

APPENDIX A 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 in person. 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 DATED 14 APRIL 2022 IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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

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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

In this Appendix, the following definitions apply throughout unless otherwise stated:

“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“AGM”	:	Annual General Meeting of the Company. Unless the context otherwise requires, “AGM” shall refer to the annual general meeting of the Company to be held by way of electronic means on 29 April 2022 at 10.00 am
“Annual Report 2021”	:	The Company’s annual report for the financial year ended 31 December 2021
“Appendix”	:	This appendix to the Notice
“Associate”	:	(a) In relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:- (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more, and (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Board”	:	The board of Directors of the Company as at the date of this Appendix
“CDP”	:	The Central Depository (Pte) Limited
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST’s Listing Manual Section B: Rules of Catalist, as may be amended, varied or supplemented from time to time
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Constitution”	:	The Constitution of the Company (being the constitutive document of the Company, which was previously known as the memorandum and articles of association), as amended, supplemented or modified from time to time
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company

DEFINITIONS

“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none">(a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or(b) in fact exercises Control over the company
“CPF”	:	Central Provident Fund
“Director(s)”	:	The director(s) of the Company as at the date of this Appendix
“EPS”	:	Earnings per Share
“Executive Director”	:	A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function
“FY” or “Financial Year”	:	Financial year ended or ending 31 December, as the case may be
“Group”	:	The Company and its subsidiaries, collectively
“Latest Practicable Date”	:	31 March 2022, being the latest practicable date prior to the printing of this Appendix
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Non-Executive Director”	:	A director of the Company and/or its subsidiaries, as the case may be, other than an Executive Director
“Notice”	:	The Notice of AGM dated 14 April 2022
“NTA”	:	Net tangible assets
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities account maintained with a Depository Agent
“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
“Shares”	:	Ordinary shares in the capital of the Company
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is the CDP, the term “Shareholder” shall, in relation to those Shares, mean the Depositors whose Securities Accounts are credited with Shares
“Share Buy-Back”	:	The purchase or acquisition by the Company of its own Shares pursuant to the Share Buy-Back Mandate

DEFINITIONS

“Share Buy-Back Mandate”	:	The general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
“Sponsor”	:	Stamford Corporate Services Pte. Ltd.
“subsidiary holdings”	:	Has the meaning ascribed to it under the Catalist Rules
“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
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“S\$” and “cents”	:	Dollars and cents respectively of the currency of Singapore
“%”	:	Per centum or percentage

The terms “**Depositors**”, “**Depository**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, 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 in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

GSS ENERGY LIMITED

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

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)
Glenn Fung Kau Lee (Non-Independent Non-Executive Director)
Wong Quee Quee, Jeffrey (Independent Non-Executive Director)

Registered Office:

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

14 April 2022

To: The Shareholders of GSS Energy Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

1. INTRODUCTION

1.1. Annual General Meeting

Reference is made to the Notice convening the AGM of the Company which is scheduled to be held by way of electronic means on 29 April 2022 and the Ordinary Resolution 10 in relation to the proposed renewal of the Share Buy-back Mandate, under the heading “Special Business” set out in the Notice.

1.2. Purpose of this Appendix

The purpose of this Appendix is to explain to the Shareholders the rationale and to provide information relating to the proposed renewal of the Share Buy-Back Mandate, to be tabled at the AGM to be held by way of electronic means on 29 April 2022 at 10.00 am.

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

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the Constitution. Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act and the Catalyst Rules and such other laws and regulations as may for the time being be applicable. As the Company is listed on Catalyst, it is also required to comply with Part XI of Chapter 8 of the Catalyst Rules, which relates to the purchase or acquisition by an issuer of its own shares.

It is a requirement under the Companies Act and the Catalyst Rules that a company which wishes to purchase or otherwise acquire its own shares should obtain approval of its shareholders to do so at a general meeting. In this regard, the Shareholders had approved the Share Buy-Back Mandate at the AGM held on 22 April 2016, and had approved the renewal thereof at the AGM held on 23 April 2021 (the “Share Buy-Back Mandate”). The Share Buy-Back Mandate is expiring on 29 April 2022, being the date of the forthcoming AGM.

LETTER TO SHAREHOLDERS

Accordingly, the Company is seeking approval from Shareholders at the AGM for the proposed renewal of the Share Buy-Back Mandate at the forthcoming AGM. If approved by Shareholders at the AGM, the authority conferred by the Share Buy-Back Mandate will continue to be in force until the next AGM of the Company (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next AGM).

2.2 Rationale for the Share Buy-Back Mandate

The proposed renewal of the Share Buy-Back Mandate would give the Company the flexibility to undertake buy-backs of the Shares at any time, subject to market conditions, during the period when the Share Buy-Back Mandate is in force. Share Buy-Backs at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced. Further, amongst others, Share Buy-Backs provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. The Directors also expect that Share Buy-Backs may help mitigate against short term volatility of the Company's share price and offset the effects of short term speculation. Share Buy-Backs will also allow the Directors greater control over the Company's share capital structure, dividend payout and cash reserves.

Share Buy-Backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or NTA per Share of the Company and the Group.

Shareholders should note that Share Buy-Backs will only be made when the Directors believe that such purchases or acquisitions would benefit the Company and its Shareholders and would not have a material adverse effect on the financial position of the Company.

2.3 Terms of the Share Buy-Back Mandate

The authority and limitations placed on purchases and acquisitions of Shares by the Company under the Share Buy-Back Mandate are summarised below:

(a) Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired is limited to that number of Shares representing not more than 10% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings), ascertained as at the date of the AGM at which the Share Buy-Back Mandate is approved for renewal ("**Approval Date**"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the relevant period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered (excluding treasury shares that may be held by the Company from time to time). For purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares and subsidiary holdings will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company of 630,191,957 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the AGM, not more than 63,019,195 Shares (representing approximately 10% of the Shares in issue as at that date (excluding treasury shares and subsidiary holdings)) may be purchased or acquired by the Company pursuant to the proposed Share Buy-Back Mandate.

LETTER TO SHAREHOLDERS

(b) Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, from the Approval Date up to the earlier of:

- (i) the date on which the next AGM of the Company is held or required by law or the Constitution to be held;
- (ii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by the Shareholders in a general meeting; or
- (iii) the date on which the Share Buy-Back is carried out to the full extent mandated.

The Share Buy-Back Mandate may be renewed at each AGM or other general meeting of the Company.

(c) Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of, *inter alia*:

- (i) on-market purchases (“**Market Purchase**”), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchases (“**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Catalist Rules.

The Directors may impose such terms and conditions, which are consistent with the Share Buy-Back Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) offers for the purchase of issued Shares shall be made to every person who holds issued Shares to purchase the same percentage of their issued Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of the offers are the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (bb) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

LETTER TO SHAREHOLDERS

In addition, the Catalist Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptances;
 - (iii) the reasons for the proposed Share Buy-Back;
 - (iv) the consequences, if any, of Share Buy-Backs by the Company that will arise under the Take-over Code or other applicable takeover rules;
 - (v) whether the Share Buy-Back, if made, would have any effect on the listing of the Shares on the SGX-ST;
 - (vi) details of any Share Buy-Backs (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme) made by the Company in the previous 12 months, giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
 - (vii) whether the shares purchased by the Company will be cancelled or kept as treasury shares.
- (d) Maximum purchase price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter) of the Shares,

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-Market Day period and the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase;

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

LETTER TO SHAREHOLDERS

2.4 Status of Purchased Shares under the Share Buy-Back Mandate

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

LETTER TO SHAREHOLDERS

In addition, under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued Shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds for Share Buy-Back

In purchasing Shares under the Share Buy-Back Mandate, the Company may only apply funds legally available for such purchase in accordance with its Constitution, and the applicable laws in Singapore. The Company may not buy Shares on Catalist for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Catalist Rules. Share Buy-Backs by the Company may be made out of the Company's profits or capital so long as the Company is solvent.

When Shares are purchased or acquired, and cancelled:

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the "**Purchase Price**");
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits available for the distribution of cash dividends by the total amount of the Purchase Price; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits available for the distribution of cash dividends proportionately by the total amount of the Purchase Price.

The Company may use internal resources and/or external borrowings to fund purchases of Shares pursuant to the Share Buy-Back Mandate.

The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected.

2.7 Financial Effects of the Share Buy-Back Mandate

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial statements for FY2021 and are not necessarily representative of future financial performance of the Group. Although the proposed Share Buy-Back Mandate would authorise the Company to buy-back up to 10% of the Company's issued Shares, the Company may not necessarily buy-back or be able to buy-back 10% of the issued Shares in full.

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buy-Back Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. The purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. The Directors do not propose to exercise the Share Buy-Back Mandate to such

LETTER TO SHAREHOLDERS

an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The proposed Share Buy-Back Mandate will be exercised with a view to enhance the EPS and/or NTA per Share of the Group. The financial effects presented in this section of the Appendix are based on the assumptions set out below:

(a) Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued share capital of the Company comprised 630,191,957 Shares (excluding treasury shares and subsidiary holdings).

(b) Illustrative Financial Effects

Purely for illustrative purposes, on the basis of 630,191,957 Shares (excluding treasury shares and subsidiary holdings) in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, the purchase by the Company of approximately 10% of its issued Shares will result in the purchase of 63,019,195 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 63,019,195 Shares at the Maximum Price of S\$0.068 for each Share (being the price equivalent to 105% of the average closing price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Official List of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 63,019,195 Shares is approximately S\$4.29 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 63,019,195 Shares at the Maximum Price of S\$0.077 for each Share (being the price equivalent to 120% of the average closing price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Official List of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 63,019,195 Shares is approximately S\$4.85 million.

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:

- (i) the Share Buy-back Mandate had been effective on 1 January 2021;
- (ii) the Share purchases are funded solely by internal cash of the Group; and
- (iii) transaction costs incurred during the Share Buy-Back pursuant to the Share Buy-back Mandate are assumed to be insignificant and have thus been ignored for the purpose of computing the financial effects,

the financial effects of:

- (aa) the acquisition of 10% of the issued shares of the Company by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy-Back Mandate by way of purchases made entirely out of capital and held as treasury shares ("**Scenario A**"); and
- (bb) the acquisition of 10% of the issued shares of the Company by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy-Back Mandate by way of purchases made entirely out of capital and cancelled ("**Scenario B**"),

on the audited consolidated financial results of the Group and the Company for FY2021, are set out below:

LETTER TO SHAREHOLDERS

Scenario A – Purchases made entirely out of capital and held as treasury shares

<u>As at 31 December 2021</u>	Group			
	Market Purchase Before Share Purchase S\$'000	After Share Purchase S\$'000	Off-Market Purchase Before Share Purchase S\$'000	After Share Purchase S\$'000
Profit attributable to owners of the Company	5,166	5,166	5,166	5,166
Share Capital	63,416	66,943	63,416	66,943
Accumulated Losses	(3,360)	(3,360)	(3,360)	(3,360)
Translation Reserve	962	962	962	962
Share Option Reserve	3,724	3,724	3,724	3,724
Other Reserve	1,473	1,473	1,473	1,473
Equity Non-controlling Interests	132	132	132	132
Treasury Shares	–	(4,285)	–	(4,285)
Shareholders' Equity	66,347	65,589	66,347	65,022
Non-controlling Interest	(1,222)	(1,222)	(1,222)	(1,222)
Total Equity ⁽¹⁾	65,125	64,367	65,125	63,800
NTA ⁽²⁾	63,623	62,865	63,623	62,298
Current Assets	83,240	78,955	83,240	78,388
Current Liabilities	(51,833)	(51,833)	(51,833)	(51,833)
Working Capital	31,407	27,122	31,407	26,555
Total Borrowings	(18,494)	(18,494)	(18,494)	(18,494)
Cash and Cash Equivalents	15,737	11,452	15,737	10,885
Net Debt ⁽³⁾	(2,757)	(7,042)	(2,757)	(7,609)
Number of Shares as at 31 December 2021 ('000) ⁽⁷⁾	580,192	630,192	580,192	630,192
Weighted average number of Shares as at 31 December 2021 ('000)	523,343	573,343	523,343	573,343
Financial Ratios				
NTA per Share (cents) ⁽²⁾	10.97	9.98	10.97	9.89
Gearing Ratio (times) ⁽⁴⁾	(0.04)	(0.11)	(0.04)	(0.12)
Current Ratio (times) ⁽⁵⁾	1.61	1.52	1.61	1.51
Basic EPS (cents) ⁽⁶⁾	0.99	0.90	0.99	0.90

Notes:

- (1) Total Equity equals Shareholders' Equity plus non-controlling interests.
- (2) NTA equals Total Equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of shares as at 31 December 2021.
- (3) Net Debt means total borrowings less cash and cash equivalents.
- (4) Gearing Ratio equals Net Debt divided by Total Equity.
- (5) Current Ratio equals current assets divided by current liabilities.
- (6) Basic EPS equals profit attributable to owners of the company divided by the weighted average number of shares as at 31 December 2021.
- (7) 50,000,000 new ordinary shares were issued and allotted as partial satisfaction of the consideration paid by the Company pursuant to the completion of the acquisition as announced on 30 March 2022. It has been included in the financial effects.

LETTER TO SHAREHOLDERS

As at 31 December 2021	Company			
	Market Purchase		Off-Market Purchase	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
Loss attributable to owners of the Company	(749)	(749)	(749)	(749)
Share Capital	63,416	66,943	63,416	66,943
Accumulated Losses	(35,677)	(35,677)	(35,677)	(35,677)
Share Option Reserve	3,724	3,724	3,724	3,724
Treasury Shares	–	(4,285)	–	(4,852)
Shareholders' Equity	31,463	30,705	31,463	30,138
Total Equity ⁽¹⁾	31,463	30,705	31,463	30,138
NTA ⁽²⁾	31,463	30,705	31,463	30,138
Current Assets	3,190	782	3,190	782
Current Liabilities	(646)	(2,523)	(646)	(3,090)
Working Capital	2,544	(1,741)	2,544	(2,308)
Total Borrowings	–	–	–	–
Cash and Cash Equivalents	768	768	768	768
Net Debt ⁽³⁾	Net Cash	Net Cash	Net Cash	Net Cash
Number of Shares as at 31 December 2021 ('000) ⁽⁷⁾	580,192	630,192	496,859	630,192
Weighted average number of Shares as at 31 December 2021 ('000)	523,343	573,343	496,859	573,343
Financial Ratios				
NTA per Share (cents) ⁽²⁾	5.42	4.87	5.42	4.78
Gearing Ratio (times) ⁽⁴⁾	–	–	–	–
Current Ratio (times) ⁽⁵⁾	4.94	0.31	4.94	0.25
Basic EPS (cents) ⁽⁶⁾	(0.14)	(0.13)	(0.14)	(0.13)

Notes:

- (1) Total Equity equals Shareholders' Equity plus non-controlling interests.
- (2) NTA equals Total Equity less intangible assets. NTA per Share equals NTA divided by the number of shares as at 31 December 2021.
- (3) Net Debt means total borrowings less cash and cash equivalents.
- (4) Gearing Ratio equals Net Debt divided by Total Equity.
- (5) Current Ratio equals current assets divided by current liabilities.
- (6) Basic EPS equals loss attributable to owners of the company divided by the weighted average number of shares as at 31 December 2021.
- (7) 50,000,000 new ordinary shares were issued and allotted as partial satisfaction of the consideration paid by the Company pursuant to the completion of the acquisition as announced on 30 March 2022. It has been included in the financial effects.

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Scenario B – Purchases made entirely out of capital and cancelled

<u>As at 31 December 2021</u>	Group			
	Market Purchase Before Share Purchase S\$'000	After Share Purchase S\$'000	Off-Market Purchase Before Share Purchase S\$'000	After Share Purchase S\$'000
Profit attributable to owners of the Company	5,166	5,166	5,166	5,166
Share Capital	63,416	62,658	63,416	62,091
Accumulated Losses	(3,360)	(3,360)	(3,360)	(3,360)
Translation Reserve	962	962	962	962
Share Option Reserve	3,724	3,724	3,724	3,724
Other Reserve	1,473	1,473	1,473	1,473
Equity Non-controlling Interests	132	132	132	132
Shareholders' Equity	66,347	65,589	66,347	65,022
Non-controlling Interest	(1,222)	(1,222)	(1,222)	(1,222)
Total Equity ⁽¹⁾	65,125	64,367	65,125	63,800
NTA ⁽²⁾	63,623	62,865	63,623	63,623
Current Assets	83,240	78,955	83,240	78,388
Current Liabilities	(51,833)	(51,833)	(51,833)	(51,833)
Working Capital	31,407	27,122	31,407	26,555
Total Borrowings	(18,494)	(18,494)	(18,494)	(18,494)
Cash and cash equivalents	15,737	11,452	15,737	10,885
Net Debt ⁽³⁾	(2,757)	(7,042)	(2,757)	(7,609)
Number of Shares as at 31 December 2021 ('000) ⁽⁷⁾	580,192	567,173	580,192	567,173
Weighted average number of Shares as at 31 December 2021 ('000)	523,343	510,324	523,343	510,324
Financial Ratios				
NTA per Share (cents) ⁽²⁾	10.97	11.08	10.97	11.22
Gearing Ratio (times) ⁽⁴⁾	(0.04)	(0.11)	(0.04)	(0.12)
Current Ratio (times) ⁽⁵⁾	1.61	1.52	1.61	1.51
Basic EPS (cents) ⁽⁶⁾	0.99	1.01	0.99	1.01

Notes:

- (1) Total Equity equals Shareholders' Equity plus non-controlling interests.
- (2) NTA equals Total Equity less intangible assets and Minority Interest. NTA per Share equals NTA divided by the number of shares as at 31 December 2021.
- (3) Net Debt means total borrowings less cash and cash equivalents.
- (4) Gearing Ratio equals Net Debt divided by Total Equity.
- (5) Current Ratio equals current assets divided by current liabilities.
- (6) Basic EPS equals profit attributable to owners of the company divided by the weighted average number of shares as at 31 December 2021.
- (7) 50,000,000 new ordinary shares were issued and allotted as partial satisfaction of the consideration paid by the Company pursuant to the completion of the acquisition as announced on 30 March 2022. It has been included in the financial effects.

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As at 31 December 2021	Company			
	Market Purchase		Off-Market Purchase	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	S\$'000	S\$'000	S\$'000	S\$'000
Loss attributable to owners of the Company	(749)	(749)	(749)	(749)
Share Capital	63,416	62,658	63,416	62,091
Accumulated losses	(35,677)	(35,677)	(35,677)	(35,677)
Share Option Reserve	3,724	3,724	3,724	3,724
Shareholders' Equity	31,463	30,705	31,463	30,138
	–	–	–	–
Total Equity ⁽¹⁾	31,463	30,705	31,463	30,138
	–	–	–	–
NTA ⁽²⁾	31,463	30,705	31,463	30,138
Current Assets	3,190	782	3,190	782
Current Liabilities	(646)	(2,523)	(646)	(3,090)
Working Capital	2,544	(1,741)	2,544	(2,308)
Total Borrowings	–	–	–	–
Cash and Cash Equivalents	768	768	768	768
Net Debt ⁽³⁾	Net Cash	Net Cash	Net Cash	Net Cash
Number of Shares as at 31 December 2021 ('000) ⁽⁷⁾	580,192	567,173	580,192	567,173
Weighted average number of Shares as at 31 December 2021 ('000)	523,343	510,324	523,343	510,324
Financial Ratios				
NTA per Share (cents) ⁽²⁾	5.42	5.41	5.42	5.31
Gearing Ratio (times) ⁽⁴⁾	–	–	–	–
Current Ratio (times) ⁽⁵⁾	49.40	3.10	49.40	0.25
Basic EPS (cents) ⁽⁶⁾	(0.14)	(0.15)	(0.14)	(0.15)

Notes:

- (1) Total Equity equals Shareholders' Equity plus non-controlling interests.
- (2) NTA equals Total Equity less intangible assets. NTA per Share equals NTA divided by the number of shares as at 31 December 2021.
- (3) Net Debt means total borrowings less cash and cash equivalents.
- (4) Gearing Ratio equals Net Debt divided by Total Equity.
- (5) Current Ratio equals current assets divided by current liabilities.
- (6) Basic EPS equals loss attributable to owners of the company divided by the weighted average number of shares as at 31 December 2021.
- (7) 50,000,000 new ordinary shares were issued and allotted as partial satisfaction of the consideration paid by the Company pursuant to the completion of the acquisition as announced on 30 March 2022. It has been included in the financial effects.

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The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The proposed Share Buy-Back Mandate will be exercised with a view to enhance the EPS and/or NAV per Share of the Group.

Shareholders should note that the financial effects set out above, based on the respective aforesaid assumptions, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Group for FY2021, and is not representative of the future financial performance of the Group.

It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or otherwise acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire 10% of the issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share Buy-Back before execution.

2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of a share buy-back by the Company or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

2.9 Catalyst Rules

As at the Latest Practicable Date, approximately 73.64% of the issued share capital of the Company are held in the hands of the public. Assuming that the Company repurchased the maximum of 10% of its issued share capital as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 70.71%.

The Directors will use their best efforts to ensure that the Company does not effect Share Buy-Backs if the same would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market liquidity or adversely affect the listing status of the Company or the orderly trading of the Shares.

Under the Catalyst Rules, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of shares over the last five (5) market days, on which transactions in the shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in section 2.3(d) of this Appendix, conforms to this restriction.

Additionally, the Catalyst Rules also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of an offer under such scheme.

The notification of such purchase or acquisition of shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary notifications to the SGX-ST.

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While the Catalist Rules does not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing two (2) weeks before the announcement of the Company’s financial statements for each of the first three quarters of its Financial Year, or one (1) month immediately preceding the announcement of the Company’s annual full-year results respectively.

2.10 Take-Over Obligations

(a) Obligation to make a Take-over Offer

Pursuant to the Take-over Code, an increase of a Shareholder’s proportionate interest in the voting rights of the Company resulting from a share buy-back by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (“**Rule 14**”).

Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company’s voting rights, increase their voting rights in the Company by more than 1% in any period of six (6) months.

(b) Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

- (i) A company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (ii) A company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid persons for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (iii) A company with any of its pension funds and employee share schemes;
- (iv) A person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (v) A financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client’s equity share capital;

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- (vi) Directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) Partners; and
- (viii) An individual, his close relatives, his related trusts, and any person who is accustomed to act according to the instructions and companies controlled by any of the above and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid persons for the purchase of voting rights.

The circumstances under which Shareholders of the Company (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code ("**Appendix 2**").

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

The Directors have confirmed that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholders are, or may be regarded as parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a Share Buy-Back.

The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the proposed Share Buyback Mandate are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity before they acquire any Shares in the Company during the period when the proposed Share Buy-Back Mandate is in force.

2.11 Details of the Shares bought by the Company in the previous 12 months

No purchases of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

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2.12 Reporting Requirements under the Companies Act

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA. Within 30 days of a purchase of Shares on Catalist or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including inter alia, details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1. 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	—	—	—	—
Glenn Fung Kau Lee ⁽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%	—	—
Glenn Fung Kau Lee	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 Glenn Fung Kau Lee is the managing director of Sundan Pacific Limited. Glenn Fung Kau Lee 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 scheme 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.

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3.2. 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%	–	–
Glenn Fung Kau Lee ⁽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 ⁽⁵⁾	–	–	40,500,000	6.41%
Nataphat Lertviriyasawat ⁽⁵⁾	–	–	40,500,000	6.41%
Vikram Ahuja ⁽⁵⁾	–	–	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) Glenn Fung Kau Lee 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.

Based on the information set out above and assuming that there is no change in the shareholding interests of the Directors and the Substantial Shareholders recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, none of the Directors and Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate of the maximum limit of 10% of its total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

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4. DIRECTORS' RECOMMENDATIONS

The Directors, having considered, *inter alia*, the terms, the rationale and the benefits of the proposed renewal of the Share Buy-Back Mandate, are of the view that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company and accordingly recommend that the Shareholders vote in favour of the Ordinary Resolution 10 as set out in the Notice of AGM.

5. 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 his specific investment portfolio should consult his 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 or other professional adviser immediately.

6. 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 renewal of the Share Buy-Back Mandate, 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.

7. 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 be 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.

LETTER TO SHAREHOLDERS

8. 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