



**ELEKTROMOTIVE GROUP LIMITED**

(Incorporated in Singapore)

(Company Registration No. 199407135Z)

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**PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF QT INTERACTIVE TECHNOLOGY INVESTMENTS LIMITED**

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*This announcement has been prepared by Elektromotive Group Limited (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 Catalist (the “**Catalist Rules**”). The Sponsor has not verified the contents of this announcement.*

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

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Elektromotive Group Limited (the “**Company**”) is pleased to announce that the Company had, on 20 June 2016, entered into a conditional sale and purchase agreement (the “**S&P Agreement**”) with Qing Ting Interactive Technology Holdings Limited (the “**Vendor**”) whereby the Company will acquire the entire issued and paid-up share capital of QT Interactive Technology Investments Limited (the “**Target Company**”) from the Vendor on the terms and conditions contained in the S&P Agreement (the “**Proposed Acquisition**”).

The Proposed Acquisition, if undertaken and completed, is expected to result in a “reverse take-over” of the Company pursuant to Rule 1015 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)’s Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

**2. INFORMATION RELATING TO THE VENDOR AND THE TARGET COMPANY**

*The information on the Vendor and its shareholders, the Target Company and the Target Group (as defined below) in this Paragraphs 2 and 6, and Appendices A, B and D to this Announcement was provided by the Vendor, which has been extracted and reproduced herein. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to ensuring*

*that such information has been accurately and correctly extracted and reproduced in this Announcement in its proper form and context.*

## **2.1 The Vendor**

The Vendor is a company incorporated under the laws of the Cayman Islands on 2 September 2014, whose principal business is investment holding. The shareholders of the Vendor are (i) Luzy Tech Limited (59.07%), a company wholly-owned by Mr Lu Ziyin (卢子印); (ii) Great Northwest Culture Limited (20%), a company wholly-owned by Qiang Linmei (强林梅); and (iii) Easy Run Tech Limited (20.93%), which the shareholders are Zhou Feng (周峰) (47.77%), Chen Siyu (陈思宇) (40.09%) and Huang Jinlong (黄金龙) (12.14%).

## **2.2 Ultimate shareholders of the Vendor**

Mr Lu Ziyin is the co-founder of QT Interactive (Shenzhen) Co., Ltd (“**QT Shenzhen**”). He joined Taikang Asset Management, a division of Taikang Life Insurance, as an account manager in 2007. In the newly-created Institutional Funds Department, Mr Lu helped Taikang Asset Management to grow its assets under management from zero to RMB20 billion in the span of 3 years. He left Taikang Asset Management in early 2011 and set up Lang Arts Fund. The fund was successful and was valued at RMB200 million within 2 years. Mr Lu, together with Mr Chen Siyu and Mr Zhou Feng established QT Shenzhen in 2013, and was the COO of QT Shenzhen, responsible for marketing. He became the CEO of QT Shenzhen in 2014.

Ms Qiang Linmei graduated from the Nanyang Technological University, School of Business with an Executive Masters of Business Administration in 2005. She is the founder, chairman and chief executive officer of the Shaanxi Jinyu enterprise group set up in 1994 and Euro-Asia Investment Advisory Co. Ltd set up in 2003. Ms Qiang’s 20 years of hard work has won her wide social recognition and acclaim. She was honored with Award for driving the economic development in Shaanxi Province of China. The industries in which Ms Qiang is involved in include real estate, pharmaceutical and film production.

Mr Zhou Feng graduated with a degree in Computer Application from Harbin Engineering University and joined Zhuhai Hairong Software Co., Ltd. in 2001 as a software engineer and left as the Deputy Chief Engineer in 2012. During his tenure, Mr Zhou was responsible for the research and development of online multimedia educational products for Windows 2000. Mr Zhou developed the QT teaching software and co-founded QT Shenzhen in 2013. Mr Zhou served as the Chief Technology Officer and was in charge of QT Shenzhen’s flagship product research and development. Currently, Mr Zhou serves as Vice President and leads QT Shenzhen’s new R&D projects.

Mr Chen Siyu graduated from University of International Relations in Beijing with a degree in Communications in 1991. He accumulated over ten years of experience in the communications industry before he invested in Zhuhai Hairong Software Co., Ltd. in 2000 and was in charge of the operation of television advertised products. In 2010, Mr Chen founded Suzhou Super Environmental Protection Technology Co., Ltd., which supported hi-tech enterprises. The company grew rapidly, and generated RMB50 million in profit within a few years. In 2013, Mr Chen participated in the creation of the QT teaching software and co-founded QT Shenzhen. Mr Chen currently serves as the Vice President of QT Shenzhen.

Mr Huang Jinlong graduated from university and joined Zhuhai Hairong Software Co., Ltd. in 2004 as a web engineer. After 8 years as a web engineer with Zhuhai Hairong Software, Mr

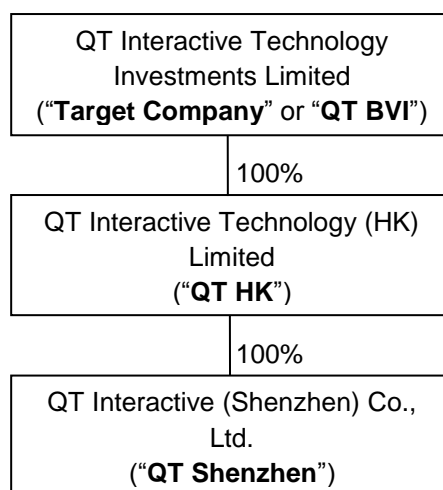
Huang joined QT Shenzhen as a technical partner. Mr Huang currently serves as the Project Director of QT Shenzhen and is responsible for web-based product development and maintenance.

Neither the Vendor nor any of their direct or indirect shareholders are related to the Company, or the directors or substantial shareholders or their respective associates of the Company. As at the date of this Announcement, the Vendor (and its ultimate shareholders) do not hold any Shares of the Company.

### 2.3 The Target Company and the Target Group

The Target Company is an investment holding company incorporated under the laws of the British Virgin Islands with an issued and paid-up capital of US\$100 consisting of 100 ordinary shares.

Upon the completion of the restructuring exercise to be undertaken by the Vendor and the Target Company prior to the completion of the Proposed Acquisition (“**Completion**”) under the S&P Agreement, the Target Company will hold, through its wholly-owned subsidiary, QT HK (as defined herein below), all the equity interests in QT Shenzhen (as defined herein below). As of the date of this Announcement, the equity interests in QT Shenzhen are held by Mr Lu Ziyin (36.6%), Ms Qiang Linmei (27.63%) and Yu Yin Feng Limited Partnership (深圳宇印峰投资管理企业（有限合伙）) (35.77%). The shareholders of Yu Yin Feng Limited Partnership (深圳宇印峰投资管理企业（有限合伙）) are Mr Lu Ziyin (46.31%), Mr Zhou Feng (25.17%), Mr Chen Siyu (21.12%), Mr Huang Jinlong (6.4%) and 深圳寰球盈科投资咨询有限公司 (1%). Upon the completion of the restructuring exercise, the corporate structure of the Target Company and its subsidiaries (“**Target Group**”) will be as follows:



QT Shenzhen is engaged in the business of developing and providing interactive platform tools for teachers, parents and students. It derives revenue from advertisements by retailers, sales from its online store and fees from services provided to the parents and students. QT Shenzhen has developed an application named “BanBan” or “班班” which provides the following products and services:

1. BanBan Messaging Service, an SMS notification and in-app notification service;

2. BanBan Education Community for Parents, a platform for parents to communicate and share information; and
3. BanBan Class Fund Management, a toolkit and service to manage class funds.

As of the date of this Announcement, the “BanBan” or “班班” application has gained foothold in 288 cities in the People’s Republic of China (“PRC”) with more than 44,000 active classes and 91,000 teachers using the application.

## **2.4 Historical Financial Information of the Target Group and Pro-Forma Financial Information of the Enlarged Group**

A summary of the unaudited pro-forma combined financial statements of the Target Group for the financial years ended 31 March 2015 and 31 March 2016 is set out in Appendix A to this Announcement. The Target Group’s financial statements have been prepared in accordance with the PRC’s General Acceptance Accounting Principles.

A summary of the unaudited pro-forma financial statements of the Target Group, the Company and its subsidiaries (the “**Enlarged Group**”) is set out in Appendix B to this Announcement.

## **2.5 Value of the Sale Shares**

As of 31 March 2016, the Target Group had net liabilities of about RMB23.4 million (approximately S\$4.92 million, using the exchange rate of RMB1 to S\$0.21) and net tangible liabilities of about RMB 31.5 million (approximately S\$6.62 million).

The Company will be commissioning an independent valuer to undertake an independent valuation of the assets of the Target Group in connection with the Proposed Acquisition (the “**Valuation**”).

## **3. KEY TERMS OF THE PROPOSED ACQUISITION**

### **3.1 Sale and Purchase**

Pursuant to the S&P Agreement, the Company shall acquire 100 ordinary shares in the capital of the Target Company (the “**Sale Shares**”), representing the entire issued and paid-up share capital of the Target Company free and clear of all encumbrances and together with all rights, benefits and entitlements attaching thereto as at the Completion Date (as defined below) and thereafter.

### **3.2 Purchase Consideration**

#### **3.2.1 Aggregate Consideration**

The aggregate consideration for the purchase of the Sale Shares shall be US\$100,000,000 (equivalent to S\$138,000,000 calculated on the basis of the agreed exchange rate of US\$1 = S\$1.38) (the “**Aggregate Consideration**”). The Aggregate Consideration was arrived at following arm’s length negotiations on a willing buyer willing seller basis, and taking into account that QT Shenzhen will have at least 1,000,000 Monthly Active Users (as defined below), the yardstick for the Valuation, as at the date the Conditions Precedent (as defined below) are fulfilled or waived in accordance with the S&P Agreement.

The Aggregate Consideration shall be payable in the following manner:

- (a) the sum of S\$118,000,000 (“**Share Swap Consideration**”) payable in the form of such number of Consolidated Shares (as more greatly described in Paragraph 3.5 below) representing 85% of the enlarged share capital of the Company on the Completion Date (the “**Consideration Shares**”) to be allotted on Completion at the Issue Price (as defined below) to the Vendor; and
- (b) the sum of S\$20,000,000 (“**Note Consideration**”) payable in form of four (4) transferable and unconvertible promissory notes with an equal principal amount (the “**Promissory Notes**”) to be issued by the Purchaser to the Vendor on Completion.

### 3.2.2 Issue Price

The issue price of the Consideration Shares (the “**Issue Price**”) shall be determined using the following formula:

$$\frac{\text{Share Swap Consideration}}{\text{Number of Consideration Shares}}$$

For illustration purposes and assuming Completion took place on the date of the S&P Agreement, the number of Consideration Shares to be issued to the Vendor would be 13,801,310,401 and the Issue Price would be S\$0.00855, representing a premium of approximately 167.19% to the volume weighted average market price of S\$0.0032 per Share as at 16 June 2016, being the last traded market day immediately preceding the date of the S&P Agreement.

### 3.2.3 Promissory Notes

The Promissory Notes shall be issued subject to, *inter alia*, the following terms and conditions:

- (a) The Promissory Notes shall carry interest of 1% per annum and payable at the end of every six (6) months from the date of issue;
- (b) The Promissory Notes shall be transferable;
- (c) The Promissory Notes shall mature on the date falling 24 months from the Completion Date (the “**Maturity Date**”); and
- (d) The Company shall have the option to prepay part or the whole of the principal amount(s) under the Promissory Notes prior to the Maturity Date.

Assuming that the Company does not prepay any part of the principal amounts under the Promissory Notes prior to the Maturity Date, it would have paid an aggregate of S\$400,000 in interest on the principal amounts under the Promissory Notes during the term of the Promissory Notes.

### 3.2.4 Downward Adjustment to Aggregate Consideration

The Aggregate Consideration, the Share Swap Consideration and the Note Consideration shall be adjusted downwards in accordance with the circumstances set out below.

In the event that the registered users who log onto the BanBan's website or application at least once a month ("**Monthly Active Users**") as at the date the Conditions Precedent are fulfilled or waived in accordance with the S&P Agreement (the "**CP Date**") is less than 1,000,000, the Aggregate Consideration, the Share Swap Consideration and the Note Consideration will be **adjusted downwards proportionately by the percentage by which the number of Monthly Active Users is less than 1,000,000**, up to a maximum percentage of 10%.

For example, if the number of Monthly Active Users as at the CP Date is 900,000, the Aggregate Consideration, the Share Swap Consideration and the Note Consideration shall be adjusted downwards by 10% to S\$124,200,000, S\$106,200,000 and S\$18,000,000 respectively.

In the event that the number of Monthly Active Users as at the CP Date is less than 900,000, the Company has the right to terminate the S&P Agreement.

### **3.3 Completion**

Completion is conditional upon, *inter alia*, the conditions precedent specified in Appendix C to this Announcement (the "**Conditions Precedent**") being fulfilled or waived in accordance with the terms of the S&P Agreement. Completion will take place on the date falling five (5) Business Days after the date on which all the Conditions Precedent are fulfilled or waived by the Company or the Vendor (as the case may be) in accordance with the terms of the S&P Agreement (the "**Completion Date**").

If the Conditions Precedent are not fulfilled or waived by the Company or the Vendor (as the case may be) by the date falling six (6) months after the date of the S&P Agreement or such other date as may be agreed in writing between the parties, the S&P Agreement shall terminate.

### **3.4 Shareholding Structure on Completion**

On Completion, the Target Company will become a wholly-owned subsidiary of the Company and the Vendor will hold approximately 85% shareholding in the Company based on its enlarged share capital after Completion.

The Vendor has undertaken to comply with, or procure compliance with, all applicable moratorium requirements imposed by the SGX-ST in respect of the Consideration Shares.

### **3.5 Proposed Share Consolidation**

The Company will, in connection with the Proposed Acquisition, propose the consolidation of every one hundred (100) shares of the Company into one (1) consolidated share (or such other ratio as may be decided by the Company) (the "**Consolidated Share**"), to take effect on or before Completion (the "**Proposed Share Consolidation**"). The Consideration Shares to be issued will be Consolidated Shares.

The rationale for the Proposed Share Consolidation is to satisfy Rule 1015(3)(c) of the Catalist Rules relating to the minimum issue price of the Consideration Shares.

### 3.6 Proposed Whitewash Resolution

As the Vendor will own 85% of the enlarged voting share capital of the Company upon Completion, the Vendor and its concert parties will be required under Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”) to make a general offer for the remaining shares of the Company not owned or controlled by the Vendor and its concert parties at the highest price paid or agreed to be paid by any of them for the shares in the preceding six (6) months.

It is a condition precedent to the Proposed Acquisition that the Securities Industry Council (“**SIC**”) grants the Vendor and its concert parties, and does not revoke or repeal any such grant, a waiver of their obligation to make a general offer under Rule 14 of the Code for all the shares of the Company not owned or controlled by them, and that independent shareholders of the Company approve at an extraordinary general meeting of the Company a resolution for the waiver of their rights to receive such a mandatory offer from the Vendor and its concert parties (the “**Proposed Whitewash Resolution**”).

The Company will appoint an independent financial adviser to the independent Directors of the Company for the purposes of the Proposed Whitewash Resolution. The advice of the independent financial adviser will be set out in the Circular (as defined below) to be despatched to Shareholders (as defined below) in due course.

### 3.7 Proposed Compliance Placement

Pursuant to Rule 406(1) of the Catalist Rules, at least 15% of the enlarged issued share capital of the Company must be held in the hands of at least 200 public shareholders to maintain its listing status on the Catalist of the SGX-ST. Upon Completion, the Company will not comply with the shareholding spread and distribution requirements under Rule 406(1) of the Catalist Rules and the Company shall issue such number of new ordinary shares in the capital of the Company (the “**Compliance Placement Shares**”) to meet such shareholding spread and distribution requirements (the “**Proposed Compliance Placement**”) and the issue price for each Compliance Placement Share shall not be less than S\$0.20.

### 3.8 Service Contracts

It is envisaged that the Company will, upon Completion, enter into service contracts with certain key management (as nominated by the Vendor), the details of which will be disclosed in the Circular (as defined below), to be despatched to the shareholders of the Company (the “**Shareholders**”) in due course. Under the terms of the S&P Agreement, the Vendor is entitled to appoint new directors to the Board. As at the date of this Announcement, the Vendor has not nominated any person to be appointed as a director of the Company.

## 4. RATIONALE FOR THE PROPOSED ACQUISITION

The Board is of the view that the Proposed Acquisition, if approved by the Shareholders, is in the best interests of the Company and the Shareholders for the following reasons:

- (a) it will enable the Company to enter the fast growing social media, e-commerce and education related business in the PRC; and

- (b) it is estimated that the PRC currently has at least 100 million primary and secondary students which gives the Target Group a large captive audience of students and parents for its “BanBan” application. Also, with the change of policy allowing Chinese couples to have two children, the number of primary and secondary students will be increased in the near future and demand for education related services in the PRC will increase accordingly; and
- (c) notwithstanding that the Target Group is currently loss-making, the Proposed Acquisition will allow the Company and its subsidiaries (the “**Group**”) to have better prospects of profitability and ensure long term growth as and when the number of Monthly Active Users increases through QT Shenzhen’s referral program. QT Shenzhen intends to launch its referral programme aggressively during the commencement of the PRC’s new school semester in September 2016.

## 5. CURRENT BUSINESS OF THE GROUP

It is intended and a term to the S&P Agreement for the current electric vehicles charging solutions and publishing businesses of the Group to be ceased, transferred or disposed of such that the Group shall have no assets and no liabilities on the Completion Date (the “**Proposed Disposal of Existing Business**”). The Company will make further announcements as and when there are material updates in relation to the Proposed Disposal of Existing Business.

## 6. THE PROPOSED ACQUISITION AS A REVERSE TAKEOVER

Based on the latest unaudited financial statements of the Target Group for the financial year ended 31 March 2016 and the latest unaudited financial statements of the Group for the financial year ended 31 March 2016 (save as otherwise specified), the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (e) of Catalyst Rules are as follows:

<b>Rule 1006(a)</b>	
Net value of the assets to be disposed of	Not applicable to an acquisition
Net asset value of the Group	Not applicable to an acquisition
Size of relative figure	Not applicable to an acquisition

<b>Rule 1006(b)</b>	
Net loss <sup>(1)</sup> attributable to the acquired assets for the financial year ended 31 March 2016 (S\$’000)	(4,349)
Net loss of the Group for the financial year ended 31 March 2016 <sup>(2)</sup> (S\$’000)	(6,277)
Size of relative figure	69.28%

<b>Rule 1006(c)</b>	
Aggregate value of consideration to be given <sup>(3)</sup>	S\$64,564,193
Company’s market capitalization as at 16 June 2016 <sup>(4)</sup> , being the last traded market	S\$7,793,681



day immediately preceding the date of the S&P Agreement	
Size of relative figure	828.42%

<b>Rule 1006(d)</b>	
Number of equity securities to be issued by the Company as consideration <sup>(5)</sup> for the Proposed Acquisition	138,013,104
Number of equity securities in issue <sup>(6)</sup>	24,355,254
Size of relative figure	566.67%

<b>Rule 1006(e)</b>	
Aggregate volume or amount of proven and probable reserves to be disposed of	Not applicable to an acquisition
Aggregate of the Group's proven and probable reserves	Not applicable to an acquisition
Size of relative figure	Not applicable to an acquisition

**Notes:**

- (1) Under Rule 1002(3)(b) of the Catalist Rules, net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The net profits figure used is extracted from the Target Group's unaudited management accounts for the financial year ended 31 March 2016.
- (2) Under Rule 1002(3)(b) of the Catalist Rules, net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The net profits figure used for comparison is extracted from the Group's unaudited financial results for the financial year ended 31 March 2016.
- (3) Under Rule 1003(3) of the Catalist Rules, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is higher. As such, for the purpose of Rule 1006(c) of the Catalist Rules, the consideration for the Acquisition is deemed to be S\$64,564,194, which is the aggregate of the Cash Consideration and the market value of the Consideration Shares and assumes that the Company does not prepay any part of the principal amounts under the Promissory Notes prior to the Maturity Date and pays an aggregate of S\$400,000 in interest on the principal amounts of the Promissory Notes.
- (4) The market capitalisation of S\$7,793,681 is derived from the volume weighted average market price of S\$0.0032 per Share as at 16 June 2016, being the last traded market day immediately preceding the date of the S&P Agreement (*Source: Shareinvestor.com*), based on 2,435,525,365 issued Shares of the Company as at the date of this Announcement.
- (5) For illustration purposes and assuming (i) the completion of the Proposed Share Consolidation of every one hundred (100) shares of the Company into one (1) consolidated share, and (ii) all the Conditions Precedent were fulfilled or waived on the date of the S&P Agreement, the number of Consideration Shares is assumed to be 138,013,104 based on the Issue Price of S\$0.85.
- (6) Based on issued share capital of 2,435,525,365 as at the date of this Announcement and an adjusted issued share capital of 24,355,254 following the completion of the Proposed Share Consolidation of every one hundred shares (100) shares of the Company into one (1) consolidated share.

- (7) The net loss of the Target Group was converted into S\$ using exchange rate of RMB1 to S\$0.21.

As the relative figures under Rule 1006 (c) and 1006 (d) of the Catalist Rules exceeds 100%, the Proposed Acquisition constitutes a “Reverse Take-over” transaction as defined under Chapter 10 of the Catalist Rules and will be subject to, *inter alia*, the approval of the Shareholders.

**7. PRO-FORMA FINANCIAL EFFECTS**

The pro-forma financial effects of the Proposed Acquisition as set out in Appendix D to this Announcement.

**8. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors (other than in his capacity as a Director or shareholder of the Company) or controlling shareholders of the Company (other than through their respective shareholdings in the Company) has any interest, direct or indirect in the Proposed Acquisition.

**9. FINANCIAL ADVISER / FULL SPONSOR**

The Company will be appointing a financial adviser and full sponsor in respect of the Proposed Acquisition and is currently reviewing several quotations in this respect. The Company will make further announcements as and when the appointment of a financial adviser and full sponsor is made.

**10. FURTHER INFORMATION AND DOCUMENTS AVAILABLE FOR INSPECTION**

A circular containing further information on the Proposed Acquisition and such other transactions as contemplated in the S&P Agreement (the “**Circular**”), together with a notice of the extraordinary general meeting of the Company, will be dispatched by the Company to Shareholders in due course.

A copy of the S&P Agreement will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this Announcement.

**11. RESPONSIBILITY STATEMENT**

The Directors of the Company (including those who have been delegated supervision of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (save for information relating to the Vendor and the Target Group) 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 Proposed Acquisition (and such other transactions as contemplated in the S&P Agreement), the Company 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 this 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 this Announcement in its proper form and context.

The Vendor accepts full responsibility for the accuracy of the information given in this Announcement in respect of the Vendor and the Target Group and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed by them in this Announcement in respect of the Vendor or the Target Group are fair and accurate in all material respects as at the date hereof, and that there are no material facts in respect of the Target Group the omission of which would make any statement in respect of the Target Group misleading in any material respect.

**12. CAUTION IN TRADING**

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to numerous conditions and further mutual due diligence. There is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will be completed, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated by this Announcement. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

**BY ORDER OF THE BOARD**

Ng Kai Man  
Executive Director

21 June 2016

Appendix A

**HISTORICAL UNAUDITED FINANCIAL INFORMATION OF THE TARGET GROUP**

**BALANCE SHEETS**

	<b>31 Mar 2015</b>	<b>31 Mar 2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	13	208
Trade and other receivables	185	179
Inventories	3	1
Other current assets	5	5
	<u>206</u>	<u>393</u>
<b>Non-current assets</b>		
Other investments	-	63
Property, plant and equipment	147	138
Intangible assets	904	1,701
	<u>1,051</u>	<u>1,902</u>
<b>TOTAL ASSETS</b>	<u><b>1,257</b></u>	<u><b>2,295</b></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	(594)	(1,344)
Borrowings	(3,540)	(5,867)
<b>TOTAL LIABILITIES</b>	<u><b>(4,134)</b></u>	<u><b>(7,211)</b></u>
<b>NET LIABILITIES</b>	<u><b>(2,877)</b></u>	<u><b>(4,916)</b></u>
<b>EQUITY</b>		
Share Capital	2,100	4,410
Accumulated losses	(4,977)	(9,326)
<b>TOTAL EQUITY</b>	<u><b>(2,877)</b></u>	<u><b>(4,916)</b></u>

## INCOME STATEMENTS

	31 Mar 2015 S\$'000	31 Mar 2016 S\$'000
<b>Revenue</b>	195	200
Other income	-	4
<b>Expenses</b>		
Direct costs	(2,830)	(2,537)
Amortisation, depreciation and impairment	(29)	(93)
Employee compensation	(707)	(906)
Interest	(310)	(752)
Other	(192)	(265)
	<u>(4,068)</u>	<u>(4,553)</u>
<b>Net loss</b>	<u>(3,873)</u>	<u>(4,349)</u>

## Appendix B

### ILLUSTRATIVE COMBINED PRO-FORMA INFORMATION OF THE ENLARGED GROUP

#### BASES AND ASSUMPTIONS

1. The pro-forma financial information of the Enlarged Group for the financial year ended 31 March 2016 (being the last completed financial year of the Target Group) is prepared by management for illustrative purposes only and has not been reviewed by the auditors of the Company. The pro-forma financial information of the Enlarged Group for the financial year ended 31 March 2016 is based on the unaudited consolidated financial statements of the Group for the financial year ended 31 March 2016, as well as the unaudited consolidated financial statements of the Target Group for the financial year ended 31 March 2016.
2. The pro-forma financial information of the Enlarged Group for the financial year ended 31 March 2016 and based on, *inter alia*, the following basis and assumptions:
  - (a) the pro-forma income statement was prepared assuming that the Proposed Acquisition is completed on 1 April 2015;
  - (b) the costs and expenses in connection with the Proposed Acquisition are disregarded for the purposes of preparing the pro-forma financial information;
  - (c) there have been no adjustments for the impact of any other transactions or events other than the Proposed Acquisition;
  - (d) the pro-forma balance sheet was prepared assuming that the Proposed Acquisition is completed on 31 March 2016; and
  - (e) the Proposed Share Consolidation of every one hundred (100) shares of the Company into one (1) Consolidated Share has been completed, and 138,016,104 Consideration Shares are issued at an issue price of S\$0.855 per Consideration Share.

## Pro-Forma Income Statement

	<b>Financial year ended 31 Mar 2016 S\$'000</b>
<b>Continuing operations</b>	
Revenue	9,772
Other income	270
<b>Expenses</b>	
Direct costs	(2,537)
Printing and editorial costs	(819)
Changes in inventories and overhead costs	(3,623)
Amortisation, depreciation and impairment	(4,624)
Employee compensation	(4,809)
Operating lease expenses	(246)
Interest	(813)
Other	(3,408)
	<u><b>(20,879)</b></u>
<b>Loss before income tax</b>	<b>(10,837)</b>
Income tax expense	(43)
<b>Loss from continuing operations</b>	<u><b>(10,880)</b></u>
<b>Discontinued operations</b>	
Profit from discontinued operations	<b>330</b>
<b>Total loss</b>	<u><u><b>(10,550)</b></u></u>

## Pro-Forma Balance Sheet

As at 31  
March 2016  
S\$'000

### Current assets

Cash and cash equivalents	4,392
Trade and other receivables	1,538
Inventories	524
Other current assets	2,070
	<hr/>
	8,524
Assets directly associated with discontinued operations	13
	<hr/>
	8,537

### Non-current assets

Other investments	63
Property, plant and equipment	288
Intangible assets	149,348
	<hr/>
	149,699
	<hr/>
	<b>158,236</b>

### TOTAL ASSETS

### Current liabilities

Trade and other payables	(9,054)
Borrowings, current portion	(26,272)
HP creditor, current portion	(17)
Provision for taxation	(9)
	<hr/>
	(35,352)
Liabilities directly associated with discontinued operations	(16)
	<hr/>
	(35,368)

### Non-current liabilities

Borrowings	(161)
HP creditor	(37)
Deferred tax liabilities	(27)
	<hr/>
	<b>(35,593)</b>

### NET ASSETS

**122,643**

### EQUITY

#### Capital and reserves attributable to equity holders of the Company

Share capital	254,549
Share options reserve	113
Accumulated losses	(135,791)
Currency translation reserve	2,759
	<hr/>
	121,630
Non-controlling interests	1,013
	<hr/>
<b>TOTAL EQUITY</b>	<b>122,643</b>



## Appendix C

### SUMMARY OF CONDITIONS PRECEDENT

1. The satisfactory outcome of the legal, financial and commercial due diligence conducted by the Company in respect of the accounts, assets, personnel and businesses of the Target Group
2. The resolutions of the board of directors and shareholders of the Company having been obtained for the entry into, implementation and completion of, the transactions contemplated in the S&P Agreement, including in particular:
  - (a) the Proposed Acquisition;
  - (b) the Proposed Share Consolidation;
  - (c) the allotment and issue of the Consideration Shares;
  - (d) the Proposed Whitewash Resolution;
  - (e) the appointment of new directors as may be nominated by the Vendor;
  - (f) the new share issue mandate for the Company to issue and allot shares and convertible securities pursuant to Section 161 of the Companies Act;
  - (g) the allotment and issue of the Compliance Placement Shares;
  - (h) the change of the Company's core business to that of the Target Group; and
  - (i) any additional items as may be agreed between the parties.
3. The resolutions of the board of directors of the Vendor having been obtained for the entry into, implementation and completion of, the transactions contemplated to be entered into in the S&P Agreement.
4. All necessary approvals, consents and waivers of any government bodies, stock exchange and other regulatory authority having jurisdiction over the transactions contemplated in the S&P Agreement (whether in Singapore, PRC and any other applicable jurisdiction) and all other transactions in connection therewith and incidental thereto, having been obtained by the Vendor or the Company, as relevant, including without limitation:
  - (a) the approval of the SGX-ST and the Sponsor being obtained by the Company in respect of the purchase of the Sale Shares on the terms set out in the S&P Agreement, being a "reverse take-over" under Rule 1015 of the Catalist Rules;
  - (b) the listing and quotation notice being obtained by the Company in relation to the listing and quotation of the Consideration Shares and the Compliance Placement Shares on the Catalist; and

- (c) the waiver of the SIC being obtained by the Vendor in relation to the obligation of the Vendor and its concert parties to make a general offer for all the shares of the Company under Rule 14 of the Code.
- 5. No governmental authority taking, instituting, implementing or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might:
  - (a) make the transactions contemplated in the S&P Agreement and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;
  - (b) render the Company unable to purchase all or any of the Sale Shares in the manner set out in the S&P Agreement; and/or
  - (c) render the Vendor unable to dispose of all or any of its Sale Shares in the manner set out in the S&P Agreement.
- 6. Each of the warranties provided by the Vendor being complied with, true, complete, accurate and correct in all material respects to the best knowledge and belief of the Vendor and the Company as at the date of the S&P Agreement and until the Completion Date.
- 7. The completion of the Proposed Share Consolidation.
- 8. The completion of the transfer of all the equity interests in QT Shenzhen to QT HK, and all necessary approvals, consents and waivers of any government bodies and other regulatory authority having jurisdiction over such transfer having been obtained.

## Appendix D

### ILLUSTRATIVE COMBINED PRO-FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

#### BASES AND ASSUMPTIONS

1. The combined pro-forma financial effects of the Proposed Acquisition on the Group as set out in this Appendix D are based on the unaudited consolidated financial statements of the Group for the year ended 31 March 2016 (“**FY2016**”).
2. For the purposes of illustrating the financial effects of the Proposed Acquisition, the financial effects have been prepared based on, *inter alia*, the following basis and assumptions:
  - (a) the financial effects of the Proposed Acquisition on the earnings and the earnings per Share (“**EPS**”) of the Group are computed assuming that the Proposed Share Consolidation and the Proposed Acquisition is completed on 1 April 2015;
  - (b) the financial effects of the Proposed Acquisition on the net tangible assets (“**NTA**”) of the Group are computed assuming that the Proposed Share Consolidation and the Proposed Acquisition is completed on 31 March 2016;
  - (c) under the Proposed Share Consolidation, every one hundred (100) existing shares of the Company is consolidated into 1 share;
  - (d) the estimated costs of the Proposed Acquisition is estimated to be about S\$2 million; and
  - (e) 138,016,104 Consideration Shares are issued at an issue price of S\$0.855 per Consideration Share.

**Shareholders should note that the pro-forma financial effects of the Proposed Acquisition as prepared by management has not been reviewed by auditors of the Company and are purely for illustrative purposes only. The illustrative financial effects should not be construed to mean that the Group’s actual results, performance or achievements will be as expected, expressed or implied in such financial effects.**

#### FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The effects of the Proposed Acquisition on the EPS and NTA of the Group for FY2016 are as follows:

	FY 2016	
	Before Proposed Acquisition	After Proposed Acquisition
S\$'000		
Net Tangible Assets	(1,101)	(29,718)
NTA per share (Singapore cents)	(0.06)	(19.13)
Net losses attributable to shareholders	(6,320)	(12,669)
Loss per share (Singapore cents)	(0.43)	(8.30)