



## ELEKTROMOTIVE GROUP LIMITED

(Incorporated in Singapore)

(Company Registration Number 199407135Z)

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**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 1,628,195,060 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.0045 FOR EACH RIGHTS SHARE, WITH UP TO 3,256,390,120 FREE DETACHABLE WARRANTS ("WARRANTS"), EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY (THE "NEW SHARE") AT AN EXERCISE PRICE OF S\$0.005 FOR EACH NEW SHARE ("EXERCISE PRICE"), ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING SHARE HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE AND TWO (2) WARRANTS FOR EVERY ONE (1) RIGHTS SHARE IN THE CAPITAL OF THE COMPANY SUBSCRIBED (THE "RIGHTS CUM WARRANTS ISSUE")**

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*This announcement has been reviewed by the Company's Sponsor, RHT Capital Pte, Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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## 1 INTRODUCTION

1.1 The Board of Directors (the "**Directors**") of Elektromotive Group Limited (the "**Company**") wishes to announce that the Company is proposing to undertake the Rights cum Warrants Issue on a renounceable non-underwritten basis. Pursuant thereto, the Company will issue up to 1,628,195,060 new ordinary shares (the "**Rights Shares**") at the issue price of S\$0.0045 each (the "**Issue Price**"), with up to 3,256,390,120 free Warrants ("**Warrants**"), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the "**New Share**") at an exercise price of S\$0.005 for each New Share ("**Exercise Price**"), on the basis of one (1) Rights Share for every one (1) existing share in the capital of the Company (the "**Share**") held by shareholders of the Company ("**Shareholders**") as at a books closure date to be determined (the "**Books Closure Date**") and two (2) Warrants for every one (1) Rights Share subscribed (the "**Rights cum Warrants Issue**").

- 1.2 The Company will be seeking specific approval from Shareholders by way of an extraordinary general meeting (“**EGM**”) to be convened for the undertaking of the Rights cum Warrants Issue. A circular setting out, *amongst other things*, the details of, and other relevant information pertaining to the Rights cum Warrants Issue, together with the notice of the EGM, will be despatched to Shareholders in due course.

## 2 DETAILS OF THE RIGHTS ISSUE

### 2.1 Terms of the Rights cum Warrants Issue

- (a) The Company is proposing to undertake the Rights cum Warrants Issue, at the Issue Price for each Rights Share with Warrants on a renounceable and non-underwritten basis to Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited (the “**CDP**”), as the case may be, are in Singapore as at the Books Closure Date or who have, at least three (3) market days prior to the Books Closure Date, provided to the Company or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Entitled Shareholders**”).
- (b) Entitled Shareholders will be at liberty to accept (in full or in part), decline, renounce or trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotment of Rights Shares with Warrants and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue (“**Excess Rights Shares with Warrants**”).
- (c) Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at the Shareholders’ entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications for Rights Shares with Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.
- (d) In the allotment of Excess Rights Shares with Warrants, preference will be given to Entitled Shareholders in satisfaction of their application for Excess Rights Shares with Warrants, if any, provided that where there are insufficient Excess Rights Shares with Warrants to allot to each application, the Company shall allot the Excess Rights Shares with Warrants to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and substantial shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the board of the Company will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants. The Company will also not make any allotments and issuance of any Excess Right Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by

Shareholders in a general meeting.

- (e) The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on the Catalist Board of the SGX-ST (“**SGX-ST Catalist**”) under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on the SGX-ST Catalist, subject to, *amongst others*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.
- (f) Each Warrant will, subject to the terms and conditions governing the Warrants to be set out in an instrument by way of a deed poll (the “**Deed Poll**”), carry the right to subscribe for one (1) New Share at the Exercise Price and at any time during the period stated above. Warrants that remain unexercised at the expiry of the Exercise Period (defined below) shall lapse and cease to be valid for any purpose.
- (g) The Exercise Price and the number of Warrants to be held by each holder of Warrants will be subject to adjustments under certain circumstances to be provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company. Such circumstances include without limitation, consolidation or subdivision of shares, capitalization issues, rights issue and certain capital distributions. The New Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date (as defined below) for which is before the date of exercise of the Warrants. Further details of the Warrants can be found in paragraph 3 below.
- (h) The Rights Shares are payable in full upon acceptance and application. The Rights Shares will, upon allotment and issue, *rank pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which is before the date of issue of the Rights Shares. For this purpose, “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the securities accounts of Shareholders must be credited with Shares in order to participate in such dividends, rights, allotments or distributions.
- (i) The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights cum Warrants Issue will be contained in the offer information statement in connection with the Rights cum Warrants Issue (the “**Offer Information Statement**”) to be lodged by the Company on the SGX-ST’s Catalodge and to be despatched by the Company to Entitled Shareholders in due course.

## 2.2 Eligibility to Participate in the Rights cum Warrants Issue

### (a) Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (the “**Depositors**”) will be provisionally allotted Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be “**Entitled Depositors**”, Depositors must have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore must provide CDP, at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants.

### (b) Entitled Scripholders

Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (“**Scripholders**”) will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Company’s share registrar, Tricor Barbinder Share Registration Services (the “**Share Registrar**”), in order to be registered to determine the transferee’s provisional allotments of Rights Shares with Warrants entitlements under the Rights cum Warrants Issue.

To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date or if they have registered addresses outside Singapore, must provide the Share Registrar at 80 Robinson Road, #02-00, Singapore 068898 with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements under the Rights cum Warrants Issue.

Entitled Depositors and Entitled Scripholders shall be collectively referred to as the “**Entitled Shareholders**” in this announcement.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, provisional allotments of the Rights Shares with Warrants to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of provisional allotments of the Rights Shares with Warrants to any securities account with CDP, the receipt of any provisional allotments of the Rights Shares with Warrants, or receipt of the

Offer Information Statement and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be prohibited. The Company reserves absolute discretion in determining whether any Shareholder located or resident outside Singapore may participate in the Rights cum Warrants Issue.

(c) Foreign Shareholders

The Company, in its absolute discretion, may offer the Rights Shares to some or all of its foreign Shareholders subject to such terms and conditions (which may or may not be the same as the terms of the Rights cum Warrants Issue) as the Company may decide at its absolute discretion, provided that there is no violation of the laws or securities legislation of the relevant jurisdiction. Save as aforesaid, for practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Shares with Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) market days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**").

The entitlements to Rights Shares with Warrants which would otherwise be provisionally allotted to Foreign Shareholders will, if practicable, be sold nil-paid on the SGX-ST Catalist as soon as practicable after dealings in the provisional allotments of Rights Shares and Warrants commence or dealt with in such manner as the Directors may, in their absolute discretion, deem fit, in the interests of the Company. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date and sent to them at their own risk by ordinary post, where the amount of net proceeds to be distributed to any single Foreign Shareholder is not less than S\$10.00. In the event the amount is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP and their respective officers in connection therewith. Where such provisional allotments of Rights Shares and the Warrants are sold nil-paid on Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP and their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares and the Warrants represented by such provisional allotments.

Shareholders with registered addresses outside Singapore are encouraged to provide a registered address in Singapore to the Share Registrar or CDP as the case may be, at least three (3) market days prior to the Books Closure Date, in order to receive the provisional allotment of Rights Shares under the Rights cum Warrants Issue.

### 2.3 **Size of the Rights cum Warrants Issue**

#### Maximum Subscription Scenario

As at the date hereof, the existing issued and paid-up share capital of the Company consists of 684,225,646 Shares (the “**Existing Share Capital**”) and there are in aggregate 508,071,989 warrants (subject to the terms and conditions of the warrants set out in the deed poll dated 10 July 2012 (“**Warrants 2012**”) which are outstanding (the “**Outstanding Warrants**”). The Warrants 2012 are exercisable any time during the period commencing from 11 July 2012 to 10 July 2015 at an exercise price of S\$0.03 for each warrant.

The Company also announced on 4 February 2013 that it had entered into an agreement whereby it proposed to issue to Advance Opportunities Fund (the “**Subscriber**”) up to S\$20,000,000 (in five (5) equal tranches) of equity linked redeemable structured convertible notes due 2018 of a principal amount of S\$4,000,000 per tranche (collectively, the convertible notes shall be referred to as the “**Notes**” and individually, the five (5) equal tranches of the Notes shall be referred to as “**Tranche 1 Notes**”, “**Tranche 2 Notes**”, “**Tranche 3 Notes**”, “**Tranche 4 Notes**”, “**Tranche 5 Notes**” respectively) (the “**Convertible Notes**”). Each of Tranche 1 Notes, Tranche 2 Notes and Tranche 3 Notes comprises twenty (20) equal sub-tranches of S\$200,000 each; Tranche 4 Notes comprises ten (10) equal sub-tranches of S\$400,000 each while Tranche 5 Notes comprises eight (8) equal sub-tranches of S\$500,000 each. Shareholders have approved the proposed issue of the Convertible Notes in an extraordinary general meeting on 20 May 2013. As at the date of this announcement, (i) the entire Tranche 1 Notes has been converted and (ii) the fourth sub-tranche of Tranche 2 Notes has been issued by the Company to the Subscriber. Assuming that all the remaining Tranche 2 Notes are issued and converted at the last conversion price of S\$0.0078 per share and assuming that the Company does not exercise its option to issue the Tranche 3 Notes, there will be approximately 435,897,425 shares that may be issued under the Tranche 2 Notes.

In the event that all Outstanding Warrants are exercised and all the Tranche 2 Notes are converted and issued prior to the Books Closure Date, the issued share capital of the Company will increase to 1,628,195,060 Shares (the “**Enlarged Issued Share Capital**”). Based on this Enlarged Issued Share Capital and assuming that the Rights Shares are fully subscribed for pursuant to the Irrevocable Undertakings (as defined in section [2.4] below) and by all other Entitled Shareholders, up to 1,628,195,060 Rights Shares will be issued pursuant to the Rights cum Warrants Issue (excluding any New Shares from the exercise of the Warrants) (“**Maximum Subscription Scenario**”). In such event, the share capital of the Company would comprise 3,256,390,120, representing 200% of the Enlarged Issued Share Capital.

#### Minimum Subscription Scenario

Assuming that no Outstanding Warrants are exercised and no Convertible Notes are issued and converted prior to the Books Closure Date and based on the Existing Share Capital of 684,225,646 Shares, a minimum of 435,555,555 Rights Shares would be issued pursuant to the Rights cum Warrants Issue pursuant to the Irrevocable Undertakings (as defined in section 2.4 below) (excluding any New Shares from the exercise of the Warrants) (the “**Minimum Subscription Scenario**”). In such event, the share capital of the Company would comprise 1,119,781,201 Shares, representing 163.66% of the Existing Share Capital.

Based on the Irrevocable Undertakings (as defined in section 2.4 below), the Company will raise gross proceeds of at least S\$1.96 million pursuant to the Rights cum Warrant Issue (excluding any exercise of the Warrants).

#### 2.4 Irrevocable Undertaking by the Undertaking Shareholders

As of the date hereof, our Executive Directors, namely Ricky Ang Gee Hing, Tan Choon Wee Tan Chong Chai and certain shareholders of the Company, namely Bobby Lim Chye Huat and Tan Wang Cheow (each an “**Undertaking Shareholder**” and collectively, the “**Undertaking Shareholders**”), hold an aggregate direct and deemed interests as follows:

| <b>Undertaking Shareholders</b> | <b>Direct and Deemed Interests</b> | <b>%</b> |
|---------------------------------|------------------------------------|----------|
| Ricky Ang Gee Hing              | 4,760,043                          | 0.70     |
| Tan Choon Wee                   | 2,550,000                          | 0.37     |
| Tan Chong Chai                  | 5,000,000                          | 0.73     |
| Bobby Lim Chye Huat             | 10,000                             | 0.001    |
| Tan Wang Cheow                  | 3,170,000                          | 0.46     |

To show their support for the Rights cum Warrants Issue and to demonstrate their commitment to and confidence in the prospects of the Company and its subsidiaries (“**Group**”), the Undertaking Shareholders have each provided to the Company an irrevocable undertaking that they will, or will procure that the registered Shareholders holding Shares on their behalf will, as the case may be, subscribe and/or procure subscription for their *pro-rata* entitlement to the Rights Shares and Excess Rights Shares, if any, up to the maximum number of Rights Shares as stated below (“**Irrevocable Undertakings**”) (excluding any New Shares from the exercise of the Warrants):

| <b>Undertaking Shareholders</b> | <b>Number of <i>Pro-rata</i> Entitled and Excess Rights Shares Undertaken</b> |
|---------------------------------|---|
| Ricky Ang Gee Hing              | 50,000,000  |
| Tan Choon Wee                   | 50,000,000  |
| Tan Chong Chai                  | 50,000,000  |
| Bobby Lim Chye Huat             | 230,000,000   |

|                |                    |
|----------------|--------------------|
| Tan Wang Cheow | 55,555,555         |
| <b>TOTAL</b>   | <b>435,555,555</b> |

As provided for under the Irrevocable Undertakings, each of the Underwriting Shareholder shall also in due course procure and furnish to the Company a confirmation of its financial resources to fulfil its obligations pursuant to the Irrevocable Undertakings.

Subsequent to the Rights cum Warrants Issue, the direct and deemed interests in the Company of the Undertaking Shareholders and the Company's current substantial shareholder are as follows:

| Shareholders                    | Maximum Subscription Scenario   | Minimum Subscription Scenario   |
|---------------------------------|---|---|
|                                 | Deemed and Direct Interests / As a percentage of enlarged share capital | Deemed and Direct Interests / As a percentage of enlarged share capital |
| <i>Undertaking Shareholders</i> |   |   |
| Ricky Ang Gee Hing              | 9,520,086 / 0.29%   | 54,760,043 / 4.89%  |
| Tan Choon Wee                   | 5,100,000 / 0.16%   | 52,550,000 / 4.69%  |
| Tan Chong Chai                  | 10,000,000 / 0.31%  | 55,000,000 / 4.91%  |
| Bobby Lim Chye Huat             | 20,000 / 0.001%   | 230,010,000 / 20.54%  |
| Tan Wang Cheow                  | 6,340,000 / 0.19%   | 58,725,555 / 5.24%  |
| <i>Substantial Shareholders</i> |   |   |
| Advance Opportunities Fund*     | 120,735,472 / 3.71%   | 60,367,736 / 5.39%  |

\*Advance Opportunities Fund currently holds 60,367,736 shares in the Company representing approximately 8.82% of the Company's existing issued and paid up capital of 684,225,646 shares as at the date of this announcement.

## 2.5 Purpose of the Rights cum Warrants Issue and Use of Proceeds

- (a) Each of the Issue Price of S\$0.0045 for each Right Share and the Exercise Price of S\$0.005 represents a discount of 35.71% and 28.57% to the closing price of S\$0.007 per Share on 19 January 2015, being the last full market day wherein Shares were traded on the SGX-ST Catalist immediately preceding this announcement.
- (b) The Rights Issue is not underwritten, in view of the Irrevocable Undertaking.
- (c) Under the Maximum Subscription Scenario, the estimated net proceeds



from the Rights cum Warrants Issue after deducting estimated expenses of S\$0.25 million is expected to be S\$7.08 million. (Proceeds for exercise of Warrants are excluded due to timing considerations. Assuming full exercise of Warrants, the gross proceeds from the Warrants under the Maximum Subscription Scenario will be approximately S\$16.3 million and will be utilized for general working capital purposes.)

- (d) Under the Minimum Subscription Scenario, the estimated net proceeds from the Rights cum Warrants Issue after deducting estimated expenses of S\$0.25 million is expected to be S\$1.71 million. (Proceeds for exercise of Warrants are excluded due to timing considerations. Assuming full exercise of Warrants, the gross proceeds from the Warrants under the Minimum Subscription Scenario will be approximately S\$4.36 million and will be utilized for general working capital purposes.)

For illustrative purposes only, the following table is an estimate of how the Company intends to use the proceeds:-

| Use of Net Proceeds  | Maximum Subscription Scenario |              | Minimum Subscription Scenario |              |
|--|-------------------------------|--------------|-------------------------------|--------------|
|  | Amount (S\$)                  | Percentage   | Amount (S\$)                  | Percentage   |
| Development and expansion of the business of Elektromotive Limited | 2.48                          | 35.0         | 0.60                          | 35.0         |
| Publishing business  | 1.06                          | 15.0         | 0.26                          | 15.0         |
| General working capital  | 3.54                          | 50.0         | 0.85                          | 50.0         |
| <b>Total</b>   | <b>7.08</b>                   | <b>100.0</b> | <b>1.71</b>                   | <b>100.0</b> |

- (e) The Company intends to utilise the net proceeds from the Rights cum Warrants Issue for (i) the development and expansion of the business of its subsidiary Elektromotive Limited – a provider of technology and engineering solutions for electric vehicle recharging stations; (ii) development of its publishing operations; and (iii) for other general working capital purposes of the Company. In respect of the latter, part of the net proceeds from the Rights cum Warrants Issue will also serve to strengthen the Group's financial position and thereby provide the Group with more flexibility and enhance its ability to formulate, strategise and execute its business plans. A stronger financial position will also allow the Group to meet its present requirements and to seize any opportunities for business growth and

expansion in a timely manner should such opportunities arise.

- (f) The Company will make the necessary announcements and subsequently provide a status report on the use of such proceeds and any material deviations therefrom in its annual report. Pending the deployment of the net proceeds from the Rights cum Warrants Issue, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purposes on a short term basis, as the Directors may in their absolute discretion deem fit.

## 2.6 Option to Scale Down Subscription

Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary and upon the approval of the Sponsor and/or the SGX-ST, scale down the subscription for the Rights Shares with Warrants by the Undertaking Shareholders or such other Shareholders of the Company (who may subsequently agree to be an undertaking shareholder in relation to the Rights cum Warrants Issue) to:

- (a) avoid placing any Undertaking Shareholder in the position of having to make a mandatory general offer under the Singapore Code on Take-overs and Mergers issued by the Monetary Authority of Singapore (“MAS”); and
- (b) ensure that such Undertaking Shareholder (as the case may be) complies with its stakeholding limits as may be imposed by statute or regulation(s) and guideline(s) by MAS or such other guidelines being in force for the time being (as the case may be),

in the event that the Rights cum Warrants Issue is not fully subscribed.

## 3 DETAILS OF THE WARRANTS

- 3.1 The Exercise Price will be fixed at S\$0.005 for each New Share upon exercise of the Warrants, subject to such adjustments to be set out in the deed poll constituting the Warrants. The exercise price of S\$0.005 represents a discount of approximately 28.57% over the weighted average trading price of S\$0.007 per ordinary share of the Company based on the trades done on the Company’s shares on the SGX-ST Catalist on 19 January 2015, the last full market day wherein Shares were traded on the SGX-ST Catalist immediately preceding this announcement.

- 3.2 Subject to the execution of a deed poll constituting the Warrants, the general terms of the Warrants are, *amongst others*, as follows:

|                            |   |
|----------------------------|---|
| Number of Warrants:        | Up to 3,256,390,120 in aggregate  |
| Detachability and Trading: | The Warrants will be detached from the Rights Shares on issue and will be listed and traded on the SGX-ST Catalist. |
| Exercise Price:            | The exercise price will be fixed at S\$0.005 for each   |

|                  |   |
|------------------|---|
|                  | New Share, subject to the prescribed adjustments.   |
| Exercise Period: | The Warrants may be exercised at any time during the period which will commence on the date of issue of the Warrants and will end on the day immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants. Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose. |
| Adjustments:     | The Exercise Price and the number of Warrants to be held by each warrant holder will be subject to adjustments only in the event of rights, bonus or other capitalisation issues.   |

#### 4. APPROVALS

4.1 The Rights cum Warrants Issue is subject to, *amongst others*, the following:-

- (a) the approval of the Shareholders of the Company for the Rights cum Warrants Issue at the EGM;
- (b) the submission by the Sponsor to the SGX-ST of the confirmations required in Appendix 8B of Section B: the Rules of Catalist of the Listing Manual of the SGX-ST;
- (c) the receipt of the listing and quotation notice from the SGX-ST for the dealing in, listing and quotation of the Rights Shares, the Warrants and the New Shares on the SGX-ST Catalist; and
- (d) the lodgment by the Company of the Offer Information Statement with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore, on Catalodge.

4.2 An application will be made to the SGX-ST for permission to deal in, and for the listing and quotation of the Rights Shares, the Warrants and the New Shares on the SGX-ST Catalist. An appropriate announcement on the outcome of the application for permission to deal in and for the listing and quotation of the Rights Shares, the Warrants and the New Shares on the SGX-ST Catalist will be made in due course.

#### 5. ADJUSTMENTS TO WARRANTS 2012

As a consequence of the Rights cum Warrants Issue, adjustments will be made to the number of Outstanding Warrants and exercise price of the Outstanding Warrants. Such adjustments will be notified to holders of the Outstanding Warrants in due course.

#### 6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors and substantial

Shareholders of the Company has any interest, direct or indirect, in the Rights cum Warrants Issue (other than through their respective shareholdings in the Company).

## **7. CONFIRMATION BY DIRECTORS**

The Directors are of the opinion that:

- (a) there is no minimum amount which must be raised from the Rights cum Warrants Issue, taking into consideration the Irrevocable Undertakings and the intended use of proceeds as disclosed above;
- (b) after taking into consideration the present bank facilities, the working capital available to the Group is insufficient to meet its present requirements – the proceeds from the Rights cum Warrants Issue (i) will be partially used to fund the development and expansion plans of the business of Elektromotive Limited and (ii) for general working capital purposes of the Company, which will strengthen the Group's financial position and thereby provide the Group with more flexibility and enhance its ability to formulate, strategise and execute its business plans, and also allow the Group to seize any opportunities for business growth and expansion in a timely manner should such opportunities arise; and
- (c) after taking into consideration the present bank facilities and the net proceeds from the Rights cum Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

## **8. RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights cum Warrants Issue, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement 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 the announcement in its proper form and context.

**For and on behalf of the Board of Directors**

**Ricky Ang Gee Hing**  
Executive Vice-Chairman and MD  
20 January 2015

## Important Notice

This Announcement is for information purposes only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire Rights Shares, Warrants or New Shares or to take up any entitlements to the Rights Shares and Warrants in any jurisdiction in which such an offer or solicitation is unlawful. No person should acquire any Rights Shares with Warrants except on the basis of the information contained in the OIS. The information contained in this Announcement should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

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