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elektromotive

Annual Report 2014

Elektromotive Group Limited

Elektromotive Group Limited Annual Report 2014

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

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

The details of the contact person for the Sponsor are:

Name: Mr. Chew Kok Liang,
Registered Professional
Address: Six Battery Road, #10-01,
Singapore 049909
Tel: (65) 6381 6757

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Ricky Ang Gee Hing
Executive Vice-Chairman and Managing Director

Tan Choon Wee
Executive Director

Tan Chong Chai
Executive Director

Chou Kong Seng
Independent Director

Roy Ling Chung Yee
Independent Director

Kesavan Nair
Independent Director

James Ang Ghee Ann
Non-Executive Non-Independent Director

NOMINATING COMMITTEE

Kesavan Nair
Chairman

James Ang Ghee Ann
Member

Roy Ling Chung Yee
Member

REMUNERATION COMMITTEE

Roy Ling Chung Yee
Chairman

Kesavan Nair
Member

James Ang Ghee Ann
Member

AUDIT COMMITTEE

Chou Kong Seng
Chairman

Roy Ling Chung Yee
Member

Kesavan Nair
Member

COMPANY SECRETARIES

Abdul Jabbar Bin Karam Din
Chan Poh Kuan

REGISTERED OFFICE

9 Battery Road #15-01 Straits Trading Building
Singapore 049910
Tel: (65) 6292 0300 Fax: (65) 6293 3674
Registration No. 199407135Z

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00 Singapore 068898

AUDITORS

Nexia TS Public Accounting Corporation
100 Beach Road #30-00 Singapore 189702
Director-in-charge: Loh Ji Kin
(Appointed since financial year ended 31 March 2014)

SOLICITORS

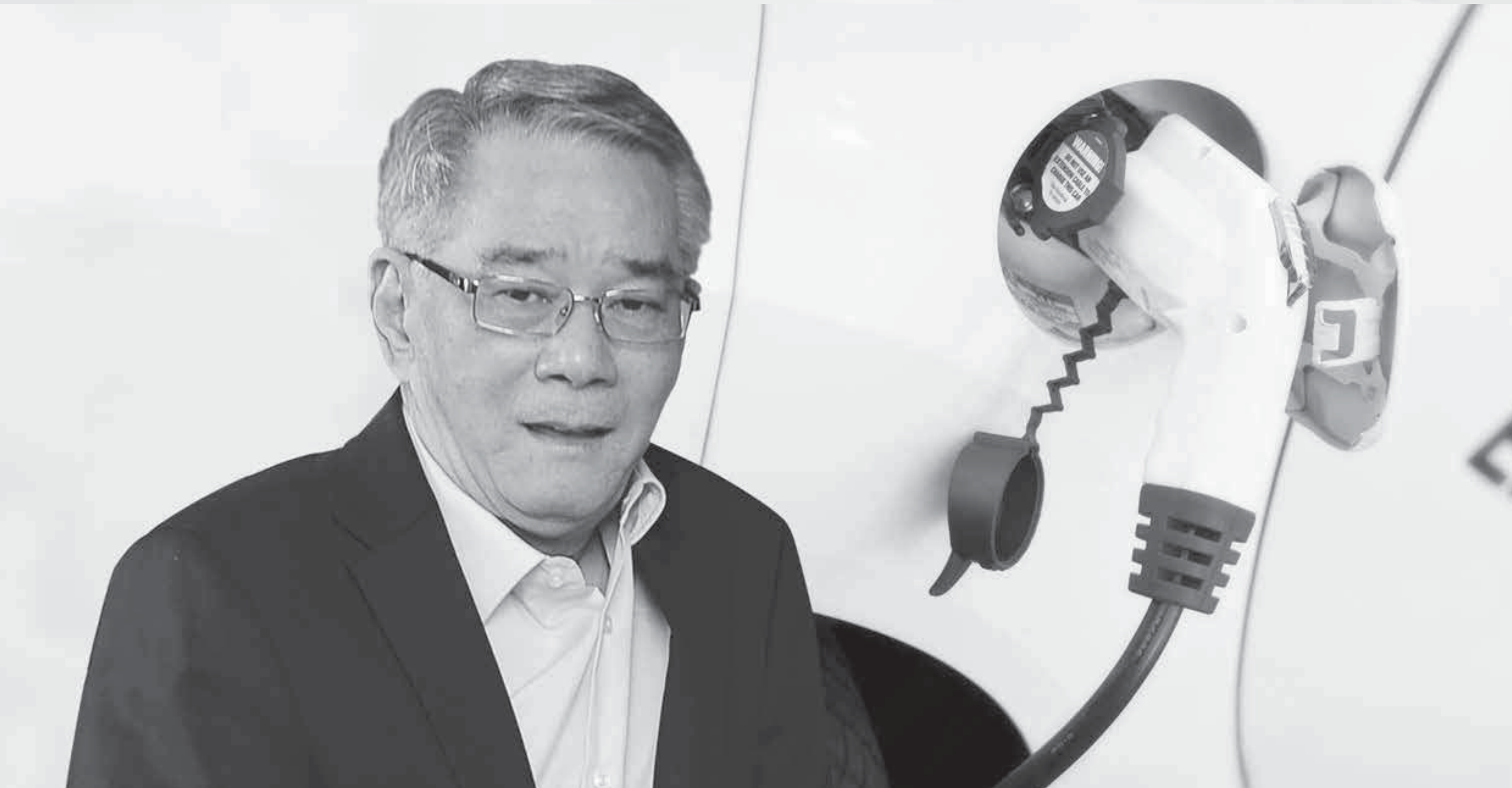
Chancery Law Corporation
55 Market Street #08-01 Singapore 048941

SPONSOR

RHT Capital Pte. Ltd.
Six Battery Road #10-01 Singapore 049909
Contact person: Mr. Chew Kok Liang
(With effect from 17 January 2014)

PRINCIPAL BANKERS

DBS Bank Limited
Malayan Banking Limited



MANAGING DIRECTOR'S STATEMENT

Dear Shareholders,

I am pleased to present to you, Elektromotive Group Limited's ("Elektromotive" or "the Group") financial performance and business developments for the year ended 31 March 2014 (FY2014).

YEAR IN REVIEW

In FY2014, the Group trimmed its losses and positioned itself for growth in its electric vehicle related business by streamlining its operations and reducing its expenses. Although revenue decreased by 3.6 percent to S$7.10 million, losses were reduced by 16.4 percent from S$3.42 million to S$2.86 million. This was the result of improved operational efficiency, as well as lower legal expenses, accrued interest written back, and a gain from the disposal of property, plant and equipment.

The balance sheet was also strengthened and cash flow was improved as payables were reduced, loans from Directors repaid, and bank borrowings reduced.

The past year has seen rapid development in the EV industry as worldwide sales of electric vehicles continue to increase, led by strong sales in the U.S. and Europe. A combination of factors contributed to this growth including the introduction of more models by car manufacturers, incentives and regulations by governments to promote the use of electric vehicles, and increasing consumer awareness of electric vehicles. As an indication of the EV industry's rapid growth all the world's major vehicle manufacturers now have electric or hybrid models and are committed

to the further development of EVs and EV charging infrastructure.

The manufacturers of electric vehicle charging equipment (EVCE) and the operators of EV public charging stations have geared up to meet demand for their products and services resulting from the increase in the EV population. During the year, we saw significant extensions to the networks of public charging stations in the USA and Europe and Japan.

The arbitration proceedings commenced by Elektromotive against KTNT Holdings Limited and Tom N Toms Ltd (the "Respondents") is presently at the assessment of damages stage, with the Group and the Respondents in the course of making submissions on the damages they are respectively entitled to. Elektromotive will keep shareholders informed of the outcome of the matter and will make further announcements as and when appropriate.

FINANCIAL PERFORMANCE FY2014

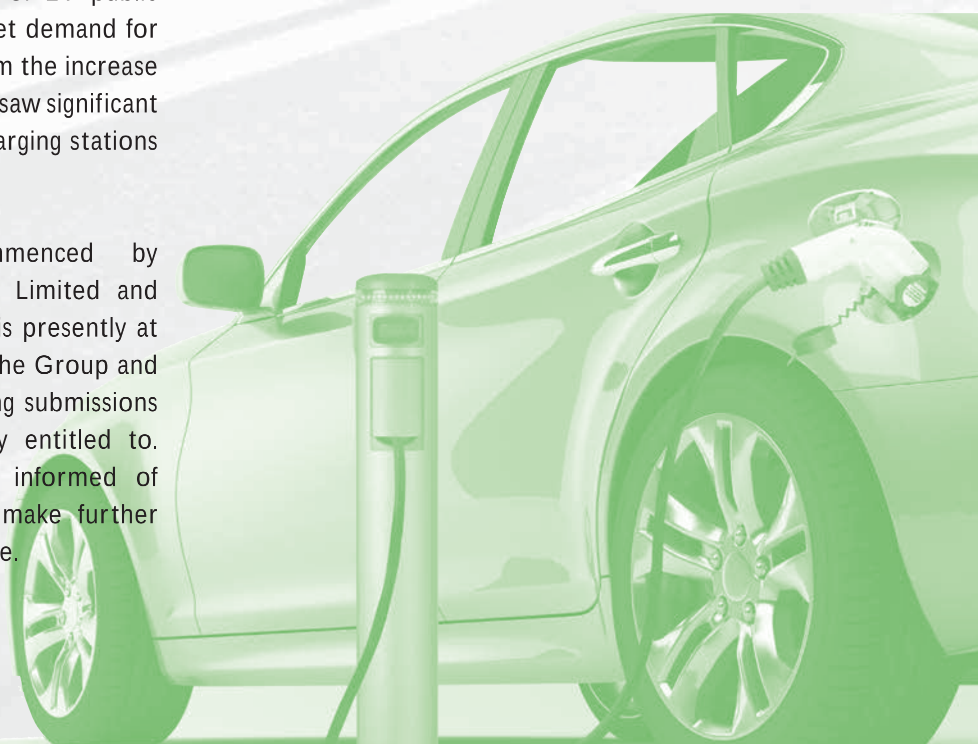
INCOME STATEMENT REVIEW

Revenue for FY2014 decreased slightly by 3.6% to S$7.1 million as compared to the preceding year. The decrease in revenue was due mainly to a drop in publishing revenue as a result of the cessation of a magazine title during the year under review. This was however partly offset by an increase in our electric vehicle charging solutions sales.

The Group managed to narrow its losses attributable to shareholders at S$2.9 million in FY2014 as compared to a loss of S$3.42 million in FY2013, despite lower contribution from other income in FY2014. This was due mainly to an improvement in the performance of our electric vehicles charging solutions division, lower legal and professional expenses incurred by the Group, borrowings and accrued interest written back of S$0.8 million and a gain on disposal of property, plant and equipment amounting to S$0.3 million in FY2014.

FINANCIAL POSITION REVIEW

As at 31 March 2014, the Group's Net Asset Value ("NAV") increased to S$7.1 million from S$6.7 million in the beginning of the year. NAV per share as at 31



MANAGING DIRECTOR'S STATEMENT

March 2014 was 1.36 cents as compared with 0.78 cents recorded a year ago. The increase in NAV is mainly due to the issue of shares upon the conversion of equity linked notes amounting to S$3.2 million in FY2014. The increase in intangible assets relates to the capitalisation of research & development costs by EUK.

The decrease in trade and other receivables is mainly due to an amount of S$1.0 million received from one of the EUK vendors in FY2014.

The decrease in inventories is mainly due to a reduction in inventories of EUK due to increased sales of EUK in FY2014.

The decrease in trade and other payables is mainly due to payment in FY2014 of professional fees accrued in FY2013.

The loans from directors of S$0.6 million were repaid during FY2014.

The decrease in borrowings is mainly due to the repayment of bank loan amounting to S$0.7 million relating to a property which was disposed of and also a write-back of borrowings no longer repayable amounting to S$0.8 million in FY2014.

Cash and cash equivalents as at end of year was S$0.9 million as compared to S$0.5 million at the beginning of the year.

THE WAY AHEAD

ELECTRIC VEHICLES ("EV") CHARGING SOLUTIONS DIVISION

The outlook for the Group's EV division is increasingly positive, and the division is expected to remain the Group's key growth driver. The UK's EV market is now gathering momentum as the UK government begins to implement its policies and plans for Clean and Green transportation, via a slew of incentives and regulations promoting the use of electric vehicles. EUK, being one of the dominant players in electric vehicles charging infrastructure and equipment in the UK, is poised to benefit from this development.

Currently, EUK is project-managing the installation of up to 100 EV rapid chargers in the UK which is a major initiative backed by the U.K. government's Office of Low Emission Vehicles ("OLEV") in conjunction and with the support of Nissan Europe. The largest network of 50 rapid chargers with a project value of £2.4 million will be installed in the South East of England. A further 30 to 40 rapid chargers with a project value of £1.4 million will be installed in other parts of UK. All the above installations are expected to be completed by June 2015. Upon installation, these rapid chargers will be connected to Charge Your Car Ltd ("CYC") EV charging network, now a wholly-own subsidiary of EUK, bringing the total charge points on the network to well over 2,500 charging stations.

Additionally, EUK has forged commercial ties with Nissan, BMW, Mercedes-Benz and Renault for collaboration on Charging Networks and equipment. EUK is also working closely with the UK OLEV, Transport for Scotland, other local authorities and major utilities companies such as SSE, EDF, Siemens, DBT France and British Gas. The key to long-term growth for EUK will be expansion and penetration into the global markets that will follow in the footsteps of USA and Europe as they start to move to green and low emissions transport solutions. EUK has already begun to explore business opportunities in the Benelux countries, where the size of the countries, and its economy and demography are favourable for the introduction of EUK's products.

While the countries of Asia have been slower in the adoption of EVs, they are expected to follow in the footsteps of the USA and Europe, as their governments

MANAGING DIRECTOR'S STATEMENT

move to curb the rising pollution in cities. The Group is pursuing several projects and opportunities in various parts of Asia including Singapore. Although news in the EV industry has been mostly about private passenger vehicles, the 'electrification' of commercial vehicles fleet including buses, taxis, and light commercial vehicles has been going on especially in China and the Asian countries. This development also presents business opportunities for EVCE manufacturers to explore.

Barring unforeseen circumstances, revenue from the sales of EV chargers and related equipment and activities are therefore expected to be significantly higher in the current financial year ending 31 March 2015 (FY2015).

Finally, to allow EUK to self fund their expansion, we are looking at all available options to assist EUK to access capital, including possibility of a public offering.

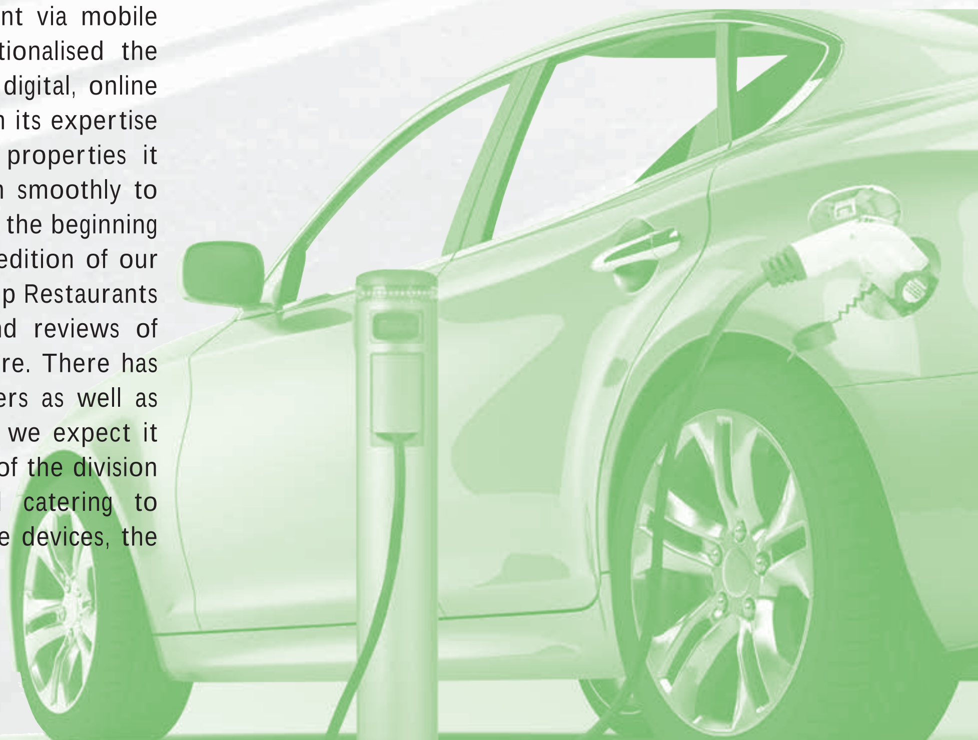
PUBLISHING DIVISION

The Publishing Division has revamped itself to face the challenges confronting the industry as more readers move online and access content via mobile applications. The Management has rationalised the operations of the division to focus on digital, online publishing and mobile applications. With its expertise and by leveraging on the intellectual properties it holds, the Division is able to transition smoothly to thrive in the age of digital content. Since the beginning of FY2015, we have launched a digital edition of our leading publication, the Wine & Dine 'Top Restaurants Guide', which features descriptions and reviews of some of the top restaurants in Singapore. There has been encouraging response from readers as well as the industry for the new product, and we expect it to have an impact on the performance of the division going forward. By going digital, and catering to readers on computers as well as mobile devices, the Publishing Division hopes to increase the readership and advertising revenue from its stable of publications.

ACKNOWLEDGEMENTS

I would like to thank all our shareholders for their unwavering support and trust in the Company. With your continued support, the management and staff of Elektromotive will endeavour to achieve our vision of being a major contributor towards a cleaner and greener planet for all.

Ricky Ang Gee Hing
Executive Vice-Chairman and Managing Director



BOARD OF DIRECTORS


Ricky Ang Gee Hing


Tan Choon Wee


Tan Chong Chai


Chou Kong Seng

Ricky Ang
Executive Vice-Chairman & Managing Director

Mr. Ang serves as the Executive Vice-Chairman and Managing Director of the Group. Prior to founding the Group, Mr. Ang was CEO of HB Media Holdings, a media company he helped established in early 1993. Mr. Ang served as Senior Vice President at Times Publishing Limited, where he was head of its printing division and was instrumental in expanding its printing business worldwide, with manufacturing facilities in Malaysia, Hong Kong, and the United Kingdom and sales offices in New York, San Francisco, London and Sydney. A graduate of London's College of Printing, Mr. Ang has been in the printing and publishing industry for more than three decades, and was for several years Chairman of the TDB-sponsored, Printing and Publishing Advisory Council.

Tan Choon Wee
Executive Director and Chairman of Investment Committee

Mr. Tan serves as the Executive Director and Chairman of the Investment Committee of the Group, overseeing the Group's investment and merger and acquisition activities. Mr. Tan also serves as Executive Director and Deputy Chairman of W Corporation Limited and Director of Advance Capital Partners Limited. Prior to this, Mr. Tan was the Head of Institutional Sales and Dealing in RHB Securities Sdn Bhd, Malaysia. Mr. Tan has been investing across numerous markets both in the private and public domain and has held several management positions in Banking and Stock broking industry since 1991. Mr. Tan graduated from the National University of Singapore with a Second Class Honours (Upper Division) Degree in Engineering (Mechanical) and holds a Diploma in Marketing from the Marketing Institute of Singapore.

Tan Chong Chai
Executive Director

Mr. Tan serves as an Executive Director of the Company. Mr. Tan was the Managing Director of one of the largest state regulated and licensed lottery operator in Cambodia from 2005 to 2011. Prior to that, Mr. Tan was the Managing Director of Motor & Credit Pte Ltd. Currently semi-retired, Mr. Tan manages his own investment portfolio and has business interests in Singapore, Cambodia and other parts of South-East Asia.

Chou Kong Seng
Independent Director and Chairman of the Audit Committee

Mr Chou is presently the Chief Financial Officer of Acma Ltd. Mr Chou was the non-Executive Chairman of Creative Master Bermuda Ltd from 2003 to 2010 and an Executive Director of Acma Ltd between March 1996 and October 2007. Mr Chou was also the non-Executive Chairman of YHM Group Limited (formerly known as China Enersave Ltd) from 1998 to 2007 and an Independent Director from 2007 to 2010. Prior to joining Acma Ltd in 1994, Mr Chou was a senior manager with an international public accounting firm in Singapore. Mr Chou was admitted as an associate member of the Institute of Chartered Accountants in England and Wales in 1981 and a member of the Institute of Certified Public Accountants of Singapore in 1982.

BOARD OF DIRECTORS

Roy Ling Chung Yee

Kesavan Nair

James Ang Ghee Ann

Roy Ling Chung Yee

Independent Director and Chairman of the Remuneration Committee

Mr. Ling is currently a Managing Director at RL Capital Management and RL Academy. Concurrently, he serves as a Board Director at 5 listed companies across Asia; and as an Adjunct Professor in Finance at the EDHEC Business School and the SP Jain School of Global Management. Prior to RL Capital, Mr. Ling held senior investment banking positions with JPMorgan, Lehman Brothers, Goldman Sachs and Salomon Smith Barney. Mr. Ling is a Chartered Financial Analyst and was a former Board Director of the CFA Society of Japan. He was honored as one of 20 Rising Stars in Real Estate by Institutional Investor in March 2008. Mr. Ling graduated from INSEAD with a Global EMBA and from the National University of Singapore with a Bachelors degree in Business Administration.

Kesavan Nair

Independent Director and Chairman of the Nominating Committee

Mr. Nair is an Advocate and Solicitor of Singapore and has been a director of Genesis Law Corporation since 2008. Mr. Nair was a partner in M.P.D. Nair & Co from 1992 to 2000, a partner in Harry Elias Partnership from 2000 to 2003 and a partner in David Lim & Partners from 2003 to 2008. Mr Nair is also an Independent Director of Kitchen Culture Holdings Ltd, IEV Holdings Ltd and HG Metal Manufacturing Limited. Mr. Nair graduated with a Bachelor of Laws (Honours) from The University College of Wales, Aberystwyth in 1998. He was admitted as a Barrister-at-Law, Middle Temple in 1990, a Barrister and Solicitor of the Supreme Court of the Australian Capital Territory in 1991 and an Advocate & Solicitor of the Supreme Court of Singapore in 1992.

James Ang Ghee Ann

Non-Executive and Non-Independent Director

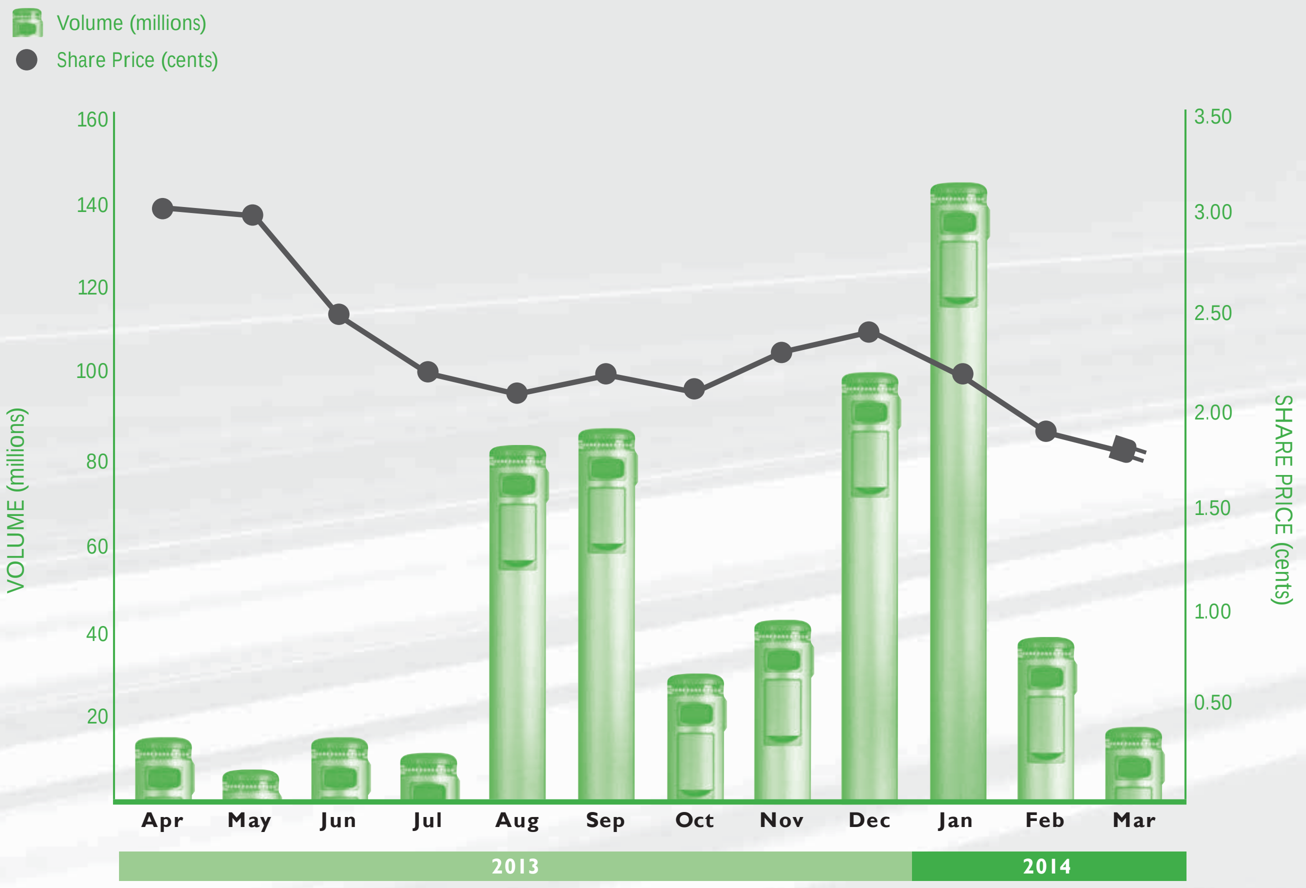
Mr. Ang is the Managing Director and founder of MA Builders Pte Ltd ("MAB"). Under the leadership of Mr. Ang, MAB achieved an annual turnover in excess of S$75 million for the year ended 2010 and currently has a staff strength of 45 staff with 270 construction operatives. MAB has since expanded into providing a diverse construction services ranging from traditional construction contracts to design and build contracts involving projects like industrial buildings, residential housing, institutional buildings and infrastructure projects.

FINANCIAL HIGHLIGHTS

Year	Revenue* $'000	Profit/(Loss) Attributable to Shareholders $'000	Earnings/(Loss) Per Share Cents
FY 2010	14,905	5,614	0.60
FY 2011	4,939	(5,381)	(0.51)
FY 2012	7,670	(13,434)	(0.64)
FY 2013	9,455	(3,422)	(0.09)
FY 2014	8,343	(2,863)	(0.28)

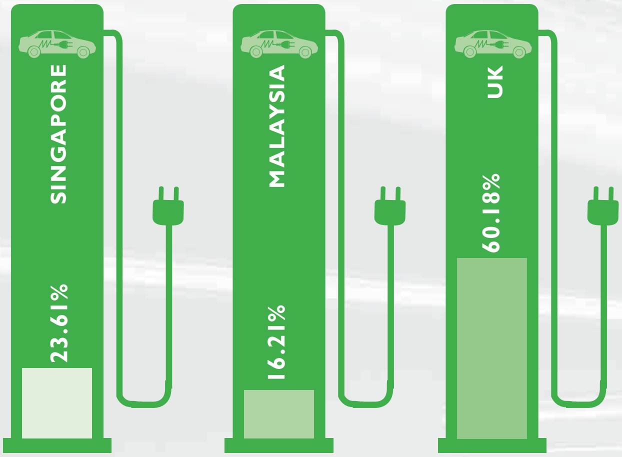
* Including other income and excluding discontinued operations

SHARE PRICE & TOTAL MONTHLY VOLUME

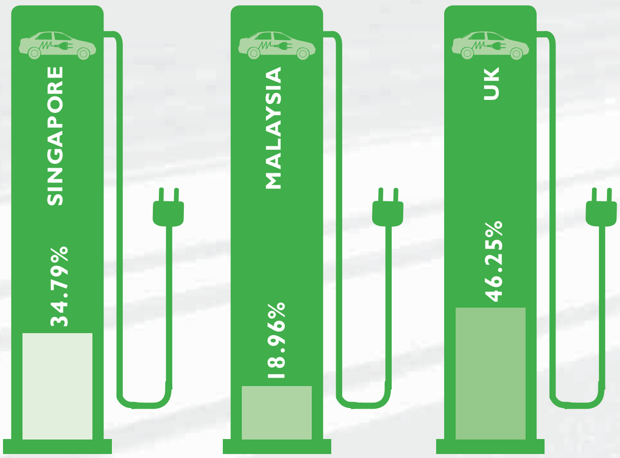


FINANCIAL HIGHLIGHTS

Revenue* by Geographical Region



FY2014



FY2013

Revenue* by Business Division

	March 2014# $'million	March 2013# $'million
Publishing & Events Management	2.2	3.0
Electric Vehicle Charging Solutions	5.0	4.4
HQ Costs & Investments	1.1	2.0

* Including other income and excluding discontinued operations
# Refer to Note 32

Operating Loss by Business Division

	March 2014 $'million	March 2013 $'million
Publishing & Events Management	(0.6)	(0.3)
Electric Vehicle Charging Solutions	(0.1)	(0.6)
HQ Costs & Investments	(2.1)	(2.6)
Discontinued Operations	–^	(0.01)

^ less than S$0.1 million

Staff Strength

	March 2014	March 2013
HQ	4	7
Publishing & Events Management	40	44
Electric Vehicle Charging Solutions	20	14
TOTAL	64	65

MANAGEMENT TEAM

Mr. Calvey Taylor-Haw
Managing Director, Elektromotive Limited

Mr. Calvey Taylor-Haw, aged 57 years, founded Elektromotive Ltd in 2003. He has spent over 35 years in the advertising and marketing sector and prior to founding Elektromotive Ltd, he set up and owned a successful advertising, design and photographic studio working for international accounts in the food, cosmetics and pharmaceutical industries. He set up Elektromotive Ltd in a market sector that was new to the world and has successfully grown an infrastructure for charging Electric vehicles in the U.K. Now Elektromotive Ltd has a reputation and brand presence the world over as a pioneer in the emerging market for electric vehicles.

Ms. Chong Chye Wan
President, Publishing Malaysia

Ms. Chong Chye Wan is President, Malaysia Publishing is in charge of the day-to- day management of the Group's operations in Malaysia. Ms Chong started her career as an Auditor with an international public accounting firm based in Kuala Lumpur and moved on to join several Malaysian public listed companies in their finance departments. She is a Certified Public Accountant and holds a Bachelor of Accounting degree (Hons) from the University of Malaya.

Ms. Lynnette Lim
President, Publishing Singapore and International

Ms. Lynnette Lim is the President, Singapore and International Publishing. She is in charge of the launching of several titles in key cities in China. WINE & DINE magazine was launched in Shanghai in 2005. REAL TIME annual was launched in 2006 and CALIBRE HAUTE HORLOGERIE magazine in mid 2007. Ms Lim holds a Bachelor of Commerce (Marketing) degree from the Curtin University of Technology, Western Australia. Upon graduation in 1998, Ms Lim started her career in publishing, and joined the Group as the Marketing and Sales Manager of SMART INVESTOR magazine.

Ms. Ng Hwee Ling
Chief Financial Officer

Ms. Ng Hwee Ling is the Chief Financial Officer of the Company. Ms Ng is responsible for overseeing the Group's financial and management accounting, and payroll matters. Prior to joining the Group, she was an Auditor with an international public accounting firm. Ms Ng is a Chartered Accountant and holds a Bachelor of Accountancy degree (Hons) from the Nanyang Technological University, Singapore.

CORPORATE GOVERNANCE

The Board of Directors ("the Board") of Elektromotive Group Limited recognises the significance of sound corporate governance in ensuring greater transparency, protecting the interests of its shareholders as well as strengthening investors' confidence in its management and financial reporting. It is committed to maintaining a high standard of corporate governance within the Group based on which its operations, businesses and strategies are directed and controlled.

The main corporate governance practices adopted by the Company and the Group are outlined below.

BOARD MATTERS

(1) Board's Conduct of its Affairs

The Board holds meetings on a regular basis throughout the year to review and approve the Group's major strategic plans as well as major investments, disposals and funding matters. The Board is also responsible for the overall corporate governance of the Group. Ad-hoc meetings are also held when the need arises. Attendance of the Directors at meetings of the Board and Board committees, as well as the frequency of such meetings are as follows:

Attendance at Meetings

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Ricky Ang Gee Hing	2	2	2	–	1	–	2	–
Tan Choon Wee	2	2	2	–	1	–	2	–
James Ang Ghee Ann	2	2	2	–	1	1	2	2
Tan Chong Chai	2	2	2	–	1	–	2	–
Chou Kong Seng	2	2	2	2	1	–	2	–
Roy Ling Chung Yee	2	2	2	2	1	1	2	2
Kesavan Nair	2	2	2	2	1	1	2	2

All the Directors are updated regularly on changes in company policies, Board processes, corporate governance and best practices.

Key matters that are specifically reserved for the Board's consideration and decision include, but are not limited to, matters involving a conflict of interest for a substantial shareholder or director, corporate planning, public release of periodic financial results, material acquisitions and disposals of assets, corporate or financial restructuring, share issuances, formulation of any dividend policy or the change of such dividend policy and declaration of dividends.

(2) Delegation of Authority to Board Committees

To facilitate effective management, the Board has delegated certain functions to the Board committees, namely the audit committee ("Audit Committee"), the remuneration committee ("Remuneration Committee") and the nominating committee ("Nominating Committee"), to ensure that there are appropriate checks and balances. These Board

CORPORATE GOVERNANCE

committees operate within clearly defined terms of reference which are reviewed from time to time. As at 31 March 2014, the Audit Committee, the Remuneration Committee and the Nominating Committee each comprise entirely of Non-Executive Directors.

Orientation, briefings, and training provided for directors

No new director was appointed to the Board during the financial year. A new independent director, should one be appointed, will be given briefing by the Executive Vice-Chairman on the directors' duties and obligations, and on the Group's organization structure, business and governance practices.

During the financial year reported on, the Directors had received updates on the regulatory changes to the Listing Manual Section B: Rules of Catalist ("Rules of Catalist") of the Singapore Exchange Securities Trading Limited ("SGX-ST") and accounting standards. The Managing Director updates the Board at each Board meeting on business and strategic developments and also highlights the salient issues as well as the risk management considerations for the Group.

(3) Board Composition and Guidance

The Board comprises three Executive Directors, one Non-Executive and Non-Independent Director and three Independent Directors. Key information regarding the Directors can be found under the "Board of Directors" section of this annual report. The Nominating Committee reviews the independence of each director annually.

The Nominating Committee is of the view that the current Board exhibits a level of independence that sufficiently enables the Board to exercise objective judgment on corporate affairs independently from the management. The Nominating Committee is also of the view that no individual or small groups of individuals dominate the Board's decision-making processes.

The Board is of the view that the size of the current board, comprising seven directors is appropriate, with reference to the scope and extent of the Group's operations. The Company's Independent Directors enhance the Board with increased knowledge, business contacts, proven business and commercial experience. This balance is important in ensuring that the strategies proposed by the executive management are fully discussed and examined, taking into account the long term interests of the Group.

(4) Chairman and Chief Executive Officer

The Company presently does not have any Chairman sitting on the Board or any Chief Executive Officer in the Group.

The Managing Director, Mr Ricky Ang Gee Hing, who is also the Executive Vice-Chairman of the Company, has full executive responsibilities over business directions and operational decisions of the Group. The Audit Committee reviews all major decisions made by the Managing Director. The Nominating Committee periodically reviews his performance and his appointment to the Board and the Remuneration Committee periodically reviews his remuneration package.

(5) Board Membership

We believe that Board renewal must be an on-going process, to ensure good corporate governance and to maintain relevance to the business as well as changing needs of the Company. Our Articles of Association require one-third of

CORPORATE GOVERNANCE

our Directors (excluding the Managing Director) to retire and subject themselves to re-election by shareholders at every Annual General Meeting ("AGM") such that no director stays in office for more than three years without being re-elected by shareholders.

The Nominating Committee may identify candidates for appointment as new directors through business network of Board members or engage external independent professional advisors in the search for suitable candidates. The Nominating Committee will generally identify suitable candidates skilled in core competencies such as strategic planning, accounting or finance and business or management expertise. If the Nominating Committee decides that the candidate is suitable, the Nominating Committee then recommends its choice to the Board of Directors.

The Nominating Committee comprises Messrs Kesavan Nair (an Independent Director), Roy Ling Chung Yee (an Independent Director) and James Ang Ghee Ang (a Non-Independent and Non-Executive Director). Mr Nair, an Independent Director, is the Chairman of the Nominating Committee. The Nominating Committee is responsible for (i) re-nomination of the Directors having regard to the Directors' contribution and performance, (ii) determining annually whether or not a Director is independent and (iii) deciding on whether or not a Director is able to and has been adequately carrying out his duties as a director.

The Nominating Committee, after reviewing the respective list of directorships held by each Director as well as their attendance, is satisfied that all Directors who sit on multiple boards are able to devote adequate time and attention to the affairs of the Company and to fulfill their duties as Directors. The Board has set the maximum number of 10 listed company board representations which any Director of the Company may hold at any one time. All Directors have complied with this requirement.

(6) Board Performance

The Nominating Committee uses its best efforts to ensure that directors appointed to the Board possess the relevant background, experience and knowledge and that each director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Directors, collectively and individually, undertake a formal review of the Board's performance on an annual basis. The Nominating Committee also reviews the Board's performance informally with inputs from the other Board members and the Managing Director.

The Board has allocated budgets for Directors to attend training and will make recommendations to the Board on the training and professional development programmes for the Board members.

(7) Access to Information

In order to ensure that the Board is able to fulfill its responsibilities, management is required to provide adequate and timely information to the Board on Board affairs and issues that require the Board's decision as well as ongoing reports relating to operational and financial performance of the Company and the Group. Whenever appropriate, senior managers who can provide additional insight in the matters to be discussed are invited to attend during the Board meeting. Generally, the Company Secretary attends board meetings.

The Board has separate and independent access to the senior management and the Company Secretary at all times. Where necessary, the Company will, upon the request of directors (whether as a group or individually), provide them with independent professional advice, at the Company's expense, to enable them to discharge their duties. The appointment and removal of the Company Secretary is decided by the Board as a whole.

CORPORATE GOVERNANCE

Please refer to the "Corporate Information" section of the Annual Report for the composition of the Company's Board of Directors and Board committees.

REMUNERATION MATTERS

(8) Formal and transparent procedure for fixing remuneration packages of directors
(9) Level and Mix of Remuneration
(10) Disclosure of Remuneration

The function of the Remuneration Committee is to review the remuneration of the Executive Directors of the Company and to provide a greater degree of objectivity and transparency in the setting of their remuneration.

The Remuneration Committee comprises Messrs Roy Ling Chung Yee (an Independent Director), Kesavan Nair (an Independent Director) and James Ang Ghee Ann (a Non-Independent and Non-Executive Director). Mr Ling is the Chairman of the Remuneration Committee.

The Remuneration Committee reviews and recommends to the Board, in consultation with management, a framework for all aspects of remuneration. The Remuneration Committee also determines the specific remuneration packages and terms of employment for each of the Executive Directors of the Company including those employees related to the Executive Directors and controlling shareholders of the Company as well as the senior executives. The recommendations of the Remuneration Committee are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind are covered by the Remuneration Committee.

The Remuneration Committee has access to expert professional advice on compensation matters whenever there is a need to consult externally. In its deliberations, the Remuneration Committee takes into consideration industry practices and norms in compensation, in addition to the Company's relative performance to the industry and the performance of the individual directors.

The Executive Directors have entered into service agreements with the Company. The service agreements cover the terms of employment, specifically salary and other benefits.

The Non-Executive Directors receive directors' fees in accordance with their level of contributions, taking into account factors such as responsibilities, effort and time spent for serving on the Board and Board committees. The Directors' fees are recommended by the Board and are subject to the approval of shareholders at the AGM.

DIRECTORS' REMUNERATION

Our Executive Directors' remuneration consists of salary, allowances and bonuses. No Director will be involved in deciding his own remuneration. Directors' fees for Independent Directors and Executive Directors are subject to approval of shareholders at the AGM.

The remuneration paid or payable to directors during the financial year is as follows:

CORPORATE GOVERNANCE

Name	Salary	Bonus	Allowances & Others	Directors' Fee	Total Remuneration
$250,000 to $500,000					
Ricky Ang Gee Hing	65%	21%	12%	2%	100%
$250,000 and below					
Tan Choon Wee	92%	–	–	8%	100%
Tan Chong Chai	91%	–	–	9%	100%
James Ang Ghee Ann	–	–	–	100%	100%
Chou Kong Seng	–	–	–	100%	100%
Roy Ling Chung Yee	–	–	–	100%	100%
Kesavan Nair	–	–	–	100%	100%

The Board was of the view that the information disclosed in the Annual Report would be sufficient for shareholders to have an adequate understanding of the Company's remuneration policies and practice. The Board believes that the disclosure provided is in the interest of the Company as it would avoid a situation where the information might be exploited by the competitors, while allowing directors and key management staff to maintain some degree of their personal confidentiality on remuneration matters.

The Board has also recommended a fixed fee for non-executive directors, taking into account the effort, time spent and responsibilities of each non-executive director.

All the directors receive directors' fee for attending to Board matters. For chairing committees, a director receives a small additional fee. A director who serves for part of the financial year only will have his fee pro-rated. Total directors' fee for the financial year amounted to S$176,000 (2013: $149,950).

REMUNERATION OF KEY EMPLOYEES

The remuneration received by key executives (excluding executive Directors) during the financial year is below $250,000 in each case.

Name	Salary	Bonus	Total
Alison Ang Wern Ling	100%	–	100%
Calvey Taylor-Haw	100%	–	100%
Lynnette Lim Kitt Ping	100%	–	100%
Ng Hwee Ling	100%	–	100%
Chong Chye Wan	100%	–	100%

The aggregate of total remuneration paid to or accrued for the key management personnel (who are not directors) for FY2014 was S$605,000.

CORPORATE GOVERNANCE

Alison Ang Wern Ling, the daughter of the Executive Vice-Chairman and Managing Director, Mr Ricky Ang Gee Hing, was employed as a Project Manager of Elektromotive Group Limited, her remuneration for the financial year ended 31 March 2014 was S$85,673.

Other than the foregoing, there are no other employees who are immediate family member of any Director, Managing Director or controlling shareholder of the Company and whose remuneration exceeds S$50,000 during the financial year ended 31 March 2014.

Share Incentive Scheme

The Company does not have any share option scheme for its employees. A proposed share option scheme will be tabled at the forthcoming Extraordinary General Meeting ("EGM") to be held on 30 July 2014 for shareholders' approval. Please refer to the circular dated 14 July 2014 for details of the proposed share option scheme.

The Elektromotive Group Limited Performance Share Plan (the "PSP") was approved and adopted by shareholders at an EGL of the Company held on 7 September 2007. The PSP is intended to recruit, attract and retain participants to higher standards of performance and encourage greater dedication and loyalty enabling the Company to give recognition to past contribution and services; as well as motivating participants to contribute to the long-term prosperity of the Group.

The PSP awards fully paid shares to participants who have achieved pre-determined targets. The shares are settled by physical delivery of shares by way of issuance of new shares by the Company or transfer of treasury shares to the participants. The Company has granted 4,500,000 performance shares since commencement of the PSP. There were no unissued shares of the Company under PSP at the end of FY 2014.

ACCOUNTABILITY AND AUDIT

(11) Accountability

The Board continues to be accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information in compliance with statutory reporting requirements. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings.

The management of the Company provides the Board with regular updates on the Group's business activities and financial performance by providing balanced and understandable management accounts of the Group's performance, position and prospects on a half-yearly basis. Such reports highlight key business indicators and major issues that are relevant to the Group's performance.

(12) Audit Committee

The Audit Committee is made up of three Independent Directors who possess relevant accounting experience and/or related financial management expertise. Mr Chou Kong Seng, an independent Director, chairs the Audit Committee. The other members of the Audit Committee are Mr Roy Ling Chung Yee and Mr Kesavan Nair.

The Audit Committee holds periodic meetings and primarily carries out the following functions together with the Executive Directors and external auditors:-

CORPORATE GOVERNANCE

(a) Reviews the audit plans set forth by the external auditors, evaluates the report issued by the external auditors from their examination of the Company's internal and accounting controls system;

(b) Reviews the operating results of the Group and Company, accounting policies and assistance given by the management to external auditors;

(c) Reviews the financial statements of the Group and Company before submission to the Board;

(d) Reviews all interested persons' transactions; and

(e) Nominates the external auditors for reappointment.

The Audit Committee has full access to and full co-operation of the management. The Audit Committee also has the power to conduct or authorize investigations into any matters within its terms of reference. The external auditors have unrestricted access to the Audit Committee.

The Board and Audit Committee are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Company. Accordingly, confirmation on Rule 716 of the Rules of Catalist of the SGX-ST is set out on page 66 of the Annual Report.

A breakdown of the audit fees paid to the Company's auditors is disclosed in page 36 of the Annual Report. The Audit Committee has reviewed the external auditors' non-audit services to satisfy itself that the nature and extent of such services has not prejudiced the independence and objectivity of the external auditors. The amount of non-audit services fees paid for the financial year ended 31 March 2014 was S$15,000.

The external auditors of the Company and it's Singapore-incorporated subsidiaries are Nexia TS Public Accounting Corporation, Singapore. Accordingly, the Company has complied with Rules 712 and 715 of the Rules of Catalist of the SGX-ST.

The Audit Committee recognizes the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money consideration.

(13) Risk Management and Internal Controls

The Board is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. During the year, the Audit Committee, on behalf of the Board, has reviewed the effectiveness and adequacy of the internal control system put in place by the management and is satisfied that there are adequate internal controls in the Company. The Directors regularly review the effectiveness of all internal controls to address the financial, operational, compliance and information technology risks and risk management controls of the Group annually. The Audit Committee assists the Board in providing oversight of risk management in the Company.

Relying on the reports from the external auditors and management representation letters, the Audit Committee carried out assessments of the effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls or recommendations from the external auditors to further improve the internal controls were reported to the Audit Committee. Such discussions are reported by the Audit Committee to the Board accordingly. The Audit Committee will also follow up on the actions taken by management in response to recommendations made by the external auditors to ensure that they area all implemented in a timely and appropriate manner. The Group's financial risk management objectives and policies are discussed under Note 31 of the Financial Statements.

CORPORATE GOVERNANCE

For the financial year 31 March 2014, the Board has received assurances from the Managing Director and Chief Financial Officer of the Company that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. The Board has also received assurance from them of the effectiveness of the Group's internal control system and assurance from the Managing Director of the effectiveness of the Group's risk management system.

The Company has in place whistle-blowing policies and arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. To ensure independent investigation of such matters and appropriate follow up action, all whistle-blowing reports are sent to the Audit Committee.

Based on the various management controls put in place and the reports from the external auditors, reviews by management and the management representation letters, the Board with the concurrence of the Audit Committee is of the opinion that the system of internal controls addressing material financial, operational, compliance and information technology risks maintained by the Group during the year are adequate in meeting the needs of the Group in its current business environment.

(14) Internal Audit

The Chief Financial Officer is also responsible for the running of a robust and timely process of identifying and evaluating business risks, controls over cash flows and preparing timely reports and communications to the various committees, such as audit matters to the Audit Committee and administrative and operational matters to the Board.

During the financial year, the Company did not conduct an internal audit review for reasons that it is deemed not necessary in view of the commercial context of the business activity. Having considered various factors, including the scale of the Group's operations, the Audit Committee is of the opinion that an internal audit function is considered not necessary in the present circumstances. The Audit Committee will review this if circumstances change.

SHAREHOLDERS' RIGHTS AND PARTICIPATION

(15) Communication with Shareholders
(16) Conduct of Shareholder Meetings

We believe in regular and timely communication with shareholders as part of our organisation's development to build systems and procedures that will enable us to operate globally.

In line with continuous obligations of the Company pursuant to the Rules of Catalist of the SGX-ST and the Companies Act (Cap. 50, Singapore), the Board's policy is that all shareholders should be equally and timely informed of all major developments that will or is expected to impact the Company or the Group.

Information is disseminated to shareholders on a timely basis through:

(a) SGXNET announcements and news release;

(b) Annual Report prepared and issued to all shareholders;

(c) Press releases on major developments of the Group;

(d) Notices of and explanatory memoranda for AGM and EGM; and

(e) Company's website at www.egl.com.sg where shareholders can access information on the Group.

CORPORATE GOVERNANCE

The Company's AGMs and EGMs are the principal forum for dialogue with the shareholders. The Chairman of the Audit, Remuneration and Nominating Committees are normally available at the meetings to answer any questions relating to the work of these Committees. The external auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders during the AGMs.

Shareholders are encouraged to attend all general meetings to ensure a high level of interaction and to stay informed of the Company's strategy and goals. Notice of the general meetings is circulated to all shareholders of the Company, together with explanatory notes or a circular on items of special business (if necessary), at least 14 working days before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the general meetings.

The Company is not implementing absentia voting methods such as voting via mail, facsimile or email until security integrity and other pertinent issues are satisfactorily resolved. Due to higher costs in voting by poll, the Company will be conducting voting by poll for general meetings held on or after 1 August 2015.

Dividends

No dividends were declared for FY 2014 as the Group is loss making.

MATERIAL CONTRACTS

Save for the material contracts mentioned below, there are no other material contracts entered into by the Company and its subsidiaries involving the interest of the Directors or controlling shareholders, which are either subsisting at the end of the financial year, or if not than subsisting, entered into since the end of the previous financial year.

On 11 November 2013, the Company entered into a sale and purchase agreement ("SPA") with MA Builders Pte Ltd ("MAB"), James Ang Nam Heng, Albert Ang Nam Wah, Yeong Zi Li and the shareholders of MAB to acquire an aggregate of 2,040,000 shares of Asia Galvanizing Pte Ltd ("AGPL") representing 51% of the issued and paid up capital of AGPL. On 30 April 2014, the Company announced that the proposed acquisition of AGPL will not be completed and the SPA has been terminated.

DEALINGS IN SECURITIES

In line with the Securities Code, Directors, key officers and employees of the Group who have access to unpublished price sensitive and confidential information have been informed not to deal in the securities of the Company, at least one month before the release of the half-year and full-year financial results to SGX-ST and ending on the date of announcement of the relevant results, or when they are in possession of any unpublished material price-sensitive information. Directors and executives of the Group are discouraged from dealing in the shares of the Company on short-term considerations.

Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period.

The Board confirms that for the financial year ended 31 March 2014, the Company has complied with Rule 1204 (19) of the Rules of Catalist of the SGX-ST.

CORPORATE GOVERNANCE

INTERESTED PERSONS TRANSACTIONS

The Company has established a procedure for recording and reporting interested persons transactions ("IPT"). Details of significant IPT for the year ended 31 March 2014 are set out below:

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S$100,000)
Tan Choon Wee	NA	S$3.2 million convertible notes issued to Advance Opportunities Fund S$32,000 arranger fees paid to Advance Capital Partners Limited

The above IPT was made under normal commercial terms.

USE OF PROCEEDS

During the financial year, the Company raised about $3.2 million from the issue of 167,459,046 ordinary shares. The net proceeds of $3.17 million raised were used as follows:

Purpose	Percentage Allocation (%)	Net proceeds utilised as at the date of Annual Report ($'000)
EV business in Asia (excluding Japan) and Australasia		
– Capital expenditure		7
– Working capital		1,577
	50%	1,584
Publishing business		
– Capital expenditure		25
– Working capital		767
	25%	792
Working capital	25%	792
Total	100%	3,168

SPONSORSHIP

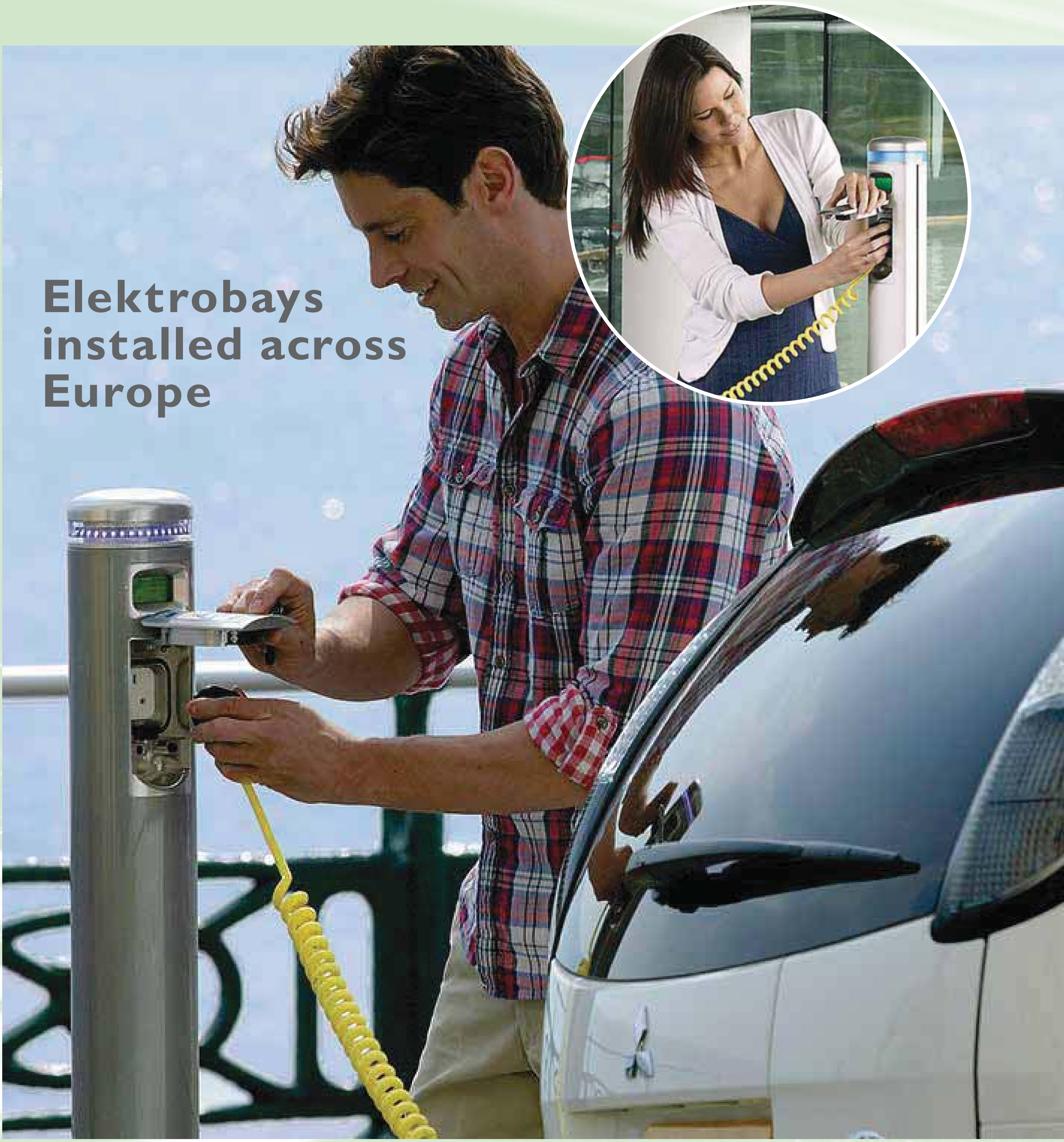
Pursuant to Rule 1204(21) of the Rules of Catalist of the SGX-ST, the Company did not pay any non-sponsor fee to RHT Capital Pte Ltd.

PUBLISHING DIVISION

Singapore

Malaysia

ELEKTROMOTIVE



Elektrobay 280

elektromotive
electric vehicle recharging stations

Elektrobay 305 Compact


Elektrobay 250

Elektrobay 305

Elektrobay Classic

Elektromotive Partners

Mercedes-Benz

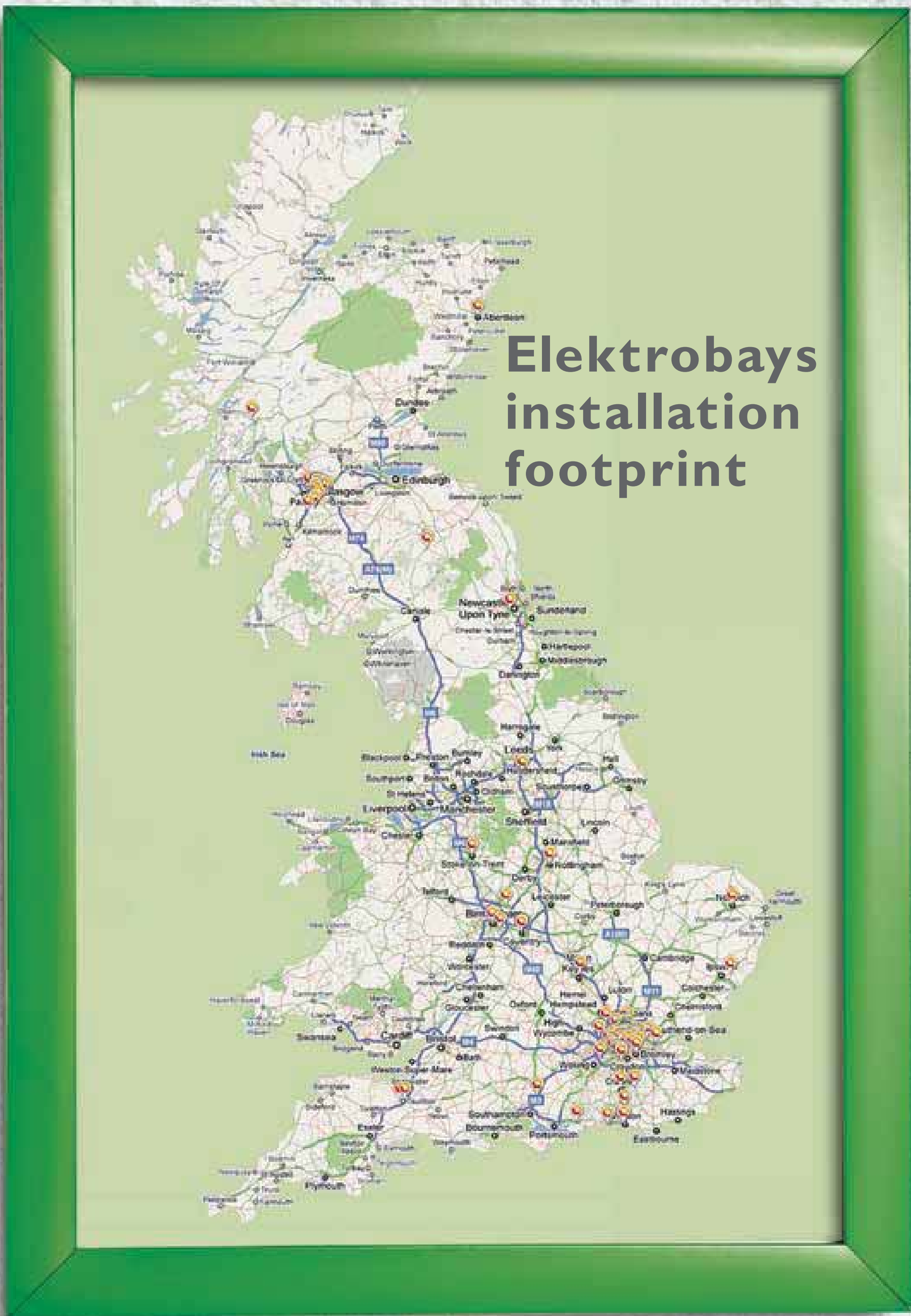
EDF

中華電力
CLP Power

RENAULT NISSAN

CITROËN

Elektrobays installation footprint



DIRECTORS' REPORT

For the financial year ended 31 March 2014

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2014 and the balance sheet of the Company as at 31 March 2014.

Directors

The directors of the Company in office at the date of this report are as follows:

Ricky Ang Gee Hing
Tan Choon Wee
James Ang Ghee Ann
Tan Chong Chai
Chou Kong Seng
Roy Ling Chung Yee
Kesavan Nair

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
The Company (No. of Ordinary shares)	31.03.2014	01.04.2013	31.03.2014	01.04.2013
Ricky Ang Gee Hing	2,363,274	23,632,748	2,396,769	23,967,699
Tan Choon Wee	425,000	4,250,000	2,125,000	21,250,000
James Ang Ghee Ann	800,000	8,000,000	2,400,050	24,000,500
Tan Chong Chai	5,000,000	50,000,000	–	–
Warrants to subscribe for ordinary shares at S$0.03 (2013: $0.003) each				
Ricky Ang Gee Hing	2,919,339	29,193,393	2,960,715	29,607,156
Tan Choon Wee	525,000	5,250,000	2,625,000	26,250,000
Tan Chong Chai	30,000,000	300,000,000	–	–

DIRECTORS' REPORT

For the financial year ended 31 March 2014

Directors' interests in shares or debentures (cont'd)

By virtue of Section 7 of the Singapore Companies Act (Cap.50) (the "Act"), Ricky Ang Gee Hing is deemed to have interests in the shares of all the subsidiaries, at the beginning and at the end of the financial year and as at 21 April 2014.

The directors' interests in the ordinary shares of the Company as at 21 April 2014 were the same as those as at 31 March 2014.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company and its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of the options to take up unissued shares of the Company and its subsidiaries.

There were no unissued shares of the Company and its subsidiaries under option at the end of the financial year.

Warrants

During the financial year ended 31 March 2013, the Company issued 5,364,519,957 free attached unlisted warrants upon issuance of 1,788,173,319 new ordinary shares to shareholders. Each warrant entitles the holder to subscribe for one new ordinary share in the Company at an exercise price of $0.003 per share, subject to the terms and conditions as stated in the Deed Poll of the Company. The warrants shall be exercised at any time from 24 May 2012 to the date immediately preceding the third anniversary of the date of the issuance of the warrants. The new shares into which the warrants can be converted will rank pari-passu in all respects with the existing ordinary shares of the Company. During the financial year, no (2013: 300,000) warrants have been exercised.

On 13 June 2013, the Company completed a warrants consolidation exercise whereby every ten warrants in the Company were consolidated into one warrant. The exercise price of these warrants was also adjusted to S$0.03.

DIRECTORS' REPORT

For the financial year ended 31 March 2014

Audit committee

The members of the Audit Committee at the end of the financial year were as follows:

Chou Kong Seng (Chairman)
Roy Ling Chung Yee
Kesavan Nair

All members of the Audit Committee were independent.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor;
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2014 before their submission to the Board of Directors, as well as the Independent Auditor's Report on the balance sheet of the Company and the consolidated financial statements of the Group; and
- review and recommend to the Board the re-appointment of independent auditor.

The Audit Committee met 2 times in FY2014. The Audit Committee has met with the independent auditor, without the presence of Management, to discuss issues of concern to them.

In addition, the Audit Committee has, in accordance with Chapter 9 of the Rules of Catalist of the SGX-ST, reviewed the requirements for approval and disclosure of interested party transactions, reviewed the internal procedures set up by the Company to identify and report and, where necessary, seek approval for interested person transactions and, with the assistance of the independent auditor, reviewed interested person transactions.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

....	....
Ricky Ang Gee Hing	**Tan Choon Wee**
Director	Director

8 July 2014

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2014

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 35 to 93 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the directors

....	....
Ricky Ang Gee Hing	**Tan Choon Wee**
Director	Director

8 July 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELEKTROMOTIVE GROUP LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Elektromotive Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 35 to 93, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 March 2014, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provision of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELEKTROMOTIVE GROUP LIMITED

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Director-in-charge: Loh Ji Kin
Appointed from financial year ended 31 March 2014

Singapore
8 July 2014

BALANCE SHEET

As at 31 March 2014

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
ASSETS					
Current assets					
Cash and cash equivalents	4	867	481	553	169
Trade and other receivables	5	1,731	2,880	11	1,061
Inventories	6	577	1,263	–	–
Other current assets	7	181	762	143	700
		3,356	5,386	707	1,930
Assets directly associated with discontinued operations	8	39	42	–	–
		3,395	5,428	707	1,930
Non-current assets					
Available-for-sale financial assets	9	–	–	–	–
Investments in joint ventures	10	–	–	–	–
Investments in subsidiaries	11	–	–	8,630	8,630
Investment in associated company	12	–	–	–	–
Property, plant and equipment	13	234	1,548	130	205
Intangible assets	14	8,943	8,577	–	–
		9,177	10,125	8,760	8,835
Total assets		12,572	15,553	9,467	10,765
LIABILITIES					
Current liabilities					
Trade and other payables	15	3,961	5,130	5,365	5,427
Borrowings	16	91	1,596	–	1,316
Current income tax liabilities		–	61	–	–
		4,052	6,787	5,365	6,743
Liabilities directly associated with discontinued operations	8	408	409	–	–
		4,460	7,196	5,365	6,743
Non-current liabilities					
Borrowings	16	110	866	–	–
Deferred income tax liabilities	18	33	35	–	–
		143	901	–	–
Total liabilities		4,603	8,097	5,365	6,743
NET ASSETS		7,969	7,456	4,102	4,022
EQUITY					
Capital and reserve attributable to equity holders of the Company					
Share capital	19	131,141	135,949	131,141	135,949
Accumulated losses		(126,678)	(131,823)	(127,039)	(131,927)
Currency translation reserve	20	2,682	2,582	–	–
		7,145	6,708	4,102	4,022
Non-controlling interests		824	748	–	–
Total equity		7,969	7,456	4,102	4,022

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2014

	Note	2014 $'000	2013 $'000
Continuing operations			
Revenue	21	7,095	7,360
Other income	22	1,248	2,095
Expenses			
– Printing and editorial costs		(1,009)	(1,477)
– Changes in inventories and overhead costs		(3,085)	(3,067)
– Audit fees paid/payable			
– Auditor of the Company		(71)	(72)
– Other auditor		(37)	(26)
– Amortisation, depreciation and impairment	23	(557)	(179)
– Employee compensation	24	(3,213)	(3,018)
– Operating lease		(488)	(429)
– Professional fees		(1,018)	(2,131)
– Interest	25	(46)	(178)
– Other		(1,583)	(2,465)
Total expenses		(11,107)	(13,042)
Share of loss of associated company	12	(83)	–
Loss before income tax		(2,847)	(3,587)
Income tax credit	26	68	9
Loss from continuing operations		(2,779)	(3,578)
Discontinued operations			
Loss from discontinued operations	8	(8)	(73)
Total loss		(2,787)	(3,651)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
– Gains/(losses)		100	(86)
Total comprehensive loss		(2,687)	(3,737)
Loss attributable to:			
– Equity holders of the Company		(2,863)	(3,422)
– Non–controlling interests		76	(229)
		(2,787)	(3,651)
Total comprehensive loss attributable to:			
– Equity holders of the Company		(2,763)	(3,508)
– Non–controlling interests		76	(229)
		(2,687)	(3,737)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2014

	Note	2014 $'000	2013 $'000
Loss per share for loss from continuing and discontinued operations attributable to the equity holders of the Company (cents per share)			
– Basic and diluted loss per share			
From continuing operations	27	(0.28)	(0.091)
From discontinued operations	27	(0.001)	(0.002)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2014

	Note	Share capital	Currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000
2014							
Beginning of financial year		135,949	2,582	(131,823)	6,708	748	7,456
Issue of shares	19	3,200	–	–	3,200	–	3,200
Capital reduction	19	(8,008)	–	8,008	–	–	–
Total comprehensive income/ (losses) for the year		–	100	(2,863)	(2,763)	76	(2,687)
End of financial year		131,141	2,682	(126,678)	7,145	824	7,969
2013							
Beginning of financial year		130,867	2,668	(128,401)	5,134	977	6,111
Issue of shares	19	5,082	–	–	5,082	–	5,082
Total comprehensive losses for the year		–	(86)	(3,422)	(3,508)	(229)	(3,737)
End of financial year		135,949	2,582	(131,823)	6,708	748	7,456

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2014

	Note	Group 2014 $'000	Group 2013 $'000
Cash flows from operating activities			
Total loss		(2,787)	(3,651)
Adjustments for:			
– Income tax credit	26	(68)	(9)
– Amortisation and depreciation		448	179
– (Gain)/loss on disposal of property, plant and equipment	22	(322)	16
– Gain on disposal of financial assets, at fair value through profit or loss	22	–	(14)
– Allowance for impairment of amounts due from joint venture partner	23	2	–
– Reversal of allowance for impairment of amounts due from joint venture partner	22	–	(7)
– Allowance for impairment of amounts due from associated company	23	87	–
– Compensation received		–	(1,236)
– Borrowings and accrued interest written back	22	(807)	–
– Interest income	22	–	(3)
– Interest expenses	25	46	178
– Unrealised currency translation differences		17	–
		(3,384)	(4,547)
Change in working capital, net of effects from acquisition and disposal of subsidiaries			
– Inventories		686	(512)
– Trade and other receivables		1,673	(150)
– Trade and other payables		(1,052)	519
Cash used in operations		(2,077)	(4,690)
Interest received		–	3
Income tax paid		(24)	(22)
Net cash used in operating activities		(2,101)	(4,709)
Cash flows from investing activities			
Proceeds from sale of financial assets, at fair value through profit or loss		–	14
Proceeds from sale of property, plant and equipment		1,550	–
Purchases of property, plant and equipment	13	(34)	(171)
Purchase of intangible assets	14	(685)	(546)
Withdrawal from short-term bank deposits pledged to bank		–	176
Net cash provided by/(used in) investing activities		831	(527)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2014

	Note	Group 2014 $'000	Group 2013 $'000
Cash flows from financing activities			
Proceeds from issue of new shares		3,200	5,082
(Repayment of)/loan from directors		(600)	500
Repayment of hire purchase/finance lease liabilities		(28)	(28)
Repayment of borrowings		(945)	(434)
Interest paid		(46)	(178)
Net cash provided by financing activities		1,581	4,942
Net increase/(decrease) in cash and cash equivalents		311	(294)
Cash and cash equivalents			
Beginning of financial year		506	877
Effects of currency translation on cash and cash equivalents		72	(77)
End of financial year	4	889	506

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Elektromotive Group Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 9 Battery Road #15-01 Straits Trading Building Singapore 049910. The address of its principal place of business is 18 Boon Lay Way, #10-96/97, Tradehub 21, Singapore 609966.

The principal activities of the Company are the provision of management services and investment holding. The principal activities of its subsidiaries are shown in Note 11.

Other related parties comprises mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below. The financial statements are presented in Singapore dollar ("$") and all values are rounded to the nearest thousand ("$'000") except otherwise indicated.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2013

On 1 April 2013, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

Amendment to FRS 1 Presentation of Items of Other Comprehensive Income

The Group has also adopted the amendment to FRS 1 Presentation of Items of Other Comprehensive Income on 1 April 2013. The amendment is applicable for annual periods beginning on or after 1 July 2012 (with early adoption permitted). It requires items presented in other comprehensive income to be separated into two groups, based on whether or not they may be recycled to profit or loss in the future.

An additional balance sheet and related notes at the beginning of the earliest comparative period is not presented as there is no impact on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

FRS 113 Fair Value Measurement

FRS 113 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within FRSs.

The adoption of FRS 113 does not have any material impact on the accounting policies of the Group. The Group has incorporated the additional disclosures required by FRS 113 into the financial statements.

2.2 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combination by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.2 Group accounting (cont'd)

(a) Subsidiaries (cont'd)

(ii) ***Acquisitions*** (cont'd)

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the (b) fair values of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed, is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill on Acquisition" for the accounting policy on goodwill subsequent to initial recognition.

(iii) ***Disposals***

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.2 Group accounting (cont'd)

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated company

Associated company is an entity over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investment in associated company is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

(i) Acquisitions

Investment in associated company is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated company represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated company's post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated company are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated company are eliminated to the extent of the Group's interest in the associated company. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated company have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.2 Group accounting (cont'd)

(c) Associated company (cont'd)

(iii) Disposals

Investment in associated company is derecognised when the Group losses significant influence. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in profit and loss.

Gains and losses arising from partial disposals or dilutions in investments in associated company in which significant influence is retained are recognised in profit and loss.

(d) Joint ventures

The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share control over the economic activity of the entities with one or more parties. The Group's interest in joint ventures is accounted for in the consolidated financial statements using proportionate consolidation.

Proportionate consolidation involves combining the Group's share of the joint ventures' income and expenses, assets and liabilities and cash flows of the jointly-controlled entities on a line-by-line basis with similar items in the Group's financial statements.

When the Group sells assets to a joint venture, the Group recognises only the portion of gains or losses on the sale of assets that is attributable to the interest of the other venturers. The Group recognises the full amount of any loss when the sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

When the Group purchases assets from a joint venture, it does not recognise its share of the profits of the joint ventures arising from the Group's purchase of assets until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

The accounting policies of joint ventures have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Please refer to the paragraph "Investments in subsidiaries, associated company and joint ventures" for the accounting policy on investments in joint ventures in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.3 Investments in subsidiaries, associated company and joint ventures

Investments in subsidiaries, associated company and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.4 Property, plant and equipment

(i) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method and reducing balance method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Furniture and fittings	5 - 20 years
Office equipment	5 - 10 years
Computers	3 years
Renovation	5 - 10 years
Leasehold property	53 years
Electric vehicle charging equipment	25% reducing balance
Motor vehicles	25% reducing balance

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.4 Property, plant and equipment (cont'd)

(iii) **Subsequent expenditure**

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(iv) **Disposal**

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.5 Intangibles assets

(a) **Goodwill on acquisition**

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over (b) the fair value of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

(b) **Acquired magazine mastheads**

Magazine mastheads acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These intangible assets have infinite lives and are tested for impairment annually.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.5 Intangibles assets (cont'd)

(c) Brands

Brand acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These intangible assets have infinite lives and are tested for impairment annually.

(d) Patents

Cost directly attributable to the patent are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Group has an intention and ability to complete and use the patent and the costs can be measured reliably. These intangible assets have finite lives and are amortised on straight-line basis over 20 years.

(e) Development expenditure

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

2.6 Impairment of non-financial assets

(i) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.6 Impairment of non-financial assets (cont'd)

(ii) Intangible assets
Property, plant and equipment
Investments in subsidiaries, associated company and joint ventures

Intangible assets, property, plant and equipment, and investments in subsidiaries, associated company and joints ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.7 Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: loans and receivables, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 5) and "cash and cash equivalents" (Note 4) on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.7 Financial assets (cont'd)

(i) Classification (cont'd)

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(iv) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables financial assets are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.7 Financial assets (cont'd)

(v) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(a) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(b) Available-for-sale financial assets

A significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

(vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.8 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, net of bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2.9 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Work-in-progress relates to costs incurred in the production of magazines and periodicals which have not been issued and exhibitions that have not been launched as at the end of the financial year.

2.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.11 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.12 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has reliably estimated.

2.13 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

(a) **Borrowings**

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(b) **Convertible bonds**

The total proceeds from convertible bonds issued are allocated to the liability component and the equity component, which are separately presented on the balance sheet.

2.15 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.16 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activites are met as follows:

(a) **Sale of goods – Electric vehicle charging equipment**

Revenue from sales of electric vehicle charging equipment is recognised upon delivery of goods and acceptance by customers. Revenue with regards to ancillary services is recognised when the services have been performed.

(b) **Sale of goods – Circulation of magazines and periodicals**

Revenue from the circulation of magazines and periodicals is recognised upon delivery of goods and acceptance by customers. Subscription income is amortised over the period of the subscription.

(c) **Rendering of services – Advertising**

Revenue from advertisements is recognised based on the date of publication.

(d) **Rendering of services – Management and conventions organisation**

Revenue from events management and conventions organisation is recognised when the exhibition event has occurred, at which time the direct costs associated with the organisation of the event are matched with the respective revenue.

(e) **Interest income**

Interest income is recognised using the effective interest method.

2.17 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.18 Leases

When the Group is the lessee:

The Group leases computers and office equipment under finance leases and equipment, office premises and other facilities under operating lease from non-related parties.

(a) **Lessee – Finance leases**

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(b) **Lessee – Operating leases**

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.19 Income taxes (cont'd)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.20 Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.21 Currency translation

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars which is the functional currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.21 Currency translation (cont'd)

(ii) Transactions and balances (cont'd)

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "interest expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other losses-net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.23 Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

2. Significant accounting policies (cont'd)

2.23 Non-current assets (or disposal groups) held-for-sale and discontinued operations (cont'd)

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Estimated impairment of goodwill

Goodwill is tested for impairment annually and whenever there is indication that these assets may be impaired. The recoverable amounts of goodwill, where applicable, cash-generating-unit ("CGU"), have been determined by the higher of the CGU's fair value lest cost to sell and value-in-use.

For the financial year ended 31 March 2014, the recoverable amount of goodwill has been determined based on value-in-use calculations. These calculations require the use of estimates (Note 14). If the management's estimated growth rate used in the value-in-use calculation for the CGU has been lowered by 10 basis point, or the estimated pre-tax discount rate applied to the discounted cash flows for the CGU had been raised by 10 basis points, the value-in-use calculation at 31 March 2014 would have been reduced by $53,000 and $67,000 respectively. This decrease in the value-in-use would have no impact to the carrying amount of goodwill amounting to $7,428,000.

For the financial year ended 31 March 2013, the recoverable amount of goodwill has been determined based on fair value less cost to sell. If the proposed cash consideration has been lowered by 10 basis points, the fair value less cost to sell at 31 March 2013 would have been reduced by $160,000. This decrease in the fair value less cost to sell would have no impact to the carrying amount of goodwill amounting to $7,428,000.

(b) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least half-yearly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

3. Critical accounting estimates, assumptions and judgements (cont'd)

(b) Impairment of loans and receivables (cont'd)

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

If the carrying amounts of loans and receivables that are past due but not impaired as at 31 March 2014 increase/decrease by 10%, the Group's and Company's allowance for impairment would have been increased/decreased by $13,000 (2013: $16,000) and Nil (2013: Nil) respectively.

4. Cash and cash equivalents

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Cash at bank and on hand	867	481	553	169

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group 2014 $'000	Group 2013 $'000
Cash and bank balances (as above)	867	481
Cash held by discontinued operations (Note 8)	22	25
Cash and cash equivalents per consolidated statement of cash flows	889	506

Disposal of subsidiary

In February 2013, the Group disposed of its entire interest in Panpac Media (M) Sdn Bhd which has been fully impaired in previous financial years. The effects of the disposal on the cash flows of the Group were:

	Group 2013 $'000
Cash and bank balances	(2)
Total assets	(2)
Trade and other payables	193
Total liabilities	193
Net liabilities derecognised	191
Net liabilities disposed off	191

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

4. Cash and cash equivalents (cont'd)

The aggregate cash outflows arising from the disposal of Panpac Media (M) Sdn Bhd were:

Net liabilities disposed of (as above)	191
Gain on disposal (Note 22)	193
Liabilities taken over by new shareholder	(191)
Less: Cash and cash equivalents in subsidiary disposed off	(2)
Net cash inflow on disposal	–

5. Trade and other receivables

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade receivables				
– Non-related parties	1,402	1,733	11	–
– Subsidiaries	–	–	875	1,208
	1,402	1,733	886	1,208
Less: Allowance for impairment of trade receivables (Note 31(b))	(176)	(164)	(875)	(1,208)
Trade receivables – net	1,226	1,569	11	–
Non-trade receivables				
– Non-related parties	333	1,171	–	1,061
– Tax recoverable	183	152	–	–
– Subsidiaries	–	–	37,726	36,479
– Joint venture partners	176	167	–	–
– Joint venture	–	–	352	348
	692	1,490	38,078	37,888
Less: Allowance for impairment of non-trade receivables (Note 31(b))	(187)	(179)	(38,078)	(36,827)
Non-trade receivables – net	505	1,311	–	1,061
	1,731	2,880	11	1,061

The non-trade amounts due from subsidiaries, joint venture partners and joint venture are unsecured, interest-free and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

6. Inventories

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Electric vehicle charging equipment	523	1,139	–	–
Work-in-progress	54	124	–	–
	577	1,263	–	–

Work-in-progress relates to costs incurred in the production of magazines and periodicals which have not been issued at the end of the financial year.

The cost of inventories recognised as an expense and included in "cost of sales" amounts to $2,331,000 (2013: $2,995,000).

7. Other current assets

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Prepayments	51	143	38	116
Deposits	130	601	105	584
Other	–	18	–	–
	181	762	143	700

8. Discontinued operations

During the financial year ended 31 March 2012, the Group ceased its food and beverages ("F&B") operations, as such, the assets and liabilities relating to F&B operations were presented separately as discontinued operations on the balance sheet and the results of discontinued operations were presented separately on the consolidated statement of comprehensive income as "Discontinued operations".

Management is of the view that the delay in the completion of the disposal is caused by events and circumstances beyond the Company's control. Furthermore, the management does not have the intention to defer the completion of the disposal and are committed to proceed with the completion of the disposal. As such, the F&B operations are classified as "Discontinued operations" on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

8. Discontinued operations (cont'd)

The results of the discontinued operations are as follows:

	Group	
	2014	2013
	$'000	$'000
Revenue	–	–
Other income	–	16
Expenses	(8)	(89)
Loss before income tax from discontinued operations	(8)	(73)
Income tax expense	–	–
Net loss from discontinued operations	(8)	(73)
Loss attributable to equity holders of the Company relates to:		
– Loss from continuing operations	(2,855)	(3,349)
– Loss from discontinued operations	(8)	(73)
Total	(2,863)	(3,422)

The impacts of the discontinued operations on the cash flows of the Group are as follows:

	Group	
	2014	2013
	$'000	$'000
Operating cash outflows	(9)	(171)

Details of the assets directly associated with discontinued operations are as follows:

	Group	
	2014	2013
	$'000	$'000
Trade and other receivables	17	17
Cash and cash equivalents (Note 4)	22	25
	39	42

Details of the liabilities directly associated with discontinued operations are as follows:

	Group	
	2014	2013
	$'000	$'000
Trade and other payables	408	409

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

9. Available-for-sale financial assets

	Group and Company	
	2014	2013
	$'000	$'000
Beginning of financial year	853	853
Allowance for impairment	(853)	(853)
End of financial year	–	–

Available-for-sale financial assets are analysed as follows:

	Group and Company	
	2014	2013
	$'000	$'000
Unlisted securities		
Grandview Financial Limited	–	–

The unquoted equity securities were measured at cost less impairment losses as the investment does not have a quoted market price in an active market and other methods of determining fair value do not result in a reasonable estimate.

10. Investments in joint ventures

	Company	
	2014	2013
	$'000	$'000
Equity investments at cost	1,500	1,500
Less: Allowance for impairment	(1,500)	(1,500)
	–	–

The amounts represent the Group's 50% share of the assets, liabilities, income and expenses of the joint venture which are included in discontinued operations as the Group ceased the food and beverage business segment during the financial year ended 31 March 2012.

The summarised financial information of the joint venture companies, not adjusted for the proportion of ownership interest held by the Company, is as follows:

	2014	2013
	$'000	$'000
Assets	32	33
Liabilities	385	383
Net (loss)/profit	(4)	15

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

10. Investments in joint ventures (cont'd)

Details of the Group's joint venture company are as follows:

Name of joint venture company	Country of incorporation and place of business	Effective equity held by the Group 2014 %	Effective equity held by the Group 2013 %
Held by the Company			
Tom N Toms International Pte Ltd (1)	Singapore	50	50
Held by joint venture			
Tom N Toms Retail Pte Ltd (1)	Singapore	50	50

(1) Audited by Nexia TS Public Accounting Corporation, Singapore, member firm of Nexia International.

11. Investments in subsidiaries

	Company 2014 $'000	Company 2013 $'000
Equity investment at cost		
Beginning of financial year	84,324	86,875
Disposal	–	(2,551)
End of financial year	84,324	84,324
Accumulated impairment		
Beginning of financial year	75,694	78,245
Disposal	–	(2,551)
End of financial year	75,694	75,694
Carrying amount		
End of financial year	8,630	8,630

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

11. Investments in subsidiaries (cont'd)

The details of subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Effective equity held by the Group 2014 %	2013 %
Held by Company				
Panpac Marketing & Circulation Pte Ltd (1)	Publishing and sale of periodicals and magazines – currently dormant	Singapore	100	100
Lexicon F&B Pte Ltd (1)	Operating of cafes and restaurants – currently dormant	Singapore	100	100
TLG Specialist Magazines Pte Ltd (1)	Publishing and sale of periodicals and magazines – currently dormant	Singapore	100	100
Wine and Dine Experience Pte Ltd (1)	Publishing and sale of periodicals and magazines	Singapore	100	100
SmartInvestor Pte Ltd (1)	Publishing and sale of periodicals and magazines – currently dormant	Singapore	100	100
Panpac Tech Strategic Ltd (3)	Investment holding	British Virgin Islands	100	100
Auston Technology Group Pte Ltd (1)	Investment holding	Singapore	78.2	78.2
Inovatif Media Asia Sdn. Bhd. (2)	Media Publishing	Malaysia	100	100
Lifestyle Magazines Publishing Pte Ltd (1)	Publishing and sale of periodicals and magazines –currently dormant	Singapore	100	100
E-Motive (Asia) Pte Ltd (1)	Investment Holding	Singapore	100	100
Sun China Media (BJ) Culture Distribution Ltd (4)	Media Publishing – currently dormant	China	100	100
MOB Holdings Pte Ltd (1)	Investment holding – currently dormant	Singapore	100	100
Romulus Holdings Pte Ltd (1)	Investment holding – currently dormant	Singapore	60	60
TLG Properties Pte Ltd (1)	Investment holding – currently dormant	Singapore	100	100
Elektromotive Limited (5)	Installation of electrobays for electric and plug-in hybrid vehicles	The United Kingdom	55	55

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2014

11. Investments in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Effective equity held by the Group	
			2014 %	2013 %
Held by subsidiaries				
Elektromotive Singapore Pte Ltd (1)	Installation of electrobays for electric and plug-in hybrid vehicles – currently dormant	Singapore	100	100
Elektromotive (Brunei) Sdn Bhd (3)	Installation of electrobays for electric and plug-in hybrid vehicles – currently dormant	Brunei	100	100

(1) Audited by Nexia TS Public Accounting Corporation, Singapore, a member firm of Nexia International.
(2) Audited by YTS & Associates, Malaysia ("YTS").
(3) Not required to be audited by the laws of their countries of incorporation.
(4) In the process of deregistration.
(5) Audited by Plummer Parson, the United Kingdom.

In accordance with the requirements of Rule 716 of the Rules of Catalist of the SGX-ST, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

12. Investment in associated company

On 15 July 2013, a wholly-owned subsidiary of the Company, E-Motive (Asia) Pte. Ltd. invested 40% of equity interest in a newly incorporated entity under the name of Beijing Xinke Yi Neng Technologies Ltd.

	Group 2014 $'000
Equity investment at cost	
Beginning of financial year	–
Additions	83
Share of losses	(83)
End of financial year	–

The summarised financial information of the associated company, not adjusted for the proportion of ownership interest held by the Company, is as follows:

	2014 $
Liabilities	84,167
Net loss	(288,744)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

12. Investment in associated company (cont'd)

Details of the associated company as follows:

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Effective equity held by the Group
			2014
Held by Subsidiary			%
Beijing Xinke Yi Neng Technologies Ltd	Research, develop and localize products for electric vehicle charging equipment	China	40

The Group has not recognised its share of losses of an associated Company amounting to $32,500 because the Group's cumulative share of losses exceeds its interest in that entity and the Group has no obligation in respect of those losses. The cumulative unrecognized losses with respect to this entity amount to $32,500 at the balance sheet date.

13. Property, plant and equipment

Group	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Renovation $'000	Leasehold property $'000	Electric vehicle charging equipment $'000	Motor vehicles $'000	Total $'000
2014								
Cost								
Beginning of financial year	96	173	522	220	1,280	36	13	2,340
Currency translation differences	6	1	(4)	(2)	–	4	1	6
Additions	3	1	21	9	–	–	–	34
Disposals/write-off	(4)	(14)	(124)	(12)	(1,280)	-	–	(1,434)
End of financial year	101	161	415	215	-	40	14	946
Accumulated depreciation								
Beginning of financial year	67	137	427	89	48	18	6	792
Currency translation differences	4	(1)	(7)	(2)	–	2	1	(3)
Depreciation charge (Note 23)	9	10	62	37	4	5	2	129
Disposals/write-off	(4)	(14)	(124)	(12)	(52)	–	–	(206)
End of financial year	76	132	358	112	–	25	9	712
Net book value								
End of financial year	25	29	57	103	–	15	5	234

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

13. Property, plant and equipment (cont'd)

Group	Furniture and **fittings** $'000	**Office** equipment $'000	Computers $'000	Renovation $'000	Leasehold property $'000	Electric vehicle charging equipment $'000	Motor vehicles $'000	Total $'000
2013								
Cost								
Beginning of financial year	89	165	484	122	1,280	61	13	2,214
Currency translation differences	(4)	(5)	(10)	(1)	–	(4)	–	(24)
Additions	11	13	48	99	–	–	–	171
Disposals/write-off	–	–	–	–	–	(21)	–	(21)
End of financial year	96	173	522	220	1,280	36	13	2,340
Accumulated depreciation								
Beginning of financial year	60	128	358	59	24	17	3	649
Currency translation differences	(3)	(4)	(7)	(1)	–	(1)	–	(16)
Depreciation charge (Note 23)	10	13	76	31	24	7	3	164
Disposals/write-off	–	–	–	–	–	(5)	–	(5)
End of financial year	67	137	427	89	48	18	6	792
Net book value								
End of financial year	29	36	95	131	1,232	18	7	1,548

Company	Furniture **and fittings** $'000	**Office** equipment $'000	Computers $'000	Renovation $'000	Total $'000
2014					
Cost					
Beginning and end of financial year	14	27	136	169	346
Accumulated depreciation					
Beginning of financial year	3	7	92	39	141
Depreciation charge	3	5	33	34	75
End of financial year	6	12	125	73	216
Net book value					
End of financial year	8	15	11	96	130
2013					
Cost					
Beginning of financial year	5	15	113	70	203
Additions	9	12	23	99	143
End of financial year	14	27	136	169	346
Accumulated depreciation					
Beginning of financial year	1	3	53	12	69
Depreciation charge	2	4	39	27	72
End of financial year	3	7	92	39	141
Net book value					
End of financial year	11	20	44	130	205

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

13. Property, plant and equipment (cont'd)

(a) Assets held under finance lease

The carrying amounts of computers and office equipment of the Company under finance leases are Nil (2013: $10,957) at the balance sheet date (Note 16).

(b) Assets pledged as security

Bank borrowings are secured on leasehold property of the Group with carrying amounts of $Nil (2013: $1,232,000) (Note 16).

14. Intangible assets

	Group 2014 $'000	Group 2013 $'000
Goodwill arising on consolidation	7,428	7,428
Patents	27	6
Development expenditure	1,488	1,143
	8,943	8,577

Group	Goodwill arising on consolidation	Patents	Development expenditure	Total
	$'000	$'000	$'000	$'000
2014				
Cost				
Beginning of financial year	22,798	53	1,143	23,994
Additions	–	22	663	685
End of financial year	–	75	1,806	24,679
Accumulated amortisation and impairment				
Beginning of financial year	15,370	47	–	15,417
Amortisation charge (Note 23)	–	1	318	319
End of financial year	15,370	48	318	15,736
Net book value				
End of financial year	7,428	27	1,488	8,943
2013				
Cost				
Beginning of financial year	22,798	37	613	23,448
Additions	–	16	530	546
End of financial year	22,798	53	1,143	23,994
Accumulated amortisation and impairment				
Beginning of financial year	15,370	32	–	15,402
Amortisation charge (Note 23)	–	15	–	15
End of financial year	15,370	47	–	15,417
Net book value				
End of financial year	7,428	6	1,143	8,577

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

14. Intangible assets (cont'd)

Impairment tests for goodwill

Goodwill acquired through business combinations has been allocated to electric vehicle segments as a cash generating unit ("CGU") for impairment testing.

As at 31 March 2014, the recoverable amount of the CGU is determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period were extrapolated using the estimated growth rate stated below. The growth rate did not exceed the long-term average growth rates for the business in which the CGU operates.

The following describes each key assumption in which management has based on its cash flow projections to undertaken impairment testing of goodwill:

- Budgeted sales of approximately $10,699,000 in FY2015. Sales is forecasted to increase by 19% in FY2016, and 14% in FY2017;
- Budgeted cost of sales of approximately $8,274,000 in FY2015. Cost of sales is forecasted to increase by 15% in FY2016, and 11% in FY2017;
- Pre-tax discount rate of approximately 15%; and
- Weighted average growth rate used to extrapolate cash flows beyond the budget period of approximately 2%.

These assumptions were used for the analysis of the CGU within the business segment. Management determined the budgeted sales and cost of sales based on past performance and its expectations of market developments. The average growth rates used were consistent with the forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant segment.

No impairment charge is recognised as the estimated recoverable amounts for the CGU exceeds the carrying amounts of the CGU (inclusive of attributable goodwill).

100% (2013: 100%) of the goodwill recognised on the balance sheet is attributable to the CGU in the United Kingdom. Based on an impairment test of the CGU as at 31 March 2014, the estimated recoverable amounts of the CGU is $8,141,000, while the carrying amounts of the CGU (inclusive of attributable goodwill) is $7,428,000.

If the assumed increase in budgeted sales and cost of sales used to estimate the recoverable amounts has declined by 1% and increased by 1% respectively or the pre-tax discount rate raised by 1%, the recoverable amounts of the CGU would fall to its carrying amounts.

As at 31 March 2013, the recoverable amounts for the CGU was determined based on fair value less cost of sell. On 12 December 2012, the Group and shareholder of Elektromotive Limited (the "Vendors"), entered into a sale and purchase agreement with Chargemaster Limited (the "Purchaser") for the proposed disposal of the entire issued and paid-up capital in Elektromotive Limited for a total cash consideration of £8,500,000, which is equivalent to $16,036,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

15. Trade and other payables

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Trade payables				
– Non-related parties	1,984	3,358	907	1,688
– Subsidiaries	–	–	1,035	890
	1,984	3,358	1,942	2,578
Non-trade payables				
– Non-related parties	241	213	–	–
– Subsidiaries	–	–	3,069	2,370
	241	213	3,069	2,370
Deferred revenue	201	99	–	–
Accrual for operating expenses	1,535	1,460	354	479
	3,961	5,130	5,365	5,427

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

16. Borrowings

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Current				
Loan from a financial institution [Note (a)]	–	688	–	688
Finance lease liabilities [Note (b) & Note 17]	–	28	–	28
Loans from directors [Note (c)]	–	600	–	600
Bank borrowings [Note (d)]	91	280	–	–
	91	1,596	–	1,316
Non-Current				
Bank borrowings [Note (d)]	110	866	–	–
	110	866	–	–
Total borrowings	201	2,462	–	1,316

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Less than 1 year	91	996	–	716
1 – 5 years	110	180	–	–
Over 5 years	–	686	–	–
	201	1,862	–	716

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

16. Borrowings (cont'd)

(a) Loan from a financial institution

The loan from a financial institution bears interest at Nil (2013: 8%) per annum and is repayable on demand. The loan and accrued interest was written back during the financial year.

(b) Finance leases

Finance lease liabilities of the Group are effectively secured over the leased computer and office equipment (Note 13), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

(c) Loans from directors

The loans from directors were unsecured, interest-free and repayable on demand. The loans were repaid during the financial year.

(d) Bank borrowings

Total bank borrowings included amounts of $Nil (2013: $741,000) which bears interest at Nil (2013: 1.81% to 5.00%) per annum and is repayable over 20 years commencing on 3 May 2011. The loan was repaid during the financial year.

Total bank borrowings included amounts of $201,000 (2013: $404,000) which bears floating interest rate at 3.5% (2013: 3.5%) per annum over the bank's Base Rate and is repayable over 5 years.

(e) Fair value of non-current borrowings

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Bank borrowings	105	859	–	–

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group		Company	
	2014	2013	2014	2013
Bank borrowings	0.5-5%	0.5-5%	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

17. Finance lease liabilities

The Group leases computers from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Minimum lease payments due				
– Not later than one year	–	29	–	29
	–	29	–	29
Less: Future finance charges	–	(1)	–	(1)
Present value of finance lease liabilities	–	28	–	28

The present values of finance lease liabilities are analysed as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Not later than one year	–	28	–	28

The finance lease liabilities bear interest at Nil (2013: 1.37%) per annum.

18. Deferred income tax liabilities

	Group	
	2014	2013
	$'000	$'000
Deferred income tax liabilities		
– To be settled after one year	33	35

Movement in deferred income tax account is as follows:

	Accelerated tax depreciation
Group	$'000
2014	
Beginning of financial year	35
Credited to profit and loss (Note 26)	(2)
End of financial year	33
2013	
Beginning of financial year	28
Charged to profit and loss	7
End of financial year	35

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

18. Deferred income tax liabilities (cont'd)

As at 31 March 2014, no deferred tax has been recognised for withholding taxes that would be payable on unremitted earnings that are subject to withholding taxes of the Group's subsidiary established in the United Kingdom as the Group is in a position to control the timing of the remittance of earning and it is not probable that this subsidiary will distribute such earnings in the foreseeable future.

19. Share capital

	No of ordinary shares	Amount
Group and Company		$'000
Issued share capital		
2014		
Beginning of financial year	4,113,506,632	135,949
Capital reduction	(533,857,370)	(8,008)
Shares consolidation	(3,221,684,352)	–
Share issue	167,459,046	3,200
End of financial year	525,423,956	131,141
2013		
Beginning of financial year	2,419,533,313	130,867
Share issue	1,693,673,319	5,081
Issue of shares arising from conversion of warrants	300,000	1
End of financial year	4,113,506,632	135,949

All issued ordinary shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

On 7 May 2013, the Company completed a capital reduction exercise for 533,857,370 shares and the issued and paid–up capital of the Company after the exercise is $127,940,679 divided into 3,579,649,262 shares.

On 13 June 2013, the Company completed the shares consolidation of every ten ordinary shares in the capital of the Company into one consolidated share and warrants consolidation of every ten warrants into one consolidated warrant.

On 4 February 2013, the Company entered into a conditional bond subscription agreement with Advance Opportunities Fund (the "Subscriber") and Advance Capital Partners Limited ("ACP") as the investment manager of the Subscriber, pursuant to which the Company proposes to issue to the Subscriber 0% equity linked redeemable structured convertible notes due 2018 with an aggregate principal amount of up to S$20,000,000. No interest shall be payable if the redeemable convertible bonds are automatically converted into ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

19. Share capital (cont'd)

During the financial year, the Company issued and allotted 167,459,046 for an aggregate consideration of $3,200,000 pursuant to the equity linked notes.

During the financial year ended 2013, the Company issued 1,693,973,319 ordinary shares arising from:

– Issuance of 1,693,673,319 ordinary shares for a total of consideration of $5,081,000 through a rights issue. The proceeds from the rights issue were fully used to finance the operations of the Group and the Company during the financial year ended 2013; and

– Issuance of 300,000 ordinary shares for a total of consideration of $900 for conversion of warrants.

The newly issued shares rank pari-passu in all respects with the previously issued shares.

20. Currency translation reserve

	Group	
	2014	2013
	$'000	$'000
Beginning of financial year	2,582	2,668
Net currency translation differences of financial statements of foreign subsidiaries	100	(86)
End of financial year	2,682	2,582

Currency translation reserve is non-distributable.

21. Revenue

	Group	
	2014	2013
	$'000	$'000
Advertisement	1,317	1,556
Circulation	781	1,333
Exhibition and events	78	109
Electric vehicle charging equipment	4,919	4,362
	7,095	7,360

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

22. Other income

	Group	
	2014	2013
	$'000	$'000
Gain on disposal of financial assets at fair value through profit or loss	–	14
Gain/(loss) on disposal of property, plant and equipment	322	(16)
Gain on disposal of subsidiary (Note 4)	–	193
Interest income on overdue sales invoices from customers	–	3
Borrowings and accrued interest written back	807	–
Compensation received	–	1,794
Publishing related income	14	48
Reversal of allowance for impairment of trade receivables	–	21
Reversal of allowance for impairment of non-trade receivables	–	14
Reversal of allowance for impairment of amounts due from joint venture partner	–	7
Other	105	17
	1,248	2,095

23. Amortisation, depreciation and impairment

	Group	
	2014	2013
	$'000	$'000
Depreciation of property, plant and equipment (Note 13)	129	164
Amortisation of intangible assets (Note 14)	319	15
Allowance for impairment for:		
– trade receivables	20	–
– amounts due from joint venture partner	2	–
– amounts due from associated company	87	–
	557	179

24. Employee compensation

	Group	
	2014	2013
	$'000	$'000
Wages, salaries and bonuses	2,886	2,675
Employer's contribution to defined contribution plans, including Central Provident Fund	264	278
Other benefits	63	65
	3,213	3,018

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

25. Interest expenses

	Group	
	2014	2013
	$'000	$'000
Interest expenses		
– Bank borrowings	45	177
– Finance lease liabilities	1	1
	46	178

26. Income taxes

	Group	
	2014	2013
	$'000	$'000
Tax expense attributable to loss is made up of:		
From continuing operations		
Current income tax		
– Foreign	(90)	–
Deferred income tax (Note 18)	(2)	7
Under/(over) provision in prior financial year	24	(16)
	(68)	(9)

The tax expense on loss differs from the amount that would arise using the Singapore standard rate of income tax is as explained below:

	Group	
	2014	2013
	$'000	$'000
Loss before income tax from:		
– Continuing operations	(2,847)	(3,587)
– Discontinued operations (Note 8)	(8)	(73)
Loss before income tax	(2,855)	(3,660)
Tax calculated at tax rate of 17% (2013: 17%)	(485)	(622)
Effects of:		
– Different tax rates in other countries	(18)	21
– Expenses not deductible for tax purposes	140	24
– Deferred income tax assets not recognised	550	598
– Income not subject to tax	(205)	–
– Other	(50)	(14)
Tax charge	(68)	7

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

26. Income taxes (cont'd)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowances of $67,536,796 (2013: $64,303,495) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in Singapore.

27. Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Continuing operations		Discontinued operations		Total	
	2014	2013	2014	2013	2014	2013
Net loss attributable to equity holders of the Company ($'000)	(2,855)	(3,351)	(8)	(71)	(2,863)	(3,422)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	1,010,597	3,689,963	1,010,597	3,689,963	1,010,597	3,689,963
Basic loss per share (cents)	(0.28)	(0.091)	(0.001)	(0.002)	(0.28)	(0.093)

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company does not have potential dilutive ordinary shares.

For the share warrants, a calculation is done to determine the number of shares that could have been exercised at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. There is no dilution of loss per share from the share warrants outstanding as the exercise price of the share warrants are higher than the average market price.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

28. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Purchase of goods and/or service from				
– Related parties	–	–	–	83

Related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

Outstanding balances at 31 March 2014, arising from sale/purchases of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosure in Note 5 and 15.

(b) Key management personnel compensation is as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Wages and salaries	1,347	1,235	941	810
Employer's contribution to defined contribution plans, including Central Provident Fund	67	59	43	41
	1,414	1,294	984	851

Included in the above is total compensation to directors of the Company amounting to $748,000 (2013: $597,000).

29. Contingent liabilities

Company

Financial support

The Company has undertaken to provide financial support for subsidiaries in the Group with capital deficiencies at financial year end, so as to enable the subsidiaries to meet their obligations as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

29. Contingent liabilities (cont'd)

Company (cont'd)

Corporate guarantee

The Company has issued corporate guarantees to banks for borrowings of a subsidiary. These bank borrowings amount to Nil (2013:$776,000). The fair values of the corporate guarantees have not been recognised in the financial statements of the Company as the amounts involved are not material to the Company.

30. Operating lease commitments

The Group leases equipment, offices premises and other facilities from non-related parties under non-cancellable operating lease agreements. The leases have varying term, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Not later than one year	279	271	189	271
Between one and five years	11	189	–	189
	290	460	189	460

31. Financial risk management

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk. Though the Group does not have a formal risk management policies and guidelines, the Board of Directors (the "Board") reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Market risk

(i) Currency risk

The Group operates in Singapore, Malaysia and the United Kingdom. Entities in the Group regularly transact in their respective functional currencies. Currency risk arises within activities in the Group when transactions are denominated in foreign currencies such as United States Dollar ("USD"), Malaysia Ringgit ("MYR"), and British Pound ("GBP").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

31. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) *Currency risk* (cont'd)

The Group's currency exposure based in the information provided to key management is as follows:

	SGD $'000	USD $'000	MYR $'000	GBP $'000	Total $'000
At 31 March 2014					
Financial assets					
Cash and cash equivalents	712	4	6	167	889
Trade and other receivables	474	–	323	951	1,748
Receivables from subsidiaries	38,601	–	–	–	38,601
Other financial assets	124	–	6	–	130
	39,911	4	335	1,118	41,368
Financial liabilities					
Borrowings	–	–	–	201	201
Payable to subsidiaries	38,601	–	–	–	38,601
Other financial liabilities	2,176	–	258	1,935	4,369
	40,777	–	258	2,136	43,171
Net financial (liabilities)/assets	(866)	4	77	(1,018)	(1,803)
Add: Net non-financial assets	7,659	–	34	2,079	9,772
Net assets	6,793	4	111	1,061	7,969
Currency profile including non-financial assets and liabilities	6,793	4	111	1,061	7,969
Currency exposure of financial assets net of those denominated in the respective entities functional currency	–	4	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

31. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) *Currency risk* (cont'd)

	SGD $'000	USD $'000	MYR $'000	GBP $'000	Total $'000
At 31 March 2013					
Financial assets					
Cash and cash equivalents	261	4	83	158	506
Trade and other receivables	549	–	382	1,966	2,897
Receivables from subsidiaries	41,173	–	–	–	41,173
Other financial assets	195	–	10	396	601
	42,178	4	475	2,520	45,177
Financial liabilities					
Borrowings	1,370	688	–	404	2,462
Payable to subsidiaries	41,173	–	–	–	41,173
Other financial liabilities	3,466	–	285	1,788	5,539
	46,009	688	285	2,192	49,174
Net financial (liabilities)/assets	(3,831)	(684)	190	328	(3,997)
Add: Net non-financial assets	8,901	–	36	2,516	11,453
Net assets/(liabilities)	5,070	(684)	226	2,844	7,456
Currency profile including non-financial assets and liabilities	5,070	(684)	226	2,884	7,456
Currency exposure of **financial liabilities net of those** denominated in the respective entities functional currency	–	(684)	–	–	(684)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

31. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) *Currency risk* (cont'd)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD $'000	USD $'000	GBP $'000	Total $'000
At 31 March 2014				
Financial assets				
Cash and cash equivalents	553	–	–	553
Trade and other receivables	11	–	–	11
Other financial assets	105	–	–	105
	669	–	–	669
Financial liabilities				
Other financial liabilities	(5,058)	–	(307)	(5,365)
	(5,058)	–	(307)	(5,365)
Net financial (liabilities)/ assets	(4,389)	–	(307)	(4,696)
Add: Net non-financial assets	8,798	–	–	8,798
Net assets/(liabilities)	4,409	–	(307)	4,102
Currency profile including non-financial assets and liabilities	4,409	–	(307)	4,102
Currency exposure of financial liabilities of net of those denominated in the respective entities functional currencies	–	–	(307)	(307)
At 31 March 2013				
Financial assets				
Cash and cash equivalents	169	–	–	169
Trade and other receivables	25	–	1,036	1,061
Other financial assets	188	–	396	584
	382	–	1,432	1,814
Financial liabilities				
Borrowings	(628)	(688)	–	(1,316)
Other financial liabilities	(4,667)	–	(760)	(5,427)
	(5,295)	(688)	(760)	(6,743)
Net financial (liabilities)/ assets	(4,913)	(688)	672	(4,929)
Add: Net non-financial assets	8,951	–	–	8,951
Net assets/(liabilities)	4,038	(688)	672	4,022
Currency profile including non-financial assets and liabilities	4,038	(688)	672	4,022
Currency exposure of financial (liabilities)/ assets of net of those denominated in the respective entities functional currencies	–	(688)	672	(16)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

31. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) *Currency risk* (cont'd)

If the USD and GBP change against the SGD by 7% (2013: 7%) and 5% (2013: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial liabilities/asset position will be as follows:

	Increase / (Decrease)	
	2014	2013
	Loss after tax	Loss after tax
	$'000	$'000
Group		
USD against SGD		
– strengthened	*	(40)
– weakened	*	40
Company		
USD against SGD		
– strengthened	–	(40)
– weakened	–	40
GBP against SGD		
– strengthened	(13)	27
– weakened	13	(27)

* Less than $1,000

(ii) *Price risk*

The Group and the Company is not exposed to significant equity securities price risk.

(iii) *Cash flow and fair value interest rate risks*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's and the Company's exposure to cash flow interest rate risks arises mainly from non-current variable-rate borrowings. The Group and the Company borrowings at variable rate are denominated mainly in SGD and GBP. If the SGD and GBP interest rates increase/decrease by 0.5% (2013: 0.5%) and 0.5% (2013: 0.5%) respectively with all other variables including tax rate being held constant, the profit after tax will be lower/higher by nil (2013: $600) and $1,100 (2013: $2,200) respectively, as a result of higher/lower interest expense on these borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

31. Financial risk management (cont'd)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Company	
	2014	2013
	$'000	$'000
Corporate guarantees provided to banks on subsidiaries' loans	–	741

The Group's and the Company's major classes of financial assets are trade receivables. The credit risk for trade receivables based on the information provided to key management is as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
By geographical areas				
Singapore	415	420	–	–
Malaysia	316	382	–	–
Europe	490	767	–	–
Other countries	5	–	–	–
	1,226	1,569	–	–
By types of customers				
Non-related parties:				
– Multi-national companies	119	93	–	–
– Government/municipal councils	321	339	–	–
– Other companies	786	1,137	–	–
	1,226	1,569	–	–

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

31. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Past due < 3 months	1,034	1,347	–	–
Past due 3 to 6 months	155	82	–	–
Past due over 6 months	37	140	–	–
	1,226	1,569	–	–

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Gross amount	176	164	875	1,208
Less: Allowance for impairment	(176)	(164)	(875)	(1,208)
	–	–	–	–
Beginning of financial year	164	188	1,208	964
Currency translation difference	(6)	(3)	–	–
Allowance made	20	–	–	244
Allowance utilised	(2)	–	–	–
Allowance written back	–	(21)	(333)	–
End of financial year (Note 5)	176	164	875	1,208

The impaired trade receivables arise mainly from sales to customers which have suffered significant losses in their operations or/are in process of liquidation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

31. Financial risk management (cont'd)

(b) Credit risk (cont'd)

The carrying amount of non-trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Beginning of financial year	179	193	36,827	36,843
Allowance made	8	–	1,251	–
Allowance written back	–	(14)	–	(16)
End of financial year (Note 5)	187	179	38,078	36,827

(c) Liquidity risk

The Group and Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments, having an adequate amount of committed credit facilities (Note 16).

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Group				
At 31 March 2014				
Trade and other payables	4,369	–	–	–
Borrowings	101	69	49	–
At 31 March 2013				
Trade and other payables	5,539	–	–	–
Borrowings	1,811	68	367	784
Company				
At 31 March 2014				
Trade and other payables	5,365	–	–	–
At 31 March 2013				
Trade and other payables	5,427	–	–	–
Borrowings	1,318	–	–	–
Financial guarantee contracts	741	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

31. Financial risk management (cont'd)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group's and the Company's strategies are to maintain gearing ratio within 10% to 50% (2013: 10% to 50%) and 10% to 60% (2013: 10% to 90%) respectively.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Net debt	3,681	7,495	4,812	6,574
Total equity	7,969	7,456	4,102	4,022
Total capital	11,650	14,951	8,914	10,596
Gearing ratio	32%	50%	54%	62%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2013 and 2014.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet, except for the following:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Loans and receivables	2,767	4,022	669	1,814
Financial liabilities at amortised cost	4,570	8,001	5,365	6,743

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

32. Segment information

Management has determined the operating segments based on the reports reviewed by the Directors that are used to make strategic decisions.

The Management considers the business from both geographical and business segment perspective. Geographically, management manages and monitors the business in the three primary geographic areas: Singapore, Malaysia and the United Kingdom. Singapore and Malaysia are engaged in publishing, exhibition and events, HQ costs and investments, whilst United Kingdom is engaged in electric vehicle charging. In addition, the Group discontinued its food and beverage segment in Singapore since the financial year 2012.

The segment information provided to the Directors for the reportable segments for the financial year ended 31 March 2014 are as follows:

	Continuing operations					Discontinued operations	
	United Kingdom	Malaysia	Singapore			Singapore	
	Electric vehicle charging solutions	Publishing, exhibition and events	Publishing, exhibition and events	Electric vehicle charging solutions	HQ costs and investments	Food and beverage	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
2014							
Sales to external parties	4,919	1,349	827	–	–	–	7,095
Segment results	(45)	(170)	(417)	(137)	(3,196)	(9)	(3,974)
Other income	102	3	11	–	1,131	1	1,248
Interest expenses	(39)	–	–	–	(7)	–	(46)
Share of loss of associated company	–	–	–	(83)	–	–	(83)
Profit/(loss) before income tax	18	(167)	(406)	(220)	(2,072)	(8)	(2,855)
Income tax credit/ (expense)	92	–	–	–	(24)	–	68
Net profit/(loss)	110	(167)	(406)	(220)	(2,096)	(8)	(2,787)
Net loss includes – Depreciation and amortisation	355	13	1	–	79	–	448
Segment assets	3,450	370	655	47	8,011	39	12,572
Segment assets includes: Additions to property, plant and equipment	8	11	15	–	–	–	34
Segment liabilities	1,862	258	861	3	1,211	408	4,603

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

32. Segment information (cont'd)

The segment information provided to the Directors for the reportable segments for the financial year ended 31 March 2013 are as follows:

	Continuing operations				Discontinued operations	
	United Kingdom	Malaysia	Singapore		Singapore	
	Electric vehicle charging solutions	Publishing, exhibition and events	Publishing, exhibition and events	HQ costs and investments	Food and beverage	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
2013						
Sales to external parties	4,362	1,771	1,227	–	–	7,360
Segment results	(608)	(60)	(322)	(4,514)	(89)	(5,593)
Other income	11	22	29	2,033	16	2,111
Interest expenses	(44)	–	–	(134)	–	(178)
Loss before income tax	(641)	(38)	(293)	(2,615)	(73)	(3,660)
Income tax expense	43	–	(13)	(21)	–	9
Net loss	(598)	(38)	(306)	(2,636)	(73)	(3,651)
Net loss includes – Depreciation and amortisation	59	23	–	97	–	179
Segment assets	3,701	572	715	10,523	42	15,553
Segment assets includes: Additions to property, plant and equipment	23	5	–	143	–	171
Segment liabilities	2,288	285	934	4,181	409	8,097

The management assesses the performance of the operating segments based on net profit of each segment.

Revenue from major products and services

Revenue from external customers is derived from the publishing, exhibition and events, food and beverage and electric vehicle charging equipment. Breakdown of the revenue is as follows:

	2014 $'000	2013 $'000
Publishing, exhibition and events	2,176	2,998
Electric vehicle charging equipment	4,919	4,362
	7,095	7,360

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

32. Segment information (cont'd)

Geographical information

The Group's three business segments operate in three main geographical areas:

- Singapore – the company is headquartered and has operations in Singapore. The operations in this area are principally the publishing of magazines, exhibition and events and investments holdings;
- Malaysia – the operations in this area are principally the publishing of magazines, exhibition and events, and investments holdings; and
- United Kingdom – the operation in this area are principally the installation of electrobays for electric and plug-in hybrid vehicles.

	Sales for continuing operations	
	2014	2013
	$'000	$'000
Singapore	827	1,227
Malaysia	1,349	1,771
United Kingdom	4,919	4,362
	7,095	7,360

	Non-current assets	
	2014	2013
	$'000	$'000
Singapore	7,571	8,864
Malaysia	21	84
United Kingdom	1,585	1,177
	9,177	10,125

There are no customers contributing more than 10% to the revenue to the Group.

33. Convertible bonds

On 4 February 2013, the Company entered into a conditional bond subscription agreement with Advance Opportunities Fund (the "Subscriber") and Advance Capital Partners Limited ("ACP") as the investment manager of the Subscriber, pursuant to which the Company proposes to issue to the Subscriber 0% equity linked redeemable structured convertible notes due 2018 with an aggregate principal amount of up to S$20,000,000. No interest shall be payable if the redeemable convertible bonds are automatically converted into ordinary shares.

During the financial year ended 31 March 2014, the Subscriber has subscribed for $3,200,000 of the convertible bonds. The subscriber has, in accordance with the conditions, exercised its rights to convert $3,200,000 in value of the convertible bonds into 167,459,046 new ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

34. Events occurring after balance sheet date

On 30 April 2014, the Company announced that the sale and purchase agreement ("SPA") for the proposed acquisition of Asia Galvanizing Pte Ltd will not be completed and the SPA has been terminated.

Subsequent to the financial year, the Company issued S$400,000 of notes which were converted to 40,404,040 ordinary shares at the price of S$0.0099 each.

On 7 July 2014, the Company announced that Elektromotive Limited ("EUK") has acquired the remaining 50% equity shares in Charge Your Car Limited ("CYC") for a purchase consideration of approximately $210,000 (GBP100,000). CYC, which will be accounted for as a subsidiary of EUK with effect from the date of completion, is not expected to have a significant financial effect on the Group in the next financial year.

35. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2014 or later periods and which the Group has not early adopted:

- Amendments to FRS 19: Defined Benefits Plans: Employee Contributions (effective for annual periods beginning on or after 1 January 2014)
- FRS 27 (revised 2011) – Separate Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 28 (revised 2011) – Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 32 – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 36 – Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 39 – Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 1 January 2014)
- FRS 110 – Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 111 – Joint Arrangements (effective for annual periods beginning on or after 1 January 2014)
- FRS 112 – Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 111, FRS 112, FRS 27 (2011) and FRS 28 (2011) – Mandatory Effective Date (effective for annual periods beginning on or after 1 January 2014)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

35. New or revised accounting standards and interpretations (cont'd)

- Amendments to FRS 110, FRS 111 and FRS 112 – Transition Guidance (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 112 and FRS 27 – Investment Entities (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 111 and FRS 112: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance (effective for annual periods beginning on or after 1 January 2014)

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

36. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Elektromotive Group Limited on 8 July 2014.

SHAREHOLDINGS STATISTICS

TWENTY LARGEST SHAREHOLDERS AS AT 1 JULY 2014

S/N	Names of shareholder	No. of shares	% of shares
1.	CIMB Securities (Singapore) Pte Ltd	34,043,903	6.02
2.	Citibank Nominees Singapore Pte Ltd	25,790,653	4.56
3.	Lim Chee Yong	22,520,000	3.98
4.	Ng Choo Pee	12,189,800	2.15
5.	UOB Kay Hian Pte Ltd	11,456,300	2.02
6.	Yeong Chun Song	11,400,000	2.01
7.	DBS Nominees Pte Ltd	11,359,394	2.01
8.	OCBC Securities Private Ltd	9,672,470	1.71
9.	DBS Vickers Securities (Singapore) Pte Ltd	9,313,434	1.65
10.	Lee Kang Huat	9,129,000	1.61
11.	United Overseas Bank Nominees Pte Ltd	5,900,445	1.04
12.	Ang Wern Ling Alison	5,146,500	0.91
13.	Tan Chong Chai	5,000,000	0.88
14.	Tan Hiap Seng Nee Low Lak Muay	5,000,000	0.88
15.	OCBC Nominees Singapore Pte Ltd	4,932,233	0.87
16.	Philip Securities Pte Ltd	4,910,175	0.87
17.	Lim Teck Huat	4,000,900	0.71
18.	Leong Wai Seong	4,000,000	0.71
19.	Lim Suwan Thoe Sandra	4,000,000	0.71
20.	Mo Inn Kee	4,000,000	0.71
Total		**203,765,207**	**36.01**

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 1 JULY 2014

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	2,141	31.88	571,426	0.10
1,000 – 10,000	2,771	41.27	10,859,531	1.92
10,001 – 1,000,000	1,712	25.50	206,348,517	36.47
1,000,001 and above	91	1.35	348,048,522	61.51
Total	**6,715**	**100.00**	**565,827,996**	**100.00**

TWENTY LARGEST WARRANTHOLDERS AS AT 1 JULY 2014

S/ N	**Names of warrantholder**	**No. of warrants**	**% of warrants**
1.	HSBS (Singapore) Nominees Pte Ltd	105,524,000	20.77
2.	Chong Voon Teck	41,267,700	8.12
3.	Samuel Ng Chee Yong (Samuel Wu Zhiyong)	31,329,225	6.17
4.	Chiang Kah Boi	23,517,600	4.63
5.	DBS Vickers Securities (Singapore) Pte Ltd	13,074,100	2.57
6.	Lam Yee Shen	12,621,000	2.48
7.	Chua Siew Lian	10,710,000	2.11
8.	Phillip Securities Pte Ltd	10,346,077	2.04
9.	Teo Lai Wah Timothy	9,900,000	1.95
10.	Teo Luck Keng	9,109,000	1.79
11.	OCBC Securities Private Ltd	9,023,410	1.78
12.	Tan Tai Boon (Chen Dawen)	7,000,000	1.38
13.	Tan Hiap Seng Nee Low Lak Muay	6,000,000	1.18
14.	Wang Qi	5,000,000	0.98
15.	Lee Thiam Seng	4,688,700	0.92
16.	UOB Kay Hian Pte Ltd	4,594,050	0.90
17.	Seng Keng Chwee @ Sim Kim Hong	4,500,000	0.89
18.	Ang Wern Ling Alison	4,129,400	0.81
19.	Lim Ting Sa	4,100,000	0.81
20.	Tan Annie	4,040,000	0.80
Total		**320,474,262**	**63.08**

SHAREHOLDINGS STATISTICS

DISTRIBUTION OF WARRANTHOLDERS BY SIZE OF WARRANTHOLDINGS AS AT 1 JULY 2014

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 – 999	82	8.90	16,090	0.003
1,000 – 10,000	176	19.11	853,546	0.168
10,001 – 1,000,000	592	64.28	87,171,580	17.157
1,000,001 and above	71	7.71	420,030,773	82.672
Total	**921**	**100.00**	**508,071,989**	**100.00**

SUBSTANTIAL SHAREHOLDER AS AT 1 JULY 2014

S/N	Names of shareholder	No. of Shares	% of shares
1.	Advance Opportunities Fund	47,529,086	8.40

Rule 723 of Section B: Catalist of the listing manual of the SGX-ST (the "Rules of Catalist")

As at 1 July 2014, there were 502,788,817 shares in the hands of the public as defined in the Rules of Catalist representing approximately 88.86% of the issued share capital of the Company. The Company confirms that Rule 723 is complied with.

SHARE CAPITAL

Number of shares issued and fully paid	:	565,827,996 ordinary shares (excluding treasury shares)
Number of treasury shares	:	Nil
Voting rights	:	One vote per ordinary share (excluding treasury shares)

ELEKTROMOTIVE GROUP LIMITED
(Registration No. 199407135Z)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ELEKTROMOTIVE GROUP LIMITED will be held at The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, #02-401/402, Suntec Tower 5, Singapore 038983 on Wednesday, 30 July 2014 at 10.30 a.m., for the following purposes:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the financial year ended 31 March 2014 and the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$176,000 for the financial year ended 31 March 2014 (2013: S$149,950). **(Resolution 2)**

3. To re-elect Mr Tan Choon Wee, a Director retiring under Article 107 of the Company's Articles of Association. [See Additional Information (i)] **(Resolution 3)**

4. To re-elect Mr James Ang Ghee Ann, a Director retiring under Article 107 of the Company's Articles of Association. [See Additional Information (ii)] **(Resolution 4)**

5. To appoint Messrs Nexia TS Public Accounting Corporation as the Company's Independent Auditor and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

7. "SHARE ISSUE MANDATE

That pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules under Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") (the "Rules of the Catalist") and notwithstanding the provisions of the Articles of Association of the Company, authority be and is hereby given to the Directors of the Company to:

a. (i) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options (collectively, "instruments") that may or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

b. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force,

provided that:

NOTICE OF ANNUAL GENERAL MEETING

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed hundred per cent (100%) of the total number of issued shares excluding treasury shares of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be granted other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares excluding treasury shares of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued shares excluding treasury shares of the Company shall be calculated based on the total number of issued shares excluding treasury shares of the Company at the time of the passing of this Resolution, after adjusting for:

(1) new shares arising from the conversion or exercise of any convertible securities;

(2) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of the Catalist of the SGX-ST; and

(3) any subsequent bonus issue, consolidation or subdivision of shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Rules of the Catalist of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." [See Explanatory Note (a)] **(Resolution 6)**

8. "**ELEKTROMOTIVE GROUP LIMITED PERFORMANCE SHARE PLAN**

That the Directors of the Company be and are hereby authorised to offer and grant awards in accordance with the provisions of Elektromotive Group Limited Performance Share Plan (the "Performance Share Plan") and to deliver existing shares (including treasury shares) and pursuant to Section 161 of the Companies Act, Chapter 50, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan, provided that the aggregate number of shares to be allotted and issued pursuant to the Performance Share Plan and any other share option and/or share incentive schemes of the Company then in force shall not exceed fifteen per cent. (15%) of the total number of issued shares of the Company from time to time." [See Explanatory Note (b)] **(Resolution 7)**

By Order of the Board
Abdul Jabbar Bin Karam Din
Chan Poh Kuan
Joint Company Secretaries

Singapore, 14 July 2014

NOTICE OF ANNUAL GENERAL MEETING

Additional Information relating to the Notice of the Annual General Meeting

(i) Item 3 – Re-election of Mr Tan Choon Wee, a Director retiring under Article 107 of the Company's Articles of Association.

Mr Tan Choon Wee will, upon re-election, continue as an Executive Director of the Company.

(ii) Item 4 – Re-election of Mr James Ang Ghee Ann, a Director retiring under Article 107 of the Company's Articles of Association.

Mr James Ang Ghee Ann will, upon re-election, continue as a Non-Executive and Non-Independent Director of the Company and a member of the Nominating and Remuneration Committees.

Notes:-

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be lodged at the registered office of the Company at 9 Battery Road #15-01 Straits Trading Building, Singapore 049910 not less than forty-eight (48) hours before the time fixed for the Annual General Meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED:

(a) **Resolution 6** is to empower the Directors to issue shares in the capital of the Company and/or instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 6 (including shares to be issued in pursuance of instruments made or granted) shall not exceed hundred per cent (100%) of the total number of issued shares excluding treasury shares of the Company, with a sub-limit of fifty per cent (50%) for shares issued other than on a pro rata basis (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding treasury shares of the Company will be calculated based on the total number of issued shares excluding treasury shares of the Company at the time of the passing of Resolution 6, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of Resolution 6, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of the Catalist of the SGX-ST; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.

(b) **Resolution 7** is to authorise the Directors to offer and grant awards in accordance with the provisions of Elektromotive Group Limited Performance Share Plan (the "Performance Share Plan") and pursuant to Section 161 of the Companies Act, Chapter 50 to allot and issue shares under the Performance Share Plan. The size of the Performance Share Plan is limited to fifteen per cent (15%) of the total number of issued shares excluding treasury shares of the Company for the time being.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

ELEKTROMOTIVE GROUP LIMITED
(Registration No. 199407135Z)

PROXY FORM

IMPORTANT:
1. For Investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ______________________________ (Name) of

______________________________ (Address) being

a member/members of the above Company, hereby appoint:

Name	Address	NRIC or Passport No.	Percentage of Shareholdings (%)

and/or failing him/her (delete as appropriate)

Name	Address	NRIC or Passport No.	Percentage of Shareholdings (%)

or failing him/her the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company 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 038983 on Wednesday, 30 July 2014 at 10.30 a.m. and at any adjournment thereof.

The proxy shall vote on the Resolutions set out in the notice of meeting in accordance with my/our directions as indicated with an "x" in the appropriate space below. Where no such direction is given, the proxy may vote or abstain from voting on any matter at the Meeting or at any adjournment thereof.

No.	Resolutions	For	Against
	ORDINARY BUSINESS		
1.	Adoption of Reports and the Audited Accounts (Resolution 1)		
2.	Approval of Directors' Fees (Resolution 2)		
3.	Re-election of Mr Tan Choon Wee as a Director retiring under Article 107 of the Company's Articles of Association (Resolution 3)		
4.	Re-election of Mr James Ang Ghee Ann as a Director retiring under Article 107 of the Company's Articles of Association (Resolution 4)		
5.	Re-appointment of Messrs Nexia TS Public Accounting Corporation as auditors (Resolution 5)		
6.	Any other ordinary business		
	SPECIAL BUSINESS		
7.	Authority for Directors to allot and issue new shares pursuant to Section 161 of the Companies Act, Cap. 50 (Resolution 6)		
8.	Authority for Directors to offer and grant awards and issue shares in accordance with the provisions of Elektromotive Group Limited Performance Share Plan (Resolution 7)		

Dated this __________ day of ________________ 2014

Total number of Shares in:	
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
Or Common Seal of Corporate Shareholder

IMPORTANT: Please read notes overleaf.

Please glue and seal along edge

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AFFIX
STAMP

The Company Secretary

ELEKTROMOTIVE GROUP LIMITED

9 Battery Road

#15-01 Straits Trading Building

Singapore 049910

FIRST FOLD

IMPORTANT : PLEASE READ NOTES OVERLEAF

SECOND FOLD

Notes:-

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company and where there is more than one proxy, the proportion of Shares to be represented by each proxy must be stated.
2. Where a member appoints two proxies, the appointment shall be invalid unless he/she specified the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first-named proxy may be treated as representing 100 per cent of the shareholding and any second-named proxy as alternate to the first-named.
3. This instrument of proxy must be executed by the appointor or his/her duly authorised attorney or, if the appointor is a body corporate or limited liability partnership, signed by a duly authorised attorney or an officer or affixed with its common seal thereto.
4. A body corporate or limited liability partnership which is a member may also appoint by resolution of its directors or other governing body, an authorised representative or representatives in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore to attend and vote for and on behalf of such body corporate or limited liability partnership.
5. This instrument appointing a proxy or proxies (together with the power of attorney of other authority (if any) under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company at 9 Battery Road #15-01 Straits Trading Building, Singapore 049910 not less than 48 hours before the time fixed for holding the Annual General Meeting or adjourned meeting, at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
6. Please insert the total number of shares held by you. If you have shares entered against your name on the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by you.
7. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of members whose shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument of proxy lodged if such member is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for the holding of the Annual General Meeting as certified by CDP to the Company.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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