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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: 424)



GSS ENERGY LIMITED

*(Incorporated in Singapore with
limited liability)*

(Company Registration No. 201432529C)

(SGX: 41F)

JOINT VOLUNTARY ANNOUNCEMENT

FORMATION OF JOINT VENTURE

This is a joint voluntary announcement made by MECOM Power and Construction Limited (“MECOM” and together with its subsidiaries, the “MECOM Group”) and GSS Energy Limited, a company listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“GSS Energy” and together with its subsidiaries, the “GSS Energy Group”) to provide the shareholders and potential investors of MECOM and GSS Energy an update on the latest business development of the MECOM Group and the GSS Energy Group in relation to the formation of a joint venture.

Background

Reference is made to the joint voluntary announcement made by MECOM and GSS Energy on 2 February 2023 (the “February Announcement”). In furtherance of the strategic cooperation between the two parties, on 31 May 2023, MUCharging (Macau) Limited (a wholly owned subsidiary of MECOM) (“MUCharging”) and Giken Mobility Pte. Ltd. (a wholly owned subsidiary of GSS Energy) (“GM”) have entered into the joint venture agreement (the “Joint Venture Agreement”), in relation to cooperation in the development of the electric vehicle (“EV”) business primarily in the Republic of Singapore, Thailand, Indonesia and Malaysia (collectively, the “Designated Locations”), by way of formation of the joint venture (the “Joint Venture” and together with its subsidiaries, the “Joint Venture Group”). Unless otherwise defined, capitalised terms used in this joint voluntary announcement shall have the same meanings as those defined in the February Announcement.

KEY TERMS OF THE JOINT VENTURE AGREEMENT

Pursuant to the terms of the Joint Venture Agreement entered into between MUCharging and GM, the cooperation between MUCharging and GM shall include, but is not limited to, the following:

- (i) installation and operation of EV charging systems in the Designated Locations;
- (ii) installation and operation of EV battery swapping systems in the Designated Locations;

- (iii) distribution of EVs such as, but not limited to, electric 4-wheelers and/or electric motorcycles of Liuzhou Wuling Motors Industrial Company Limited* (柳州五菱汽車工業有限公司) (“**Wuling Industrial**”) under the distribution agreement entered into between MUCharging and Wuling Industrial on 22 February 2023 (please refer to the announcement of MECOM on 22 February 2023 for details) in the Designated Locations; and
- (iv) distribution of GM’s Iso-branded electric motorcycles in the Guangdong Greater Bay Area Region (the “**Greater Bay Area**”) of the People’s Republic of China (the “**PRC**”), for which such distribution will be covered by separate distribution agreement to be entered into between MUCharging and GM from time to time.

In addition, pursuant to the terms of the Joint Venture Agreement, MUCharging and GM acknowledge that the success of the cooperation in the development of the EV business will require a cooperative working relationship based upon good communication and teamwork between MUCharging and GM at all levels. In particular,

(a) MUCharging shall be responsible for:

- (i) construction of the EV charging stations of the Joint Venture in the Designated Locations at cost;
- (ii) provision of software systems in relation to the EVs charging systems of the Joint Venture in the Designated Locations at cost;
- (iii) connecting the software systems to the hardware of the EV charging systems installed in the Designated Locations;
- (iv) provision of swapping batteries and station solutions including both hardware and software;
- (v) sale of Wuling Industrial’s EVs products in the Designated Locations, such as but not limited to electric 4-wheelers and/or electric motorcycles, to the Joint Venture at cost; and
- (vi) providing general accounting and administrative services to the Joint Venture Group and preparing and providing the Joint Venture Group’s monthly sales figures, operating figures, and financial statements and made available to GM within 20 days after the close of the month.

(b) GM shall be responsible for:

- (i) sales and marketing of EVs in the Designated Locations, including but not limited to the provision of sales locations and/or showrooms to the Joint Venture at cost;
- (ii) sale of GM’s Iso-branded electric motorcycles to the Joint Venture at cost; and
- (iii) provision of local support where GM has a physical presence.

Formation of Joint Venture and structure of cooperation

MUCharging and GM intend to engage in the development of the EV business by way of incorporation of the Joint Venture in Singapore.

The Joint Venture shall be established as soon as practicable after the execution of the Joint Venture Agreement, and MUCharging shall be responsible for the incorporation of the Joint Venture in accordance with the terms of the Joint Venture Agreement. Upon incorporation of the Joint Venture, MUCharging shall hold 55% of the issued shares of the Joint Venture and GM shall hold 45% of the issued shares of the Joint Venture. The Joint Venture shall establish one or more companies (the “**Operating Vehicle(s)**”) in each of the Designated Locations for the purpose of carrying on the EV business in the relevant Designated Location.

MUCharging and GM agree, as soon as a project or business model is identified in one or more Designated Locations, MUCharging and GM will agree on a funding plan for the Joint Venture to fund each Operating Vehicle by way of subscription in the share capital in the Joint Venture and by provision of non-interest-bearing shareholders’ loans to the Joint Venture and/or Operating Vehicle(s) by MUCharging and GM, in view of the time needed to develop the EV business. The initial total paid-up capital of the Joint Venture will be HK\$100,000 (equivalent to approximately S\$17,000), purpose of which is for the incorporation and establishment of the Operating Vehicle(s) in each Designated Location. With the approval of MUCharging and GM, the total paid-up capital shall be increased to an amount to be mutually agreed as required. In addition, the provision of non-interest-bearing shareholders’ loans to the Joint Venture by MUCharging and GM will be on an as needed basis for funding the progress of EV business-related projects selected by the board of directors of the Joint Venture.

The board of directors of the Joint Venture shall consist of seven directors, four of which shall be nominated by MUCharging and the remaining three shall be nominated by GM.

Information of the parties

MUCharging is a wholly-owned subsidiary of MECOM and is principally engaged in the provision of EV batteries, charging solution and system services, including but not limited to the open charge point protocol ready, i.e. OCPP 2.0 ready, software systems and load management systems on the electricity consumption by EVs recognised by Hong Kong Productivity Council.

GM is a wholly-owned subsidiary of GSS Energy and is the global licence holder of the brand “Iso” which is owned by the Lamborghini family.

REASONS AND BENEFITS IN ENTERING INTO THE JOINT VENTURE AGREEMENT

As set out in the annual report of MECOM for the year ended 31 December 2022 and the announcements of MECOM dated 28 September 2022, 10 October 2022, 9 December 2022, 28 December 2022 and 2 February 2023, the MECOM Group has been actively developing the EV business, and the breadth of the EV business of the MECOM Group extends from provision of EV charging systems in residential, commercial buildings and/or shopping centres in Macau and provision of battery charging and swapping services at convenience service stations in Guangzhou to engaging in the exclusive distributorship of electric motorbikes and electric delivery vehicles supplied by the business partners of the MECOM Group. The MECOM Group is targeting to create synergy for the business expansion of its EV business in the EV market of Southeast Asia region and the Greater Bay Area.

In view of (i) the potential synergy for the business expansion of EV business, (ii) the growth of the EV business market in Southeast Asia, (iii) the substantial potentials of the new energy vehicle market in the PRC as supported by the PRC government's favourable policies targeting peak carbon emission (碳达峰) by 2030 and attainment of carbon neutral (碳中和) by 2060, including tax incentive for EV purchase and setting guidance price on petrol products, and (iv) given that the Greater Bay Area is one of the most economically advanced and affluence areas in the PRC as well as a major hub for the development and manufacturing of new energy vehicles in the PRC well equipped to serve the up and coming boom in new energy vehicle applications, the board of directors of MECOM and the board of directors of GSS Energy are of the view that the EV markets in Southeast Asia and the Greater Bay Area are on a rising trend, which the MECOM Group and GSS Energy Group intend to capitalise on such trend by tapping into each other's industry knowledge, sales and marketing channels and expertise, thus create synergies between both groups and improve the position of the two groups in the growing EV market in Southeast Asia and the Greater Bay Area.

The MECOM Group has knowledge and expertise in EV business, including but not limited to, the distribution of EV, the provision of EV charging services, the design, supply, installation, operation and maintenance services for EV charging systems in residential and/or commercial buildings, which have been one of the principal businesses of the MECOM Group. The MECOM Group is constantly exploring new business opportunities for EV business related projects and intends to further broaden its business scale. The board of directors of MECOM consider that the Joint Venture arrangement presents a good business opportunity to leverage on the strengths and resources of MECOM to further expand its revenue base and business scale.

LISTING RULES IMPLICATIONS

Based on information available as at the date of this announcement, as the highest applicable percentage ratio in relation to the Joint Venture Agreement is less than 5%, the transaction is exempt from the requirements under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Hence, this announcement is made by MECOM on a voluntary basis. MECOM will comply with the applicable requirements under the Listing Rules in relation to the development of the Joint Venture as and when appropriate.

The board of directors of MECOM and the board of directors of GSS Energy wish to state that no forecast or prediction of the profits of the MECOM Group and GSS Energy Group have been made with regard to the Joint Venture Agreement.

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

By Order of the board of directors of
GSS Energy Limited
Kuek Eng Chye, Anthony
Chairman

Hong Kong, 31 May 2023

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

As at the date of this joint announcement, the board of directors of GSS Energy comprises Mr. Yeung Kin Bond, Sydney, Mr. Lee Kok Beng and Mr. Ng Say Tiong as executive directors, Mr. Kuek Eng Chye, Anthony (Chairman) as independent non-executive director, Mr. Wong Quee Quee, Jeffrey as independent non-executive director and Mr. Fung Kau Lee, Glenn as non-independent non-executive director.

* *for identification purposes only*