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

SHARE PURCHASE AGREEMENT RELATING TO THE DISPOSAL OF SHARES IN ELEKTROMOTIVE LIMITED

---

*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.

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.

1. Introduction

The Board of Directors (the "**Board**") of Elektromotive Group Limited (the "**Company**" or "**EGL**") and together with its subsidiaries (the "**Group**") wishes to announce that the Company has on 9 September 2016 entered into a share purchase agreement (the "**Agreement**") with Chargemaster Plc (the "**Purchaser**" or "**Chargemaster**") for the proposed disposal of 55% of the issued and paid-up share capital of Elektromotive Limited ("**EUK**") (the "**Proposed Divestment**"). The Company currently owns 55 shares in the capital of EUK, comprising 55.0% of the issued and fully paid-up capital (the "**Sales Shares**").

2. About EUK

2.1 EUK is a limited liability company incorporated in the United Kingdom on 24 February 2003 and has at the date hereof, an issued and paid-up capital of £100 comprising 100 issued and fully paid-up ordinary shares of £1 each. EUK currently holds 1,000 shares in Charge Your Car Limited ("**CYC**"), representing the entire issued and paid up share capital of CYC. Both EUK and CYC are principally engaged in the installation of electrobays for electric and plug-in hybrid vehicles in the United Kingdom.

2.2 EUK is a leading provider of technology and engineering solutions for electric vehicle recharging stations. Based in the South Coast of the United Kingdom, in the City of Brighton and Hove, Elektromotive is dedicated to designing and installing leading edge technology for recharging electric and plug-in hybrid electric vehicles.

During 2003 to 2007, EUK developed the "Elektrobay", a recharging station for on-street or multistorey car park installations, which offers a safe and user friendly means of charging electric and plug-in hybrid vehicles. In 2008, EUK expanded its electric vehicle refuelling network of Elektrobays rolled out over several London Boroughs. Currently, EUK has a continually expanding network of Elektrobays being installed throughout the United Kingdom, the Republic of Ireland and Europe.

EUK's Elektrobays in the United Kingdom are installed in shopping centres, car parks and other locations in cities and borough councils such as Westminster, Hammersmith & Fulham, Richmond Upon Thames, Sutton, Wandsworth, Kingston, Hillingdon, Hounslow, Camden, Islington, Haringey, Manchester, Bristol and Scotland.

3. About Chargemaster

Chargemaster is Europe's leading provider of electric vehicle charging infrastructure. Chargemaster is incorporated in England and Wales on 9 October 2008.

Chargemaster is an independent third party and there is no relationship between Chargemaster and the Company, the Directors of the Company, the controlling shareholders of the Company or their respective associates.

4. Details of the Proposed Divestment

4.1 Consideration

The aggregate consideration for the Proposed Divestment of the Company's 55% stake is £0.5 million (approximately S$0.89 million, based on exchange rate of £1 = S$1.78) (the "**Consideration**"), arrived at on a willing buyer, willing seller basis after taking into consideration the historical financials of EUK. As at 31 July 2016, based on the unaudited management accounts of EUK and its subsidiaries ("**EUK Group**"), EUK Group is in a net liabilities position of S$0.37 million and incurred a loss of S$0.6 million for the 4 months ended 31 July 2016.

Upon signing the Agreement, the Purchaser shall pay half of the Consideration of £0.25 million (approximately S$0.45 million) ("**Escrow Amount**") into an escrow account and such Escrow Amount shall be irrevocably released to the Company either on completion or on the 15th business day following satisfaction of the conditions precedent. The remaining Consideration is payable in cash on completion, which is on 31 December 2016 or such later date as may be agreed between the parties (the "**Completion**").

There is no open market value for the shares of EUK as it is not publicly traded. No valuation on EUK was carried out in connection with the Proposed Disposal.

As at the date of the Announcement, the inter-company balances between the Company and EUK is about £0.65 million (approximately S$1.16 million). Under the terms of the Agreement, the inter-company balance to be repaid is capped at £0.625 million (approximately S$1.13 million). Pursuant to Paragraph 16 of Practice Note 10A of the Catalist Rules, the discharge of inter-company liabilities is deemed to be part of the Consideration, as such, the Consideration for the Proposed Divestment is reduced by £0.025 million (approximately S$0.04 million) to £0.475 million (approximately S$0.85 million).

4.2 Conditions Precedent to Completion

The Proposed Divestment is subject to and conditional upon, *inter-alia,* the following conditions being fulfilled or waived:

4.2.1 the approval from the shareholders of the Company (the "**Shareholders**") being obtained at an extraordinary general meeting ("**EGM**") to be convened in due course for the Proposed Divestment of the Sale Shares to the Purchaser;

4.2.2(a) Chargemaster, being reasonably satisfied, (whether or not as a result of receiving confirmation from the Competition and Markets Authority ("**CMA**")) that the Proposed Divestment does not constitute a relevant merger situation within the meaning of Part 3 of the Enterprise 2002; or

4.2.2(b) Chargemaster receiving confirmation in terms satisfactory to it that there will not be a Phase 2 CMA [(1)] reference to the Proposed Divestment; or

4.2.2(c) Chargemaster receiving confirmation in terms satisfactory to it that there will not be a Phase 2 CMA reference to the Proposed Divestment, subject to the acceptance of undertakings by the CMA under Part 3 of the Enterprise Act 2002 and the terms of those undertakings are in all respects satisfactory to it

and, in addition to paragraphs 4.2.2 (a) to (c) above, either the period specified in Rule 26 of the Competition Appeal Tribunal Rules 2003 for making an application under Section 120 of the Enterprise Act 2002 for the review of the CMA in relation to the Proposed Divestment having expired without such an application being made, or where such an application has been made, the Competition Appeal Tribunal having dismissed such an application.

Note: (1) Following its initial Phase 1 assessment, the CMA may decide to instigate a full Phase 2 investigation. The CMA has a period of 24 weeks to carry out the Phase 2 investigation, though this period can be extended to up to 32 weeks at the CMA's discretion. Phase 2 involves written submissions and oral hearings with the parties and other interested parties. At the end of Phase 2, the CMA will decide on either (i) unconditional clearance, (ii) conditional clearance, or (iii) prohibition.

4.2.3 No person (who is not a member of the Group) having commenced, any proceedings or investigation for the purpose of prohibition or otherwise challenging the Proposed Divestment; or having enacted or proposed any legislation (including any subordinate legislation) which would prohibit, materially restrict or materially delay the implementation of the Proposed Divestment.

5. Rationale for the Proposed Divestment

As announced by the Company on 21 June 2016, in conjunction with the proposed acquisition of QT Interactive Technology Investments Limited, it is the Company's intention to cease, dispose or transfer its existing electric vehicle charging solutions and publishing businesses.

Following the Proposed Divestment, the remaining business of the Company will be that of publishing business. The Company is currently operating its publishing business through its wholly-owned subsidiary in Malaysia, namely Inovatif Media Asia Sdn. Bhd. which carries magazine brands such as "Smart Investor", "Golf Magazine", "Calibre" and "Feng".

In line with the Company's announcement dated 21 June 2016, the Company is currently in the process of looking out for suitable buyer for its remaining publishing business.

6. Financial Effects of the Proposed Divestment

The proforma financial effects of the Company after the Proposed Divestment set out in this Announcement below are for illustrative purposes only and do not reflect the actual future financial position of the Company or the Group following the Completion of the Proposed Divestment.

The proforma financial effects of the Proposed Divestment are based on the following assumptions:

(a) in the calculation of the net tangible assets ("NTA") and NTA per share, for illustrative purposes, it is assumed that the Proposed Divestment had been effected on 31 March 2016;

(b) in the calculation of NTA per share, the number of shares is based on the total number of issued shares as at 31 March 2016;

(c) in the calculation of earnings per share ("EPS"), for illustrative purposes, it is assumed that the Proposed Divestment had been effected on 1 April 2015;

(d) in the calculation of EPS, the number of shares is based on the weighted average number of ordinary shares for the financial year ended 31 March 2016 ("**FY 2016**");

(e) transaction costs incurred for the Proposed Divestment are assumed to be insignificant and ignored for computational purposes

S$'000	FY 2016 Before Proposed Divestment	FY 2016 After Proposed Divestment
Net Tangible Assets	(1,101)	326
NTA per share (Singapore cents)	(0.06)	0.02
Net losses attributable to Shareholders	(6,320)	(9,624)
Loss per share (Singapore cents)	(0.43)	(0.66)
Share capital	136,549	136,549

7. Relative Figures under Rule 1006

The relative figures for the Proposed Divestment computed on the bases set out in Rule 1006 of the Catalist Rules as at 31 March 2016, are as follows:-

Rule 1006(a)	
Net value of the assets to be disposed of (S$'000)	500
Net asset value of the Group (S$'000)	3,630
Size of relative figure	13.77%(1)

Rule 1006(b)	
Net profit attributable to the disposed assets for FY 2016 (S$'000)	174
Net loss of the Group for the FY 2016 (S$'000)	(6,157)
Size of relative figure	(2.82)% (2)

Rule 1006(c)	
Aggregate value of consideration to be given (3)	S$845,500
Company's market capitalisation as at 8 September 2016 (4), being the last traded market day immediately preceding the date of the Agreement	S$9,742,101
Size of relative figure	8.68%

Rule 1006(d)	
Number of equity securities to be issued by the Company as consideration	Not applicable
Number of equity securities in issue	
Size of relative figure	

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

Notes:

(1) The net asset value of (i) the Company's 55% stake in EUK and (ii) the Group (based on the audited financial statements of the Group for FY2016) as at 31 March 2016 was S$0.5 million and S$3.63 million respectively

(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 of EUK and the net loss

of the Group based on the audited financial statements of the Group for FY 2016 was S$0.17 million and S$6.16 million respectively.

(3) Pursuant to Paragraph 16 of Practice Note 10A of the Catalist Rules, the discharge of inter-company liabilities is deemed to be part of the Consideration, as such, the Consideration for the Proposed Divestment is reduced by £0.025 million (approximately S$0.04 million) to S$0.85 million.

(4) The market capitalisation of S$9,742,101 is derived from the volume weighted average market price of S$0.004 per Share as at 8 September 2016, being the last traded market day immediately preceding the date of the Agreement *(Source: Bloomberg)*, based on 2,435,525,365 issued shares of the Company as at the date of this Announcement

Paragraph 8(a) of Practice Note 10A of the Catalist Rules requires that when a disposal of core business result in a material change in nature of the issuer's business, the issuer will have to seek the approval of its shareholders.

As disclosed above, the Proposed Divestment will result in the Company disposing its existing core business of electric vehicle charging solution, leaving behind the publishing business as its sole business. Accordingly, the Company will be seeking the approval of its shareholders for the Proposed Divestment.

In addition, as disclosed above and in the announcement of 21 June 2016, in conjunction with the proposed acquisition of QT Interactive Technology Investments Limited, it is the Company's intention to cease, dispose or transfer its existing electric vehicle charging solutions and publishing businesses. Pending the completion of the said proposed acquisition, the Company's assets will consist wholly or substantially of cash pursuant to Rule 1017 of the Catalist Rules following the completion of the Proposed Divestment and/or the disposal of the publishing business.

Information required pursuant to Rule 1010 of the Catalist Rules

<u>Rule 1010 (6) & (7)</u>

As stated above, the Consideration is approximately S$0.85 million, compared to the book value of the EUK to be disposed as at 31 March 2016 of S$4.14 million, will result in an estimated loss of S$3.29 million over the book value.

The Group is expected to recognise a net loss from the Proposed Divestment of approximately S$3.7 million after deducting the net asset value as at FY 2016, professional fees and disposal fees.

The net profits attributable to EUK for FY 2016 was S$0.08 million.

8. USE OF PROCEEDS

The entire net proceeds (after deducting all costs and expenses of S$0.04 million associated with the Proposed Divestment) from the Proposed Divestment of S$0.85 million will be used for working capital purposes.

9. EGM

A circular to Shareholders (the "**Circular**") setting out the information on the Proposed Divestment, together with a notice of EGM to be convened, will be despatched to Shareholders in due course.

10. Interests of Directors and Controlling 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 Divestment.

No person is purported to be appointed to the Board pursuant to or in connection with the Proposed Divestment. Accordingly, no service contract is proposed to be entered into between the Company and any such person pursuant to or in connection with the Proposed Divestment.

11. Documents Available for Inspection

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

12. 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 Proposed Divestment (and such other transactions as contemplated in the Agreement) and the Group, 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.

13. Caution in Trading

Shareholders are advised to exercise caution in trading their shares in the Company. The Proposed Divestment is subject to numerous conditions. There is no certainty or assurance as at the date of this Announcement that the Proposed Divestment 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 Divestment 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 advisers if they have any doubt about the actions they should take.

By Order of the Board

Ng Kai Man
Executive Director
9 September 2016