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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

DISTRIBUTORSHIP AGREEMENT IN RELATION TO ELECTRIC VEHICLES

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.

The board of directors of the Company (the “**Board**”) is pleased to announce that MUCharging (Macau) Limited (“**MUCharging**”) (an indirect wholly owned subsidiary of the Company), as the distributor, entered into the distributorship agreement dated 22 February 2023 (the “**Agreement**”) with Liuzhou Wuling Motors Industrial Company Limited* (柳州五菱汽車工業有限公司) (the “**Supplier**”) (a subsidiary of Wuling Motors Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (Stock code: 305) (“**Wuling Motors**”). Pursuant to the Agreement, MUCharging shall be the distributor of certain electric motorbikes and electric delivery vehicles (the “**Products**”) to be supplied by the Supplier for distribution in Indonesia, Malaysia, Thailand and Singapore (collectively, the “**Designated Locations**”) for a term of three years commencing from 1 March 2023 to 28 February 2026 (the “**Term**”).

Subject Matter

MUCharging acts as the distributor of the Products supplied by the Supplier for distribution in the Designated Locations, and is responsible for the marketing, sales and provision of after-sales services of such Products.

Pursuant to the Agreement, the Supplier shall sell the Products to MUCharging based on the cost of raw materials of different models of the Products and pricing policy of the Supplier. The actual price shall be subject to the sales order to be entered into between MUCharging and the Supplier.

The purchase price of the Products shall be paid by MUCharging to the Supplier by way of telegraphic transfer, 30% of which is payable within 10 days after the date of signing the relevant definitive sales agreement(s) and the remaining 70% is payable before delivery of the relevant Products by the Supplier.

Pursuant to the Agreement, MUCharging shall use reasonable efforts to assist the Supplier to achieve its sales target(s) of the Products (the “**Sales Targets**”), being 1,000 vehicles, 3,000 vehicles and 5,000 vehicles for the first, second and third year, respectively. If the Sales Targets cannot be achieved, the parties shall discuss the remedial actions to be taken, failure of which would allow the Supplier to exercise its rights to unilaterally terminate the Agreement.

BACKGROUND OF THE GROUP

The Company is principally engaged in investment holding and the Group is principally engaged in (a) provision of construction services, including (i) construction and fitting out works; (ii) high voltage power substation construction and its system installation works; (iii) electrical and mechanical engineering services work; and (iv) provision of facilities management services; and (b) electric vehicle (“**EV**”)-related business. MUCharging, an indirect wholly owned subsidiary of the Company, is principally engaged in the provision of EV charging services and other EV-related business.

REASONS AND BENEFITS IN ENTERING INTO THE AGREEMENT

With a view to further expand the Group’s existing EV-related business, which is in the ordinary and usual course of the Group’s business, the Board considers that the distribution of the Products of the Supplier in the Designated Locations will enable the Group to further develop upstream into the EV production ecosystem and hence further establish itself in the rapidly developing EV industry. The Group can also retain the end-customers in the Designated Locations who purchase such EV of the Supplier, which is a gateway for the Group to expand its own customer base for EV-related business such as the EV charging systems, and increase its market shares in the EV market of the Designated Locations.

Having considered the above, the Directors are of the view that the entering into of the Agreement is in the interests of the Group, and the terms of the Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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

Hong Kong, 22 February 2023

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

* *for identification purposes only*