motors is a private limited company incorporated in Thailand and its principal activities are the provision of research and development services in respect of electric motorcycles, and the trading of motor vehicles, including spare parts and equipment. Giken Mobility has a close working relationship with Edison Motors under the Services Agreement and is familiar with the business operations of Edison Motors. It is also the biggest client and source of funding of Edison Motors for the development and upgrading of Edison Motors's technologies and has in-depth knowledge of Edison Motors technologies, having worked closely with Edison Motors over the last 2 years to upgrade the Edison Motors's technology capabilities. The Acquisition was completed on 31 March 2022. Please refer to the Company's announcement dated 19 November 2021 in relation to the Acquisition and the Company's announcement dated 30 March 2022 in relation to the completion of the Acquisition for further details.

The Acquisition is in line with the Group's strategy to expand into the electric vehicle mobility market to design and develop electric two-wheelers and other related electric vehicle technologies. Edison Motors possesses certain patents in relation to the electric two-wheelers and has successfully developed 2 models of electric two-wheeler for Giken Mobility. Following the completion of the Acquisition, the Group acquired ownership of the patents, design, research and development capabilities, technical support to manufacture the electric two-wheelers with initial distribution in Thailand and potential markets in the Asia pacific region.

On 19 November 2021, the Company also announced that it had entered into a warrant subscription agreement with Noside Holding Pte Ltd. in relation to the placement of 40,500,000 new warrants ("**Warrants**") exercisable into 40,500,000 Shares at an exercise price of exercise price of S$0.07054 for each Warrant to raise net proceeds of approximately S$2,856,870 (assuming full exercise of the Warrants). The Company intends to utilize S$1,428,435, representing 50% of the net proceeds from the exercise of the Warrants, for the research and development of e-mobility products. The issuance of the Warrants was completed on 31 March 2022. Please refer to the Company's announcement dated 30 March 2022 in relation to the completion of the Acquisition and the issuance of the Warrants for further details.

On 19 November 2021, the Company further announced the participation of Giken Mobility in the 2021 Esposizione Internazionale Delle Due Route ("**EICMA 2021**"), also known as the Milan International Two-Wheel Exhibition in Italy. The EICMA 2021 is an important international show dedicated to motorbikes and the world of the two-wheelers and is a reference point for motorbike aficionados to learn about the developments in biking. It involved the participation of the leading brands in the motorbike sector and drew particular attention to the electric and sustainable mobility which aims to provide green and low-environmental impact from daily use, with displays on prototypes, new zero-emission motorbikes, push scooters and mopeds. Together with TLV, Giken Mobility showcased two new models of electric motorcycles at the EIMCA 2021.

On 22 February 2022, the Company announced that Giken Mobility had received homologation certification in Thailand for its new Iso UNO-X electric motorcycle, certifying it fit for sale and road-worthy in the country. The UNO-X had passed all mandatory testing and inspections by relevant government authorities, including the Department of Land Transport and Thailand Automotive Institute in late 2021. Giken Mobility intends to launch the first batch of UNO-X electric motorcycles in Bangkok from its Batam motorcycle production line within second quarter of 2022. Iso UNO-X will serve the niche segment of the mid-to-premium electric motorcycle market in Thailand.

The Company intends to continue to expand into the electric mobility market to design and develop electric two-wheelers and other related electric vehicle technologies. The Company is aiming to expand to 3 countries across Asia by the end of 2022 and across 3 continents by the end of 2024. It is targeting the sales and production of 20,000 electric motorcycles by 2024 and intends to launch two to three new electric motorcycle models within the next 36 months. In terms of its expansion strategy, the Company is in discussions with dealers and distributors across 5 markets for Business-to-Consumer ("**B2C**") distributorships. It is also in discussion with companies involved in food delivery, motorcycle taxies, vehicle rental as well as government agencies to explore Business-to-Business ("**B2B**") sales. The Company is also looking to expand into white label design and manufacturing and the licensing of electric vehicle technology.

The Group does not plan to restrict the New Business to any specific geographical market as each investment will be evaluated and assessed by the Board on its merits. The Board will ensure that each investment will be undertaken by the Group in compliance with all relevant rules and regulations, including but not limited to the Catalist Rules.

The Group may also, as part of the New Business, invest in or acquire or dispose of shares or interests in any entity whose principal business is in the New Business. The Group may also explore joint ventures and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the New Business. The decision on whether a project should be undertaken by the Group on its own or in collaboration with third-parties will be made by the Board after taking into consideration various factors, including but not limited to, the nature and scale of each project, amount of investment required and risks associated with such an investment, nature of expertise required, the period of time that is required to complete the project and conditions in the market, taking into account the opportunities available.

2.4 Rationale for the Proposed Diversification

Notwithstanding the risks associated with the New Business as set out in paragraph 2.10 of this Appendix, the Board believes that the Proposed Diversification is in the interest of the Shareholders for the following reasons:

(a) **The Proposed Diversification will reduce the Group's dependence on the Existing Business and provide a more diversified business and income base.**

Given the current uncertainties prevailing in the global economy and the challenging market conditions in the precision engineering and offshore oil and gas sectors which have been exacerbated by the ongoing global COVID-19 crisis, the Group believes it is prudent not to rely solely on its Existing Business. The Proposed Diversification would reduce the Group's reliance on the Existing Business by diversifying its revenue stream, as well as improve future prospects and better support the growth of the Group, so as to enhance Shareholders' value.

(b) **The Proposed Diversification is expected to provide additional and recurrent revenue streams with a view to achieving long-term growth.**

The Proposed Diversification is expected to provide additional and recurrent revenue stream for the Group. The Board is also of the view that the outlook for the New Business is positive given the fast-growing market for electric vehicles in the Group's target markets in Asia.

The Group intends to launch electric motorcycles in Thailand, as one of its first target markets, in second half of 2022. Thailand is a major motorcycle market in the world, with an estimated 22 million motorcycles on its roads. As many as 1.6 million new motorcycles were registered in 2021 alone. Among the new motorcycles sold in Thailand last year, only 3,477 units, or about 0.2%, were battery electric vehicle motorcycles[3]. In February 2022, Thailand's cabinet approved a package of incentives, including tax cuts and subsidies, to promote a shift to electric vehicles in the country. The package for 2022-2025 is in line with a zero-emission vehicle policy and the goal to ensure that 30% of Thailand's total auto production are electric vehicles by 2030[4]. According to data from the second edition of the Nissan-commissioned study by Frost & Sullivan (2021), "The Future of Electrified Vehicles in Southeast Asia"[5], as a whole, electric vehicles are gaining in popularity across Southeast Asia, and nearly two-thirds, or 64%, of respondents across the region say they are more willing to consider an electrified vehicle than they were five years ago, while 66% believe they will inevitably adopt electrified mobility as part of their lives in the near future.

(c) **There is potential synergy between the Existing Business and the New Business.**

The Group believes in the potential synergy that could be realized between the Existing Business and the New Business given that the New Business requires similar skill sets, machinery, and equipment to the Existing Business.

The Group's acquisition of Edison Motor provided synergies between the Group's production facilities in Batam and the design and technical capabilities of Edison Motors in the electric two-wheeler market. Coupled with supportive government policies, this will enable the Group's timely penetration into the fast-growing electric motorcycle market in Thailand. The Group is of the view that the market opportunity is substantial and would support robust sales of electric motorcycles in Thailand, and also in other markets around the region in the near future. In addition to maximizing the usage of the Group's resources, the Proposed Diversification will add synergy to the Group's operations in terms of the utilisation of manpower and assets.

(d) **The Proposed Diversification will give the Group the flexibility to enter into transactions relating to the New Business in the ordinary course of business.**

Upon receipt of approval from Shareholders for the Proposed Diversification, the Group may, in the ordinary course of business, enter into transactions relating to the New Business without having to seek Shareholders' approval, subject to compliance with the relevant Catalist Rules referred to in paragraph 2.5 below. This can be done as long as such transactions do not change the Group's risk profile, and will eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when potential transactions relating to the New Business arise. This will allow the Group greater flexibility to pursue business opportunities relating to the New Business which may be time-sensitive in nature and will substantially reduce the expenses associated with the convening of general meetings from time to time.

[3] https://data.thaiauto.or.th/auto/motorcycle-stat/motorcycle-registration/stat-motorcycle-registration.html

[4] https://www.todayonline.com/world/thailand-approves-incentives-promote-ev-shift-1817336

[5] https://asean.nissannews.com/en/releases/release-7161d2d8cc2346976d7989759911c223-unwavering enthusiasm-in-southeast-asia-for-electrified-mobility-study-shows

2.5 Requirements Under the Catalist Rules

Upon receipt of approval from Shareholders for the Proposed Diversification, the New Business, together with the Existing Business, will constitute the Group's ordinary course of business. **Any acquisition which is in or in connection with the New Business may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may possibly, in its ordinary course of business, enter into transactions relating to the New Business which do not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek for Shareholders' approval as and when potential transactions relating to the New Business arise, even where they cross the threshold of a "major transaction" (as defined under Chapter 10 of the Catalist Rules, for which Shareholders' approval is required).** As set out in Practice Note 10A of the Catalist Rules, an acquisition that is regarded to be in, or in connection with, the ordinary course of an issuer's business, is not subject to the requirements under Chapter 10 of the Catalist Rules (except for Part VIII on very substantial acquisitions or reverse takeovers). An acquisition can be regarded to be in, or in connection with, the ordinary course of an issuer's business, if: (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile. This will substantially reduce the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

Pursuant to Rule 1014 of the Catalist Rules, a "major transaction" is a transaction (as defined in Rule 1002(1) of the Catalist Rules) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules (a) exceeds 75% but is less than 100% (for an acquisition); or (b) exceeds 50% (for a disposal or the provision of financial assistance), and must be made conditional upon approval by shareholders in a general meeting.

In accordance with the SGX-ST's recommended practice in relation to diversification of business, if an issuer has not operated in the new business space and did not provide sufficient information about the new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first Major Transaction involving the new business (the "**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions involving the new business aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon shareholders' approval.

For the avoidance of doubt, notwithstanding the Proposed Diversification into the New Business, in respect of transactions:

(a) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 100% or more or results in a change in control of the issuer, Rule 1015 of the Catalist Rules will still apply and such transactions must be, among others, made conditional upon approval by Shareholders in general meeting;

(b) which constitute an "interested person transaction" as defined under the Catalist Rules, Chapter 9 of the Catalist Rules will apply and the Company will comply with the provisions of Chapter 9 of the Catalist Rules;

(c) the First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval, if applicable; and

(d) Paragraph 2 of Practice Note 10A of the Catalist Rules will apply to acquisitions or disposals of assets (including options to acquire or dispose assets) which will change the risk profile of the Company. Such transactions must therefore be, among others, made conditional upon approval by Shareholders at a general meeting.

Rule 1005 of the Catalist Rules states that "the sponsor may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction. The SGX-ST retains the discretion to determine whether the aggregation was correctly applied, and/or to direct the sponsor to aggregate other transactions."

The Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

2.6 Management of the New Business

It is currently envisaged that the management of the New Business will be led by Yeung Kin Bond, Sydney, the Company's Group CEO and Executive Director, who will be supported by senior management of the Group, including Nataphat Lertviriyasawat, Phuripong Mangkornkanok and Vikram Ahuja who are employees of Edison Motors. As Nataphat Lertviriyasawat, Phuripong Mangkornkanok and Vikram Ahuja are the shareholders of Noside Holding Pte. Ltd, following the completion of the Acquisition on 30 March 2022 and the issuance of Consideration Shares and Warrants to Noside Holding Pte. Ltd., Nataphat Lertviriyasawat, Phuripong Mangkornkanok and Vikram Ahuja become the beneficial holders of Shares[6] and warrants in the Company held by Noside Holding Pte. Ltd. Their interest in the Shares and Warrants of the Company is expected to align their interests with the Group and to incentivise them to contribute positively to the Group. Each of them has extensive experience in the automotive industry in Thailand through their management of Edison Motors, which was one of the first electric motorcycle companies to homologate successfully its own electric motorcycle under the Edison brand.

The Group may enter into other joint ventures and/or foster partnerships with third parties in the relevant industries to undertake the New Business more effectively. Such partnerships may either be on a case-by-case basis or on a longer-term basis. In selecting prospective partners, the Group will consider the specific expertise and competencies necessary for the project(s) in question and the experience, track record and financial standing of the party and/or parties concerned.

Where necessary, the Group will hire external consultants, industry experts and professionals. The Group may also outsource certain functions where appropriate and in doing so, the Group will take into account the specific expertise and competencies necessary for the New Business.

2.7 Funding for the New Business

The Group intends to fund the diversification into the New Business through a combination of internal sources of funds, proceeds from the exercise of the Warrants by the Warrant holders (assuming that the Warrants issue will be completed), and borrowings from financial institutions. As and when necessary and deemed appropriate, the Group may also explore secondary fund-raising exercises by tapping the capital markets, including but not limited to rights issues, share placements and/or issuance of debt instruments.

The Group will remain prudent and take into account the financial condition of the Group in deciding the types of projects and related investments it undertakes, and the amounts thereof.

2.8 Risk Management Procedures and Safeguards

The Board recognises the importance of internal controls and risk management for the smooth running of the New Business. The external and internal risks presented by the New Business to the Group will be managed under the existing system of internal controls and risk management of the Group, which will determine the nature and extent of risks which the Board may take in achieving the strategic objectives of the Group. The Board will review such risk management and internal controls systems periodically to assess their adequacy and effectiveness to ensure

[6] The aggregate consideration for the Acquisition is S$7,527,000, of which S$3,527,000 was satisfied by the issue and allotment of 50,000,000 Consideration Shares at an issue price of S$0.07054 for each Consideration Share to Noside Holding Pte. Ltd. on the completion of the Acquisition. 40,500,000 Warrants were also issued to Noside Holding Pte. Ltd. on 30 March 2022 in connection thereto. Please refer to the Company's announcements dated 19 November 2021 and 30 March 2022 in relation to the Acquisition and the issuance of the Warrants for further details.

that there are sufficient guidelines and procedures in place to monitor the operations of the New Business. Where necessary to better manage the Group's external and internal risks from the Proposed Diversification, the Group will implement a set of policies and procedures to govern the New Business.

Where necessary, the Audit Committee and the Board will:

(a) review with the management, external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to the New Business; and

(b) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Group's operating results and/or financial position.

The Board currently does not have a separate risk committee as it is currently assisted by the Audit Committee, internal auditors and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies.

Before undertaking any investment in the New Business, the management of the Company will prepare a proposal containing a cost-benefit analysis, credentials of the management of the New Business, joint venture partners or co-investor partners (if any) and will, if necessary, seek the advice of external consultants and experts. The Board will also assess and consider whether the Group has sufficient financial resources to invest in the project and the gearing ratios and liquidity of the Group as a result of such a project. Further, the Board will assess whether the management team has the relevant experience and expertise to manage such a project and, if not, whether any lack of such experience can be supplemented by professional advisers. In evaluating any new projects or investments based on the aforementioned factors, the Board is guided by the overarching consideration of whether the project will be able to generate revenue for the Group and optimise returns to Shareholders. Investments above an internally-determined threshold (as approved by the Board) must be specifically approved by the Audit Committee. In addition, the Board and the Audit Committee, which review the risk exposure of the businesses of the Group at regular intervals, will review the risk exposure of the New Business at intervals of not less than annually.

Before undertaking any investment activity into a new jurisdiction for any new project or investment under the New Businesses, the Group will conduct market research and analysis and carry out due diligence. As and where necessary and if required, the Group will apply for the requisite licences and/or permits required in relation to any project or investment under the New Business.

The risk management and internal control system, no matter how sophisticated in design, still contains inherent limitations caused by misjudgement or fault. Therefore, there is no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, or even prosecution being taken against the Group and/or its employees, disruption to the risk management system, and an adverse effect on the Group's financial condition and results of operations.

As at the Latest Practicable Date, the Audit Committee comprises Wong Quee Quee, Jeffrey (Chairman), Kuek Eng Chye, Anthony (Member) and Fung Kau Lee, Glenn (Member).

2.9 Conflict of Interest

When the Company identifies a potential opportunity in respect of the New Business, each of the Directors and key management personnel will be obliged to disclose to the Board where he and/or any of his Associates has an interest (and the full extent thereof) in the transaction ("**Conflicted Individual**").

A Conflicted Individual shall not (i) vote in respect of matters in relation to the New Business; (ii) will not, directly or indirectly, make any executive decisions in respect of the New Business; and (iii) will not, directly or indirectly influence or participate in the operations and management of the New Business.

2.10 Disclosure of Financial Results of the New Business

The New Business will be accounted for as a new business segment in the Group's financial statements in line with the Singapore Financial Reporting Standards (International) and accordingly, the Group will disclose the financials results of the New Business with the Group's financial statements where appropriate or if required under any applicable accounting standards. The financial results of the New Business together with the Group's financial statements will be periodically announced pursuant to the requirements as set out in Chapter 7 of the Catalist Rules. In these periodic announcements, the Group may provide segmented financial results relating to the New Business where appropriate or if required under any applicable accounting standards.

2.11 Financial Effects of the Proposed Diversification

As at the Latest Practicable Date, save as disclosed above, the Company has no affirmative and binding plans in relation to the New Business that is expected to materially impact the net profit, earnings per Share, or net tangible assets of the Group.

Should there be any material impact on the Group's net tangible assets per Share and earnings per Share as a result of any developments relating to the New Business, the Company will make the necessary announcements at the appropriate time.

3. RISK FACTORS

To the best of the Directors' knowledge and belief, all the pertinent risk factors that are material to Shareholders in making an informed judgement on the Proposed Diversification have been set out below.

The risks described below are not intended to be exhaustive and are not presented in any order of importance. There may be additional risks not presently known to the Company or that are currently not deemed to be material, which could turn out to be material. Should these risks occur and/or turn out to be material, they could materially and adversely affect the New Business as well as the Group's business, financial performance, financial condition and prospects. New risk factors may emerge from time to time and it is not possible for management to predict all risk factors, nor can the Group assess the impact of all factors on the Proposed Diversification or the extent to which any factor or combination of factors may affect the Group.

Shareholders should carefully consider and evaluate the following risk factors and all other information contained in this Appendix before deciding on whether to vote in favour of the Proposed Diversification. Shareholders should seek professional advice from their accountant, stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

This Appendix may contain projections or other forward-looking statements regarding future events or financial performance relating to the New Business. Such projections and statements are only predictions and actual events or results may differ materially. Such projections and statements may be subject to various risks and uncertainties. Accordingly, there may be factors that could affect actual outcomes or cause results to differ materially from those indicated in these statements. These factors should be read in conjunction with other cautionary statements included in this Appendix and other filings (including but not limited to SGXNET announcements) by the Company.

3.1 Risks Associated with the New Business

(a) **The electric vehicle mobility industry is inherently cyclical and any downturn in general economic conditions could significantly impact the Group's business, financial condition and results of operations in respect of the New Business.**

Vehicle production and sales are inherently cyclical and sensitive to changes in general economic conditions, including consumer spending and preferences, employment levels, the global credit markets, interest rates and the availability of consumer credit. Vehicle production and sales can also be affected by economic, social and political conditions including the outbreak of public health crises such as the COVID-19 pandemic, fuel prices, regulatory requirements, government initiatives, tax rates, trade agreements, the availability of critical components needed to complete the production of vehicles, changing consumer attitudes toward vehicle ownership and usage and other factors in the relevant markets.

To the extent that economic or financial conditions weaken in any of the Group's major operating markets in respect of the New Business, including in particular, Thailand and other Asian countries, demand for the Group's electric vehicle products or product pricing could be negatively affected, and the Group may experience idle capacity in its manufacturing operations. As a result, any adverse changes to economic conditions could have a material and adverse effect on the Group's business, financial condition, results of operations and prospects in respect of the New Business.

(b) **The Group may not be able to identify or offer popular electric vehicle models to meet changing trends and consumer demands, or the Group may not be able to gain market acceptance of its new models.**

Market trends, consumer demands and needs in the markets where the Group operates in respect of the New Business depend upon various factors, some of which are beyond its control, such as prevailing economic conditions, consumption patterns, disposable income and uncertainties inherent in different markets. To compete effectively in the electric mobility industry, the Group needs to launch new products of electric vehicles in a timely and cost-effective manner to meet changing consumer preferences and demands. The Group's model development may not always reflect the prevailing market trends or customer needs at any given time, and the new models it launches may not be well received by the market or achieve the expected sales. It may also be unable to produce sufficient quantities of these models to meet market demand. If the Group's new models fail to gain market acceptance, the Group's brand image, business, financial condition, results of operations and prospects in respect of the New Business could be materially and adversely affected.

(c) **The laws, governmental regulations and policies supporting electric vehicles are subject to change, and such change may materially and adversely affect the Group's business, financial condition, results of operation and prospects in respect of the New Business.**

Electric vehicles currently benefit from certain national, provincial, state and local governmental incentives, such as in Thailand. However, governmental regulations, policies and the administration of such regulations and policies could change. The speed of adoption of any such regulatory or policy changes as well as the substantive requirements resulting from these changes may vary significantly depending on the particular region or country, and the Group may be required to implement more complicated measures to meet new or enhanced regulatory requirements. If the Group is unable to adapt to changing regulations or sustainability directives in a timely manner, the Group's New Business may be negatively impacted.

Furthermore, if any of the laws or governmental regulations or policies that support the electric vehicle industry change or are terminated, the Group would be subject to new and more onerous laws or regulations, or greater costs of compliance with such changes in laws or regulations or interpretations thereof, or if such changes have retrospective effect, such changes could have a material and adverse impact on the Group's business, financial condition, results of operations and prospects in respect of the New Business.

(d) **Changes in technology may render the Group's technologies obsolete or require it to make substantial capital investments, and failure to respond to technological changes effectively and in a timely manner may materially and adversely affect its business, financial condition, results of operations and prospects in respect of the New Business.**

The Group's ability to adapt to evolving technologies and industry requirements and to introduce attractive new electric mobility products is critical to its future success. To remain competitive in the New Business, the Group must continuously innovate to achieve technological advances that respond to future customer needs and the development of technology as well as products and services required and accepted by its customers. Although the Group attempts to maintain the most up-to-date technology, the technology requirements for electric vehicles in the electric vehicle mobility sector is subject to continuing change of development. Some of its existing technologies and processes in the electric vehicle mobility business may become obsolete or perform less efficiently compared to newer and better technologies and processes. The cost of upgrading or implementing new technologies, upgrading the Group's existing equipment or expanding capacity could be significant and may adversely affect the Group's results of operations in respect of the New Business if it is unable to pass on such costs to its customers. Failure to respond to technological changes effectively and in a timely manner may adversely affect its business, financial condition, results of operations and prospects in respect of the New Business.

Additionally, product research and development require significant investment, and there is no assurance that the Group's research and development efforts will translate into sales of new electric mobility products that respond to future customer needs at the levels or timing that the Group expects or at all. Commitments to developing new products must be made well in advance of any resulting sales, and technologies and standards can change during development, potentially rendering the Group's products outdated or uncompetitive before their introduction and thus result in a partial or total loss of the Group's investment. Even if the Group is successful in developing and launching new products, such products may not meet the needs of its customers or may be introduced to the market after the Group's competitors. Delays in the development or launch of products meeting market requirements and expectations for technological innovation or the lack of commercial success of such products for any reason could result in a decrease of the Group's market share in respect of the New Business and could have a material and adverse effect on the Group's business, financial condition, results of operations and prospects in respect of the New Business. In addition, although the Group seeks to control its research and development expenses as a percentage of revenue and intend to continue to take a disciplined approach to research and development going forward, the ratio of research and development expenses to revenue may increase to a higher level than the Group expects depending on a number of factors including market conditions in the electric vehicle mobility market that may impact its revenue.

The level of economic benefit that can be derived from newly developed technologies or products may also be affected by the ability of its competitors to replicate such technologies or products or develop more advanced or cheaper alternatives. If the Group's technologies or products in respect of the New Business are replicated, replaced or made redundant, or if the demand for the Group's electric mobility products is not as anticipated, the Group's operating income associated with such technologies and products may not offset the costs that it incurs in developing such new technologies and products. If any of the aforesaid occurs, it may have a material adverse effect on its business, financial condition, results of operations and future development in respect of the New Business.

(e) **Disruptions, shortages or price increases in the supply of raw materials, components and energy that are necessary to produce the Group's products or those of its customers may materially and adversely affect the Group's business, financial condition, results of operations and prospects in respect of the New Business.**

The Group sources a broad range of materials and components necessary for the production of its electric mobility vehicles from a variety of third-party suppliers. Although the Group has contractual arrangements with its suppliers in order to secure a stable supply of key raw materials and components, any significant disruption or shortage in the supply of these materials and components could adversely affect the Group's ability to manufacture and deliver its electric mobility products to its customers in a timely manner. In such cases, there is no assurance that the Group will be able to secure a replacement supply of raw materials and components on acceptable pricing or other terms, or at all. In addition, any disruptions to the supply of energy to the Group's current production facility for the New Business located in Batam and any other future production facilities of the Group used for the New Business could cause production delays, and the Group's ability to operate its facilities could be affected for significant periods of time. A disruption or shortage in the supply of raw materials, components or energy could be caused by a variety of factors affecting one or more of the Group's suppliers, including epidemics such as the COVID-19 pandemic, strikes or other labor issues, mechanical breakdowns, electrical outages, fires, explosions, increased tariffs or political upheaval, as well as logistical complications due to weather, global climate change or other natural disasters, mechanical failures, delayed customs processing and other factors. The lack of a single sub-component necessary to manufacture one of the Group's products could cause an increase in the Group's costs or force the Group to cease production entirely. Similarly, a potential quality issue with any of the Group's raw materials or components could force the Group to halt deliveries. Even where products are ready to be shipped, or have been shipped, delays may arise before they ultimately reach the Group's customers.

Additionally, increases in the price of raw materials and components that the Group uses in its products or in energy costs that the Group incurs to produce and deliver its products may also have a negative impact on the Group's business and results of operations. Higher material or energy costs around the world may offset the Group's efforts to reduce its cost structure, and it is uncertain to what extent the Group would be able to pass on such increases in costs to its customers, if at all. As a result, higher material and commodity costs or energy costs, as well as any hedging of such costs during periods of decreasing prices, could result in declining margins to the extent the Group is unable to pass along the increased costs through increasing prices for its products.

(f) **Any material disruption to the Group's production facilities may materially and adversely affect its business, financial condition, results of operations and prospects in respect of the New Business.**

If operations at the Group's current facility for the New Business located in Batam or the operations at any of the Group's future production facilities used for the New Business were to be materially disrupted as a result of equipment failure, natural disasters, diseases, power outages, explosions, adverse weather conditions, strikes, civil unrest or other factors, its business, financial condition, results of operations and prospects in respect of the New Business may be materially and adversely affected. The occurrence of any of these significant events could also require the Group to make significant unanticipated capital expenditures. Interruptions in production may limit the Group's production capacity and cause a reduction or delay in its sales. The insurance policies that the Group procures may not cover lost sales or increased costs incurred as a result of disruption of operations, and prolonged business disruptions could result in a loss of customers. If any of the aforesaid events were to materialise, the Group's business, financial condition, results of operations and prospects in respect of the New Business may be materially and adversely affected.

(g) **Work stoppages or other labor issues at the Group's existing production facility used for the New Business (or any of the Group's future production facilities used for the New Business) or the facilities of its customers or those in its supply chain could have a material and adverse effect on its business, financial condition, results of operations and prospects in respect of the New Business.**

While the Group has no reason to believe that it will be materially impacted by work stoppages or other labor matters in respect of the New Business, there can be no assurance that future issues with its labor unions will be resolved favorably or that the Group will not encounter future strikes, work stoppages or other types of conflicts with its employees. Any of these consequences may have an adverse effect on the Group or may limit its flexibility in dealing with its workforce. Work stoppages or slowdowns experienced by the Group's customers or suppliers could result in slowdowns or closures that would have a material and adverse effect on its business, financial condition, cash flow, results of operations and prospects in respect of the New Business.

(h) **The Group may not be able to maintain relationships with its existing or attract new dealers or sales agents or effectively manage its dealers or sales agents.**

The Group intends to sell substantially all of its electric vehicle products primarily through dealers and sales agents and has identified and entered into agreements with certain dealers and distributions in Malaysia and Hong Kong[7] for the distribution of its electric motorcycles. Therefore, the Group's success, in part, depends on its ability to retain existing and attract new dealers or sales agents. There is no assurance that the Group will be able to successfully renew any existing sales contracts upon their expiration on favourable terms, or at all. Competition for dealers or sales agents is intense, as the Group must compete with other leading electric vehicle brands in markets where it has operations or has plans to enter. Such competitors may benefit from higher visibility, greater brand recognition, greater financial resources and a broader product offering than the Group does, which may provide them with a competitive advantage in securing dealers, franchisees or sales agents. The Group's competitors may also enter into long-term or exclusive agreements that effectively prevent their dealers or sales agents from selling the Group's products. Consequently, engaging new dealers or sales agents, maintaining relationships with existing dealers or sales agents and replacing them can be difficult and time consuming. Any disruption to the Group's distribution network, including a failure on its part to renew its existing agreements with its preferred dealers or sales agents or to attract new dealers or sales agents, could negatively affect the Group's ability to effectively sell its products to its end-user customers which in turn could materially and adversely affect its business, financial condition, results of operations and prospects in respect of the New Business.

Additionally, the Group intends to expand its sales, service and distribution network in Thailand and overseas to expand its geographical coverage and increase market penetration in respect of the New Business. The expansion of the Group's sales and service network and the exploration of new markets will require significant capital expenditures as well as increased human resources. There is no assurance that the Group can successfully implement its network expansion strategy or that network expansion can successfully improve the Group's results of operations.

[7] Sales of electric motorcycles can be made in these 2 territories after the electric motorcycles are homologated and approved by the relevant authorities.

(i) **The Group's production capacity expansion plans for the New Business may not be successfully achieved.**

In respect of the New Business, the Group plans to expand its production capacity in stages based on its ongoing research and analysis of evolving market demand, through expansion and upgrade of existing production facilities. However, risks and uncertainties in a number of areas, including, without limitation, capital requirements, government approval requirements and operational risks, may adversely affect the acquisition or construction of additional facilities in a timely and cost-effective manner. The Group's production capacity expansion plans may not be successfully implemented within its planned time frames, or at all. The Group may also experience quality control issues as it implements expansion plans. Delays or any failure in the implementation of the Group's expansion plans could adversely affect the Group's financial position and results of operations in respect of the New Business. In addition, the Group's efforts to expand its production capacities may not achieve the expected benefits. The demand for the Group's products may not meet or be maintained at anticipated levels and may be affected by various factors beyond the Group's control, including government policies and the overall economy. If demand for its products is weaker than anticipated, the Group may experience overcapacity and under-utilization of human resources, which may materially and adversely affect its business, financial condition, results of operations and prospects in respect of the New Business.

(j) **The Group may be unable to effectively protect its intellectual property used for the New Business.**

The Group's intellectual property, including patents, trademarks, copyrights and trade secrets related to its electric mobility products, product designs, manufacturing methods and brands, plays an important role in maintaining its competitive position in a number of the markets that the Group will serve, and the Group expends significant resources to protect and manage its intellectual property. However, not all patents applied for may be registered as the Group's intellectual property. In addition, the Group's competitors may develop technologies that are similar or superior to the Group's proprietary technologies or design around the patents the Group owns or are licensed. Further, the Group's competitors may duplicate its proprietary technologies despite the efforts it undertakes to protect them, especially in jurisdictions where the protection of intellectual property rights is less robust. Even if the Group pursues legal action against competitors for infringement of its intellectual property rights, there is no assurance that any remedy the Group obtains will be sufficient to compensate it for such infringement, and the Group may be required to undertake significant costs and expend internal resources in pursuing such legal actions. In addition, there is no assurance that the Group will be able to continue to license any third-party intellectual property that it uses in its business on acceptable terms or at all.

(k) **The Group may not be able to find partners to work with for future collaborations or joint ventures or be successful in working with such partners in respect of the New Business.**

From time to time, depending on available opportunities, feasibility and market conditions, the Group may consider that it would benefit from the entry into collaborations or joint ventures with third parties in connection with the New Business. There is, however, no guarantee as to whether the Group would be able to find partners to work with at such time or, even if the Group were able to find partners to work with, whether the Group would be successful in working with such partners. Accordingly, even if the Group identifies strategic business opportunities with potential for growth that, in its view, would complement the Group's business, there is no assurance that these opportunities would be successfully executed and the Group may from time to time have to forgo potential business opportunities.

(l) **The Group may not be able to successfully integrate future collaborations or acquisitions with the New Business.**

Further to the Proposed Diversification, the Board and management may consider it to be in the best interests of the Group to enter collaborations or make acquisitions in respect of the New Business. The success and profitability of such collaborations and acquisitions may depend on the Group's ability to successfully integrate such collaborations or acquisitions with the Group's business at the respective point in time, including to employ cost-cutting measures and to derive synergies. There is, however, no assurance that the Group would be able to successfully integrate such collaborations or acquisitions with the New Business. In the event the Group is not able to successfully integrate such collaborations or acquisitions effectively, the business, financial condition, results of operations and prospects of the Group in respect of the New Business may be materially and adversely affected.

(m) **The Group may be subject to potential litigation or the Group may need to incur additional costs or liquidated damages in the event of disputes, claims, defects or delays in connection with the New Business.**

The Group typically provides warranty periods ranging from 2 to 3 years for the electric motorcycles that it manufactures. During this warranty period, the Group is required to rectify defects at no cost to the customers in the event certain conditions are met. If the Group is required to rectify defects during the warranty period which result in substantial additional costs being borne by the Group, the profitability of the relevant project will be reduced.

The Group may encounter disputes with the customers in relation to, *inter alia*, non-compliance with contract specifications, defects in workmanship and materials used, or non-fulfilment of contracts. In such an event, the Group's customers may demand for compensation. There can be no assurance that any of such disputes and claims will not result in protracted litigation. In the event the Group is unable to reach a settlement with the customer, the Group may have to incur additional expenses related to such claims and compensation, which will have a negative impact on the Group's profits, cash flow and financial position in respect of the New Business. In the event of such occurrence, the Group may have to incur expenses related to such claims and compensation, which may materially and adversely affect the Group's business, financial condition, results of operation and prospects in respect of the New Business.

(n) **The New Business is subject to competition risks.**

The success of the New Business will, to a large extent, depend on the Group's ability to establish itself in the electric vehicle mobility sector and industry on an economically viable scale and in line with the Group's business objectives. As a new entrant to the electric mobility market, the Group will have to compete with existing and new competitors operating in the same field. There is no assurance that the Group's plan to penetrate these markets will be commercially successful. The Group will need to increase its marketing activities to develop market awareness and relationships with potential clients and/or investee companies. Such activities will increase the Group's expenses, and such expenditure without a corresponding increase in revenue may have an adverse impact on the Group's growth prospects and financial performance.

3.2 General Risks relating to the New Business

(a) **The Group may be exposed to a range of economic risks relating to the New Business in the countries in which the Group may operate.**

The New Business can be affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates or invests such as (1) legal and regulatory changes; (2) government policies; (3) economic and political conditions; (4) level and volatility of liquidity and risk aversion; (5) concerns about natural disasters, terrorism and war; (6) the level and volatility of equity, debt, property, commodity and other financial markets; (7) the level and volatility of interest rates and foreign currency exchange rates; (8) concerns over inflation; and (9) changes in investor confidence levels. Any of the foregoing factors could adversely impact the performance of the New Business, which in turn may materially and adversely affect the Group's business, financial condition, results of operations and prospects in respect of the New Business.

The performance of the New Business depends largely on the economic situation in the geographical markets which the Group proposes to enter. There is no assurance that the electric vehicle mobility sector in such other geographical markets will continue to grow. This may affect the demand for the Group's products. Other geographical markets in which the Group seeks to operate may be adversely affected by political, economic, regulatory, social or diplomatic developments. Changes in inflation, interest rates, taxation or other regulatory, economic, social or political factors affecting such other geographical markets, or adverse developments in the supply, demand and prices of resources in such countries, may have an adverse effect on the New Business. This may also materially and adversely affect the Group's business, financial condition, results of operations and prospects in respect of the New Business.

(b) **The New Business may be subject to general risks associated with operating businesses outside Singapore.**

The Group intends to expand its operation of the New Business in countries across Asia but does not plan to restrict the New Business to any specific geographical market. There are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and, consequently, its business, financial performance, financial condition and operating cash flow in respect of the New Business. In addition, if the governments of countries in which the New Business operates tighten or otherwise adversely change their laws and regulations relating to the repatriation of their local currencies, it may affect the ability of the Group's overseas operations to repatriate profits and, accordingly, the cash flow of the Group in respect of the New Business will be adversely affected*.*

(c) **The New Business is subject to risks relating to the economic, political, legal or social environment in the overseas market that the Group may operate in, such as in Thailand.**

The Group's business, earnings, asset values, prospects in relation to the New Business may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, price and wage controls, exchange control regulations, taxation, expropriation, social instability and other political, legal, economic or diplomatic developments in or affecting the overseas markets that the Group may operate in, such as in Thailand, where applicable. The Group does not have control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material and adverse effect on the Group's business, financial condition, results of operations and prospects in respect of the New Business.

(d) **The operations of the New Business may be subjected to disruptions caused by uncontrollable and unforeseen events and influences.**

The Group may face severe disruption in operations of its New Business from events or circumstances not within its control which, sustained over time, may negatively impact the Group's financial condition and performance. Examples of these events or circumstances include conflicts, wars, terrorism, global pandemics (including the COVID-19 pandemic) and other social disruptions, adverse weather and natural disasters including floods and earthquakes, increased costs, unexpected delays from the engagement of third-party contractors and service providers, accidents or fires which may result in injuries, damages to critical equipment, power supply or infrastructure and disruptions caused by members of the local community. Any of these events or conditions could materially and adversely affect the Group's business, financial condition, results of operations and prospects in respect of the New Business.

(e) **The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances in respect of the New Business.**

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the New Business may involve acquisitions, joint ventures or strategic alliances with third parties. Participation in joint ventures, strategic alliances, acquisitions, or other investment opportunities in relation to the New Business involves numerous risks, including the possible diversion of attention of management from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisition or opportunities. In such events, the Group's business, financial condition, results of operations and prospects in respect of the New Business may be materially and adversely affected.

(f) **The Group may be exposed to material litigation relating to the New Business.**

Notwithstanding that there is no ongoing litigation as at the Latest Practicable Date in respect of the New Business, the New Business may be subject to a complex legal and regulatory environment in future. Any litigation brought against the Group in the future in relation to the New Business could have a material adverse effect on the Group's reputation, business, financial conditions, results of operations and prospects in respect of the New Business.

(g) **The Group may be faced with limited availability of funds and is subject to financing risks relating to the New Business.**

The availability of financing may be essential to the Group's ability to undertake and/or expand the New Business. However, the Group cannot assure that it will have sufficient funds at its disposal for the operations and expansion of the New Business, be able to secure adequate financing, if at all, or obtain or renew credit facilities granted by banks and financial institutions for the projects in question when the need arises. Furthermore, the incurrence of debt will increase the Group's financing costs and obligations and could result in operating and financial covenants imposed by financial institutions that restrict its operations and its ability to pay dividends to Shareholders. In such event, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected in respect of the New Business.

(h) **The Group may be exposed to risk of loss and potential liabilities relating to the New Business that may not be covered by insurance.**

While the Group will, where appropriate, obtain insurance policies to cover losses for its New Business, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of damages not covered by insurance policies in excess of the amount that is being insured would affect the Group's profitability in respect of the New Business. The Group may also have to commit additional resources to meet the uninsured losses which would also adversely affect the financial performance of the Group in respect of the New Business.

(i) **The success of the New Business is dependent on the Group's reputation. Any adverse publicity could have an adverse effect on the Group's business and financial performance.**

The success of the New Business may, in part, depend on the market's perception of the Group. Negative publicity or adverse reputational events (whether or not justified) associated with the Group or any of its officers or employees may adversely impact the Group's reputation and result in a loss of clients. Therefore, any perception of, or alleged mismanagement, fraud or failure to discharge legal, contractual, regulatory or fiduciary duties, responsibilities, liabilities or obligations may have a material and adverse effect on the Group's business, financial condition, results of operations and -prospects in respect of the New Business.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Directors' Interests

The interests of the Directors, direct or indirect, in the Shares as extracted from the Company's Register of Directors' Shareholdings, as at the Latest Practicable Date, are as set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	%[(1)]	Number of Shares	%[(1)]
Directors				
Yeung Kin Bond, Sydney [(2)]	90,333,499	14.33%	1,400,001	0.22%
Ng Say Tiong	–	–	–	–
Kuek Eng Chye, Anthony	–	–	–	–
Fung Kau Lee, Glenn [(3)]	–	–	72,700,000	11.54%
Lee Kok Beng	905,000	0.14%	–	–
Wong Quee Quee, Jeffrey	800,000	0.13%	–	–
Options in respect of ordinary shares [(4)]				
Yeung Kin Bond, Sydney	7,400,000	1.17%	–	–
Ng Say Tiong	13,000,000	2.06%	–	–
Kuek Eng Chye, Anthony	700,000	0.11%	–	–
Fung Kau Lee, Glenn	700,000	0.11%	–	–
Lee Kok Beng	2,400,000	0.38%	–	–
Wong Quee Quee, Jeffrey	–	–	–	–

Notes:

(1) Based on 630,191,957 Shares in issue (excluding treasury shares) as at the Latest Practicable Date.

(2) Roots Capital Limited owns 1,400,001 Shares and Yeung Kin Bond, Sydney is the sole director of Roots Capital Limited. Yeung Kin Bond, Sydney holds 100% of the issued share capital of Roots Capital Limited and accordingly, he is deemed to have an interest in the Shares held by Roots Capital Limited.

(3) Sundan Pacific Limited owns 72,700,000 Shares and Fung Kau Lee, Glenn is the managing director of Sundan Pacific Limited. Fung Kau Lee, Glenn holds 100% of the issued share capital of Sundan Pacific Limited and accordingly, he is deemed to have an interest in the Shares held by Sundan Pacific Limited.

(4) Actual number of ordinary shares to be released subject to their share option exercises. The share option schemes which GSS Energy Limited ("**GEL Scheme**") has for key management personnel and employees of the Group was approved by members of the Company at the annual general meeting of the Company on 24 April 2017 and is a share incentive scheme. The GSS Energy Limited 2018 Executives Option Scheme ("**GEL 2018 Scheme**") was approved on 23 April 2018 by members of the Company and is a share incentive scheme as well. Under the GEL Scheme and the GEL 2018 Scheme, (a) full-time employees of the Company and its related Group companies; (b) Executive-Directors of the Company and its related Group companies; and (c) Non-executive Directors (including Independent Directors) of the Company and its related Group companies are eligible to participate in the GEL Scheme and GEL 2018 Scheme.

4.2 Substantial Shareholders' Interests

The interests of the Substantial Shareholders, direct or indirect, in the Shares as extracted from the Company's Register of Substantial Shareholders, as at the Latest Practicable Date, are as set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	%(1)	Number of Shares	%(1)
Substantial Shareholders				
Sundan Pacific Limited	72,700,000	11.54%	–	–
Fung Kau Lee, Glenn (2)	–	–	72,700,000	11.54%
Yeung Kin Bond, Sydney (3)	90,333,499	15.57%	1,400,001	0.22%
AP Capital Ltd	33,333,300	5.29%	–	–
Noside Holding Pte. Ltd.	50,00,000	7.93%	–	–
Phuripong Mangkornkanok(4)	–	–	50,00,000	7.93%
Nataphat Lertviriyasawat(4)	–	–	50,00,000	7.93%
Vikram Ahuja(4)	–	–	50,00,000	7.93%
Warrants				
Noside Holding Pte. Ltd.	40,500,000	6.41%	–	–
Phuripong Mangkornkanok(6)	–	–	40,500,000	6.41%
Nataphat Lertviriyasawat(6)	–	–	40,500,000	6.41%
Vikram Ahuja(6)	–	–	40,500,000	6.41%

Notes:

(1) Based on 630,191,957 Shares in issue (excluding treasury shares) as at the Latest Practicable Date.

(2) Fung Kau Lee, Glenn is deemed to have an interest in the 72,700,000 Shares held by Sundan Pacific Limited.

(3) Yeung Kin Bond, Sydney is deemed to have an interest in the 1,400,001 Shares held by Roots Capital Asia Limited.

(4) Phuripong Mangkornkanok, Nataphat Lertviriyasawat and Vikram Ahuja are each deemed to have an interest in the 50,000,000 Shares held by Noside Holding Pte. Ltd.

(5) Phuripong Mangkornkanok, Nataphat Lertviriyasawat and Vikram Ahuja are each deemed to have an interest in the 40,500,000 Warrants held by Noside Holding Pte. Ltd.

None of the Directors or Substantial Shareholders have any interest, direct or indirect, in the Proposed Diversification, other than through their respective shareholdings in the Company, if any.

No party is required to abstain from voting on the resolution in relation to the Proposed Diversification.

5. DIRECTORS' RECOMMENDATIONS

Having considered, *inter alia*, the rationale and information relating to the Proposed Diversification, the Board is of the opinion that the Proposed Diversification is in the best interests of the Company. Accordingly, the Board recommends that Shareholders vote in favour of Ordinary Resolution 11 relating to the Proposed Diversification into New Business at the AGM.

6. ADVICE TO SHAREHOLDERS

As different Shareholders would have different investment objectives and profiles with specific investment objectives, financial situation, tax position or unique needs or constraints, the Directors recommend that any individual Shareholder who may require specific advice in relation to its/his/her specific investment portfolio should consult its/his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers. Shareholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Diversification, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix 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 Appendix in its proper form and context.

8. ACTIONS TO BE TAKEN BY SHAREHOLDERS

In view of the constantly evolving COVID-19 situation and to comply with the Infectious Diseases (Measures to Prevent Spread of COVID-19) Regulations 2020, the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 of the COVID-19 (Temporary Measures) Act 2020 (Act 14 of 2020) and the Joint Statement by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation issued on 13 April 2020 (as updated from time to time) which included a checklist to guide listed and non-listed entities on the conduct of general meetings during the period when elevated safe distancing measures are in place, the AGM is being convened, and will be held, by way of electronic means. Shareholders will not able to attend the AGM in person and must use the proxy form to appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM in accordance with the instructions on the proxy form.

The proxy form can be obtained electronically from the AGM page of the Company's website at the URL https://gssenergy.com.sg/agm/, or from the SGX website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of the proxy form will not be sent to the Shareholders.

Shareholders must submit the proxy form in accordance with the instructions printed thereon, not less than seventy-two (72) hours before the time appointed for the AGM (i.e. by 10.00 am on 26 April 2022) or any adjournment thereof.

A depositor shall not be regarded as a Shareholder entitled to appoint the Chairman of the AGM to vote on his behalf at the AGM unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP, 72 hours before the time appointed for holding the AGM.

9. DOCUMENTS FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of the following documents may be inspected at the registered office of the Company at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07 Singapore 098632 during normal business hours from the date of this Appendix to the date of the forthcoming AGM scheduled to be held on 29 April 2022:

(i) the Constitution; and

(ii) the Annual Report 2021.

Yours faithfully
For and on behalf of the Board of Directors of
GSS ENERGY LIMITED

Anthony Kuek
Chairman