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MECOM POWER AND CONSTRUCTION LIMITED

澳能建設控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1183)

(Warrant code: 2242)

VOLUNTARY ANNOUNCEMENT IN RELATION TO DEFINITIVE AGREEMENT FOR ELECTRIC BIKES AND MOTORCYCLES BATTERY-SWAPPING SYSTEMS

This is a voluntary announcement made by MECOM Power and Construction Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide the shareholders and potential investors of the Company an update on the latest business development of the Group.

Reference is made to the announcement of the Company dated 11 April 2022 regarding the strategic cooperation between MECOM Zhihui Energy Technology (Guangzhou) Co., Ltd.* (澳能智匯能源科技(廣州)有限公司) (“**MECOM Zhihui**”) and Guangzhou Shijia Technology Co., Ltd.* (廣州視加科技有限公司) (“**Guangzhou Shijia**”).

The Group is pleased to announce that in September 2022, MECOM Zhihui entered into an agreement (the “**Agreement**”) with Guangzhou Shijia in relation to the launch of the project for battery-swapping systems in the electric charging stations of Guangzhou Shijia in Guangzhou. The Agreement shall remain in effect for three years with an option to renew the term of services subject to the parties agreeing to such renewal.

Guangzhou Shijia has the exclusive right to provide battery charging and swapping services at convenience service stations in the people’s communities of People’s Daily in Guangzhou (Rural Vitalization Service Stations for Party Building and Promotion* (黨建黨宣鄉村振興服務站)) and is currently operating more than 2,500 electric charging stations in Guangzhou, Guangdong Province, the People’s Republic of China (the “**PRC**”). The Group would actively source different locations in Guangdong Province for its battery swapping systems and it is expected that about 2,500 to 3,500 electric charging stations (comprising 75,000 to 105,000 sets of lithium-ion phosphate batteries) will be set up in Guangdong Province, amounting to approximately RMB200 million, to be financed by the Group’s internal resources and banking facilities.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Greater Bay Area is a hub for the development and manufacturing of new energy vehicles in the PRC and also one of the world's leading areas for new energy vehicle applications. In response to this huge new energy vehicle market, it is envisaged that there will be a strong demand for new energy powered batteries and power system. Coupled with the growth in need for convenient and safe charging system, the application of lithium-ion phosphate batteries is expected to have a large potential.

Upon entering into the Agreement, the Group will endeavor to invest in its lithium-ion phosphate batteries, which are recognised as safe, effective and competitive products to reduce oil reliance and carbon emissions in the PRC market. Further, in light of the recent regulatory development, the board of directors of the Company believes that the Group can ride on the new policies for the electric vehicles in the future and this presents a good business opportunity to leverage on the strengths and resources of the Company to broaden its business scale.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 10 October 2022

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

* *For identification purposes only*