

ADDENDUM DATED 15 JULY 2015

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about this Addendum or the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser, or other professional adviser immediately.

This Addendum is circulated to shareholders of ELEKTROMOTIVE GROUP LIMITED (the “**Company**”) together with the Company’s Annual Report. Its purpose is to provide Shareholders with the relevant information relating to, and seek Shareholders’ approval for the proposed renewal of the Share Purchase Mandate (hereinafter defined) to be tabled at the Annual General Meeting to be held at **The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, #02-401/402, Suntec Tower 5, Singapore 039893 on 31 July 2015 at 11.00 a.m..**

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Addendum.

*This Addendum has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of the Catalyst. The Sponsor has not verified the contents of this Addendum. This Addendum has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Addendum, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Addendum. The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*



ELEKTROMOTIVE GROUP LIMITED
(Incorporated in Singapore)
(Company Registration Number 199407135Z)

**ADDENDUM IN RELATION TO
THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

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DEFINITIONS

In this Addendum, the following definitions apply throughout except where the context otherwise requires:

<i>“2015 AGM”</i>	:	The annual general meeting of the Company to be held on 31 July 2015 at 11.00 a.m.
<i>“Act” or “Companies Act”</i>	:	The Companies Act, Chapter 50 of Singapore, as amended, supplemented or modified from time to time
<i>“Annual Report”</i>	:	The annual report of the Company for FY2015
<i>“AGM”</i>	:	The annual general meeting of the Company
<i>“Articles”</i>	:	The Articles of Association of the Company as amended, supplemented or modified from time to time
<i>“Board”</i>	:	The Board of Directors of the Company
<i>“Catalist”</i>	:	The Catalist Board of the SGX-ST
<i>“Catalist Rules”</i>	:	The Listing Manual of the SGX-ST, Section B: Rules of Catalist, as the same may be amended, varied or supplemented from time to time
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Company”</i>	:	Elektromotive Group Limited, a company incorporated in Singapore
<i>“Directors”</i>	:	The Directors of the Company as at the date of this Addendum
<i>“EGM”</i>	:	The extraordinary general meeting of the Company
<i>“EPS”</i>	:	Earnings per Share
<i>“FY”</i>	:	Financial year ended or ending on 31 March of the relevant year
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Latest Practicable Date”</i>	:	The latest practicable date prior to the printing of this Addendum, being 6 July 2015
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST as amended, supplemented or modified from time to time
<i>“Listing Rules”</i>	:	The listing rules of the SGX-ST set out in the Listing Manual
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Memorandum”</i>	:	The Memorandum of Association of the Company as amended, supplemented or modified from time to time
<i>“NTA”</i>	:	Net tangible assets

DEFINITIONS

“ROE”	:	Return on equity
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase”	:	The purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate
“Share Purchase Mandate”	:	A general and unconditional mandate given by Shareholders (including the subsequent renewal thereof if approved by Shareholders) that authorises the Directors to purchase or acquire Shares in accordance with the terms set out in this Addendum as well as the rules and regulations set forth in the Companies Act and the Listing Manual
“Shareholders”	:	Persons who are registered as holders of Shares in the register of members of the Company
“Shares”	:	Ordinary shares in the share capital of the Company
“Substantial Shareholder”	:	A person who has an interest in not less than 5% of the issued voting shares of the Company
“Take-over Code” or “Code”	:	The Singapore Code on Take-overs and Mergers
“S\$”, “\$” and “cents”	:	Singapore dollars and cents, respectively
“%”	:	Per centum or percentage

The expressions **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the respective meanings ascribed to them in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and the neuter genders and vice versa. Words importing persons shall include corporations.

The headings in this Addendum are inserted for convenience only and shall be ignored in construing this Addendum.

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual or any modification thereof and used in this Addendum shall, where applicable, have the meaning assigned to it under the Companies Act or the Listing Manual or any modification thereof, as the case may be.

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

Any discrepancy with the tables in this Addendum between the listed amounts and the totals thereof is due to rounding.

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ELEKTROMOTIVE GROUP LIMITED

(Incorporated in Singapore)
(Company Registration Number 199407135Z)

Registered Office:
9 Battery Road
#15-01 Straits Trading Building
Singapore 049910

Directors:

Ricky Ang Gee Hing (*Executive Vice-Chairman & Managing Director*)

James Ang Ghee Ann (*Non-Executive Non-Independent Director*)

Tan Chong Chai (*Executive Director*)

Chou Kong Seng (*Independent Director*)

Roy Ling Chung Yee (*Independent Director*)

Kesavan Nair (*Independent Director*)

15 July 2015

To: The Shareholders of Elektromotive Group Limited

Dear Sir/Madam

1. INTRODUCTION

- 1.1 At the EGM of the Company held on 30 July 2014, approval of the Shareholders was obtained, *inter alia*, for the Share Purchase Mandate to enable the Company to purchase its Shares from Shareholders. The authority conferred pursuant to the Share Purchase Mandate may be exercised by the Directors at any time during the period commencing from the EGM dated 30 July 2014 and expiring on the date when the next AGM is held, or the date by which the next AGM is required by law to be held, whichever is earlier.
- 1.2 The Share Purchase Mandate will expire on the date of the forthcoming 2015 AGM. Accordingly, the Directors of the Company are seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate at the forthcoming AGM.
- 1.3 The purpose of this Addendum is to provide Shareholders with relevant information relating to and explaining the rationale for the proposed Share Purchase Mandate to be tabled at the AGM.
- 1.4 The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Addendum. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 The Share Purchase Mandate

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 company's articles of association. Any purchase of Shares by the Company will also have to be made in accordance with, and in the manner prescribed by, the Companies Act and such other laws and regulations as may for the time being applicable. As the Company is listed on the SGX-ST, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition of issued ordinary shares in the capital of a company which is listed on Catalist.

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The Articles provide that the Company may purchase or otherwise acquire its issued Shares subject to and in accordance with the Act on such terms and conditions as the Company may in a general meeting prescribed. The Catalist Rules provide that if the company wishes to purchase or otherwise acquire its own shares, it should obtain the prior specific approval of the company's shareholders in a general meeting. Accordingly, approval is being sought from the Shareholders at the AGM for the renewal of the Share Purchase Mandate to be given for the purchase or acquisition by the Company of its issued Shares. The resolution will be proposed as an Ordinary Resolution pursuant to which the Share Purchase Mandate will be given to the Directors to exercise all powers on behalf of the Company to purchase or otherwise acquire its issued Shares in accordance with the terms of the Share Purchase Mandate as well as the rules and regulations set forth in the Companies Act and the Catalist Rules.

If approved by Shareholders at the 2015 AGM, the authority conferred by the Share Purchase Mandate will continue in force until the conclusion of the next AGM of the Company or the date by which such AGM is required to be held or when the authority conferred is revoked or varied in any general meeting of the Company, whichever is the earliest. The Share Purchase Mandate may be renewed by the Shareholders in any general meeting.

2.2 Rationale for the Share Purchase Mandate

The approval for the renewal of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the 10% limit described in paragraph 2.3.1 (*Maximum number of Shares*) below at any time during the period when the Share Purchase Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

- (a) In managing the business of the Group, the management of the Group will strive to increase Shareholders' value by improving, *inter alia*, the ROE of the Company. In addition to the growth and expansion of the business, share purchases may be considered as one of the ways through which the ROE of the Company may be enhanced.
- (b) In line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to Shareholders. To the extent that the Company has capital and sufficient funds, which are in excess of its working capital needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.
- (c) The Share Purchase Mandate will provide the Company the flexibility to undertake share purchases or acquisitions in appropriate circumstances which the Company believes will not result in any material adverse effect on the liquidity and the orderly trading of the Shares and compliance with the Catalist Rules, during the period when the Share Purchase Mandate is in force.
- (d) Share purchases may help mitigate short-term market volatility offset the effects of short-term speculation and bolster shareholder confidence. The lack of liquidity most times makes it difficult for Shareholders to realise their gains. The Company now offers Shareholders an exit path.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the duration referred to in paragraph 2.3.2 (*Duration of authority*) below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate would be made only as and when the Directors consider it to be in the best interests of the Company and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the Catalist. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the Catalist.

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2.3 Authority and Limits on the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate are summarised below:

2.3.1 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 which may be purchased or acquired pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (ascertained as at the date of the forthcoming AGM at which the Share Purchase Mandate is approved). Any Shares which are held as Treasury Shares (if any) will be disregarded for purposes of computing the 10% limit.

For illustrative purposes only, on the basis of 1,368,451,292 Shares (excluding Treasury Shares) in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2015 AGM, not more than 136,845,129 Shares (representing not more than 10% of the total number of issued Shares as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate during the duration referred to in Paragraph 2.3.2 (*Duration of authority*) below.

2.3.2 Duration of authority

Purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate may be made, at any time and from time to time, on and from the date of the 2015 AGM, at which the Share Purchase Mandate is approved, up to the earlier of:

- (a) the conclusion of the next AGM;
- (b) the date by which the next AGM is required by law to be held;
- (c) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate are carried out to the full extent mandated; or
- (d) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

The authority conferred on the Directors by the Share Purchase Mandate to purchase or acquire Shares may be renewed at the next AGM or an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

2.3.3 Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchase(s) ("**Market Purchase**"), transacted on the SGX-ST through the ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) ("**Off-Market Purchase**") effected pursuant to an equal access scheme.

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The Directors may impose such terms and conditions which are consistent with the Share Purchase 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 any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made;
- (iii) and the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, pursuant to the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will have to issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchase or acquisition of Shares by the company that will arise under the Take-Over code or other applicable take-over rules;
- (5) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or, if permitted by the Company's Articles and Memorandum, held as Treasury Shares.

2.3.4 Purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Purchase Mandate. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price of the Shares,

(the "**Maximum Price**") in either case, excluding related expenses of the Share Purchase.

For the above purposes:

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“Average Closing Price” means the average of the closing market prices of a Share for the five (5) consecutive Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company and deemed to be adjusted in accordance with the Catalyst Rules for any corporate action which occurs after the relevant five (5) Market Days.

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding 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 an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares

2.4.1. Cancellation

Any Share which is purchased or acquired by the Company shall, unless held as Treasury Shares to the extent permitted under the Act and the Company’s Articles, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. 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 Act) will be automatically de-listed by the SGX-ST, and 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.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company and as the Directors deem fit in the interest of the Company at that time.

2.4.2. Treasury Shares

Under the 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 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 (**“Treasury Shares Limit”**). As at the Latest Practicable Date, the Company does not hold any Treasury 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 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. A subdivision or consolidation of any treasury share into Treasury Shares of a smaller amount is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

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(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.

Where Shares purchased pursuant to the Share Purchase Mandate are held as Treasury Shares, the number of such Shares to be held as Treasury Shares, when aggregated with the existing Treasury Shares held, shall not, subject to the Act, exceed the Treasury Shares Limit at any time.

Under the Catalist Rules, immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of Treasury Shares before and after the usage, the value of the Treasury Shares in usage and the percentage of the number of Treasury Shares comprised in the usage against the total number of issued shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage.

2.5 Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve the purchases or acquisitions of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of a purchase or acquisition of Shares on SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including, *inter alia*, the 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.

Within 30 days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Act, the Company shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

The Catalist Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions 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 the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

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2.6 Source of Funds

The Companies Act provides that any purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits, so long as the Company is solvent (i.e. the Company is able to pay its debts in full at the time which the share purchase is being conducted and the value of the Company's assets exceed its liabilities, including any contingent liability). The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that the working capital position and/or the gearing of the Group would be materially adversely affected.

The Company intends to use internal sources of funds and/or, if need be, external borrowings to finance purchases or acquisitions of its Shares. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of the Shares pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

2.7 Solvency Test

Under the Act in force as at the Latest Practicable Date, we may not purchase Shares if we know that our Company is not solvent. For this purpose, a company is "solvent" if:

- (a) the company is able to pay its debts in full at the time of the payment for the purchase and will be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately following the date of the payment; and
- (b) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) having regard to the most recent financial statements of the company and all other circumstances that the directors or managers of the company know or ought to know affect, or may affect, such values.

2.8 Financial Effects

It is not possible for the Company to realistically calculate or quantify the financial impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase 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 Purchase Mandate in a manner and to such an extent that it would have a material adverse effect on the working capital requirements and/or the 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.

For illustrative purposes only, the financial effects of the Share Purchase Mandate on the Company and the Group, based on the audited financial statements of the Group for the financial year ended 31 March 2015, are based on the assumptions set out below:

- (a) based on 1,368,451,292 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2015 AGM, not more than 136,845,129 Shares (representing not more than 10% of the total number of issued Shares as at that date) may be purchased by the Company pursuant to the proposed Share Purchase Mandate;

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- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 136,845,129 Shares at the Maximum Price of S\$0.0032 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 136,845,129 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$437,904.41; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 136,845,129 Shares at the Maximum Price of S\$0.0048 for one Share (being the price equivalent to 20% above the Highest Last Dealt Price on the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 136,845,129 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$656,856.62.

For illustrative purposes only, and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that (i) the purchase or acquisition of Shares is financed solely by internal sources of funds; (ii) the Share Purchase Mandate had been effective on 1 April 2014; (iii) interest free loan of S\$657,000 had been loaned from the subsidiaries to the Company prior to the purchase of Shares; and (iv) the Company had purchased or acquired 136,845,129 Shares (representing the maximum 10% of the total number of issued Shares at the Latest Practicable Date that the Company can purchase or acquire pursuant to the Share Purchase Mandate) on 1 April 2014, the financial effects of the purchase or acquisition of 136,845,129 Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and held as Treasury Shares on the audited financial statements of the Company and the Group for the financial year ended 31 March 2015 are set out below:

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(1) Market Purchases

	Group		Company	
	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)
As at 31 March 2015				
Loss attributable to shareholders of the Company	(2,793)	(2,793)	(2,939)	(2,939)
Shareholders' equity	5,821	5,383	2,563	2,125
NTA	(3,249)	(3,687)	2,563	2,125
Current assets	4,263	3,825	172	391
Current liabilities	6,370	6,370	6,266	6,923
Working capital	(2,107)	(2,545)	(6,094)	(6,532)
Total borrowings	1,721	1,721	800	800
Number of shares excluding Treasury Shares ('000) ⁽¹⁾	1,368,451	1,231,606	1,368,451	1,231,606
Weighted average number of shares ('000)	1,121,566	984,721	1,121,566	984,721
Financial Ratios				
NTA per share (cents) ⁽²⁾	(0.24)	(0.30)	0.19	0.17
Gearing (times) ⁽³⁾	0.29	0.32	0.31	0.38
Current ratio (times)	0.67	0.60	0.03	0.06
EPS (cents) ⁽⁴⁾	(0.25)	(0.28)	(0.26)	(0.30)
ROE (%) ⁽⁵⁾	(47.98)	(51.89)	(114.67)	(138.31)

Notes:

- (1) Number of Shares as at Latest Practicable Date is 1,368,451,292.
- (2) NTA per Share equals NTA divided by number of Shares.
- (3) Gearing equals total borrowings divided by Shareholders' equity.
- (4) EPS (basic and diluted) equals profit after tax divided by the weighted average number of Shares. The weighted average number of Shares as at Latest Practicable Date is 1,121,565,760 Shares.
- (5) ROE equals profit attributable to Shareholders of the Company divided by average Shareholders' equity.

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(2) Off-Market Purchases

	Group		Company	
	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)
As at 31 March 2015				
Loss attributable to shareholders of the Company	(2,793)	(2,793)	(2,939)	(2,939)
Shareholders' equity	5,821	5,164	2,563	1,906
NTA	(3,249)	(3,906)	2,563	1,906
Current assets	4,263	3,606	172	172
Current liabilities	6,370	6,370	6,266	6,923
Working capital	(2,107)	(2,764)	(6,094)	(6,751)
Total borrowings	1,721	1,721	800	800
Number of shares excluding Treasury Shares ('000) ⁽¹⁾	1,368,451	1,231,606	1,368,451	1,231,606
Weighted average number of shares ('000)	1,121,566	984,721	1,121,566	984,721
Financial Ratios				
NTA per share (cents) ⁽²⁾	(0.24)	(0.32)	0.19	0.15
Gearing (times) ⁽³⁾	0.29	0.33	0.31	0.42
Current ratio (times)	0.67	0.57	0.03	0.02
EPS (cents) ⁽⁴⁾	(0.25)	(0.28)	(0.26)	(0.30)
ROE (%) ⁽⁵⁾	(47.98)	(54.09)	(114.67)	(154.20)

Notes:

- (1) Number of Shares as at Latest Practicable Date is 1,368,451,292.
- (2) NTA per Share equals NTA divided by number of Shares.
- (3) Gearing equals total borrowings divided by Shareholders' equity.
- (4) EPS (basic and diluted) equals profit after tax divided by the weighted average number of Shares. The weighted average number of Shares as at Latest Practicable Date is 1,121,565,760 Shares.
- (5) ROE equals profit attributable to Shareholders of the Company divided by average Shareholders' equity.

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Shareholders should note that the financial effects set out above are purely for illustrative purposes only. Although the proposed Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of its total issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of its total issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or acquired.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the proposed Share Purchase Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

2.9 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.9.2 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), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

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

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts; and
- (c) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

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

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2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its own Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold 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. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its own Shares, the voting rights of such Shareholder 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 Purchase Mandate.

Based on the shareholdings of the Directors and substantial shareholders in the Company as at the Latest Practicable Date, none of the Directors and substantial shareholders will become obligated to make a mandatory offer by reason only of the purchase or acquisition of 10% Shares by the Company pursuant to the Share Purchase Mandate.

The Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to purchase or acquire Shares pursuant to the Share Purchase Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Take-over Code as a result of any share purchases by the Company are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity.

2.10 **The Catalist Rules**

While the Catalist Rules do not expressly prohibit the purchase of shares by a listed company during any particular time or times, the listed company would be considered an "insider" in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase any Shares pursuant to the Share Purchase Mandate after a price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price-sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares through Market Purchases during one (1) month immediately preceding the announcement of the Company's half and full year results and at all times in compliance with Rule 1204(19) of the Catalist Rules.

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of its Shares are in the hands of the public. The "public", as defined under the Catalist Rules, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons.

Based on the register of Directors' shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 1,107,466,693 Shares, representing 80.93% of the total issued Shares, are in the hands of the public. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 970,621,564 Shares, representing 78.81% of the reduced total issued Shares of the Company. Accordingly, the Company is of the view that there is a sufficient number of issued share capital held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued share capital up to the full 10% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

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In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.11 Previous Share Purchases

The Company has not purchased any Shares during the 12-month period preceding the Latest Practicable Date.

2.12 Tax Implications

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

2.13 Directors' and Substantial Shareholders' Interests

2.13.1 Directors' Interests

As at the Latest Practicable Date, the interests of the Directors in the Shares before and after the Share Purchase pursuant to the Share Purchase Mandate, assuming (i) the Company purchases up to the maximum amount of 10% of the total issued Shares and (ii) there is no change in the number of Shares (whether direct or deemed) held by the Directors, are set out below:

Director	Before the Share Purchase (as at the Latest Practicable date)		After the Share Purchase	
	Number of Shares		Total	Total
	Direct	Deemed	Percentage Interest (%) ⁽¹⁾	Percentage Interest (%) ⁽¹⁾
Ricky Ang Gee Hing	4,726,548	4,793,538 ⁽²⁾	0.70	0.77
Tan Chong Chai	10,000,000	-	0.73	0.81
Chou Kong Seng	-	-	-	-
James Ang Ghee Ann	800,000	2,400,050 ⁽³⁾	0.23	0.26
Roy Ling Chung Yee	-	-	-	-
Kesavan Nair	-	-	-	-

Note:

- (1) Based on 1,368,451,292 Shares before the Share Purchase and 1,231,606,163 Shares after the Share Purchase.
- (2) Ricky Ang Gee Hing holds 50% of the shareholdings in Fontana Investments Pte Ltd. As such, he is deemed to have an interest in the shares in the Company held by Fontana Investments Pte Ltd.
- (3) James Ang Ghee Ann holds 25% of the shareholdings in MA Builders Pte Ltd. As such, he is deemed to have an interest in the shares in the Company held by MA Builders Pte Ltd.

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2.13.2 Substantial Shareholders' Interests

As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares before and after the Share Purchase pursuant to the Share Purchase Mandate, assuming (i) the Company purchases up to the maximum amount of 10% of the total issued Shares and (ii) there is no change in the number of Shares (whether direct or deemed) held by the Substantial Shareholders, are set out below:

Substantial Shareholder	Before the Share Purchase (as at the Latest Practicable date)		After the Share Purchase	
	Number of Shares		Total	Total
	Direct	Deemed	Percentage Interest (%) ⁽¹⁾	Percentage Interest (%) ⁽¹⁾
Lim Chye Huat @ Bobby Lim Chye Huat	130,468,463	-	9.53	10.59
Lee Thiam Seng	107,796,000	-	7.88	8.75

Note:

(1) Based on 1,368,451,292 Shares before the Share Purchase and 1,231,606,163 Shares after the Share Purchase.

3. DIRECTORS' RECOMMENDATION

The Directors, having considered the rationale for the Share Purchase Mandate, are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company, and recommend that the Shareholders vote in favour of the Ordinary Resolution 8 to be proposed at the 2015 AGM.

4. APPROVALS AND RESOLUTIONS

Shareholders' approval for the proposed renewal of the Share Purchase Mandate is sought at the 2015 AGM. The resolution relating to the proposed renewal of the Share Purchase Mandate is contained in the Notice of 2015 AGM as Ordinary Resolution 8.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Group and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in the Addendum 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 Addendum in its proper form and context.

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6. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 9 Battery Road #15-01 Straits Trading Building Singapore 049910 during normal business hours for a period of three (3) months from the date of this Addendum:

- (a) the Annual Report of the Company; and
- (b) the Memorandum and Articles of Association of the Company.

Yours faithfully

For and on behalf of the Board of Directors of

ELEKTROMOTIVE GROUP LIMITED

Ricky Ang Gee Hing
Executive Vice-Chairman and Managing Director

