



## ELEKTROMOTIVE GROUP LIMITED

(Incorporated in Singapore)

(Company Registration No. 199407135Z)

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### NON-BINDING MEMORANDUM OF UNDERSTANDING

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*This announcement has been prepared by Elektromotive Group Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”). The Sponsor has not verified the contents of this announcement.*

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

*The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*

#### 1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Elektromotive Group Limited (the “**Company**”) wishes to announce that the Company has on 4 November 2016 entered into a non-binding memorandum of understanding (the “**MOU**”) in relation to the proposed acquisition by the Company from Gemini Investment Corp and Arion Technology Inc. (the “**Vendors**” and together with the Company, the “**Parties**”) representing 63.13% of the entire issued and paid-up share capital (the “**Sale Shares**”) of Dream T Entertainment Co., Ltd (the “**Target**”), together with its subsidiaries (the “**Target Group**”) (hereinafter referred to as the “**Proposed Acquisition**”).

Save for the confidentiality obligations in the MOU, the MOU is not intended to be legally binding and is subject to the Parties entering into a definitive sale and purchase agreement (the “**Definitive Agreement**”). The Parties shall negotiate in good faith, and use reasonable endeavours to agree on the terms and conditions of the Definitive Agreement on or prior to two months of the date of the MOU.

#### 2. INFORMATION ON THE TARGET GROUP AND THE VENDORS

The Target is a company incorporated in Korea. The Target and its wholly-owned subsidiary, YMC Entertainment Co., Ltd, a company incorporated in Korea, are artist management companies which produce various genres of music and manage a variety of artists. The Target Group is also in the business of drama production and soundtrack production.

As at the date of this announcement, the Vendors (and its directors) does not have any shareholding interests (direct or indirect) in the Company, and is not related to any of the Company’s Directors, chief executive officer, or controlling shareholder, or their respective associates.

### 3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

#### 3.1 Purchase Consideration and Consideration Shares

The aggregate consideration for the Sale Shares (“**Purchase Consideration**”) is subject to further arm’s length negotiations and will be agreed upon in the Definitive Agreement. The Purchase Consideration shall be satisfied by the issue and allotment of new ordinary shares in the share capital of the Company (the “**Consideration Shares**”) to the Vendors. The Company expects that the Consideration Shares to be issued to the Vendors will constitute approximately 60% of the enlarged share capital of the Company as at completion of the Proposed Acquisition (the “**Completion**”).

#### 3.2 Conditions Precedent

The Parties agree that Completion shall be subject to, *inter alia*, the following:

- (a) the execution of the Definitive Agreement;
- (b) completion of the valuation of the Target Group and their assets by an independent international renowned valuer to the satisfaction of the Company;
- (c) completion of the Company’s due diligence exercise (including legal, accounting, financial and tax due diligence) in relation to the Target Group to the satisfaction of the Company;
- (d) receipt of approval of the Company’s Board of Directors in relation to the Proposed Acquisition;
- (e) receipt of approval of each of the Vendor’s board of directors in relation to the Proposed Acquisition;
- (f) receipt of approval in-principle of the SGX-ST in relation to the Proposed Acquisition and the listing and quotation of the Consideration Shares on the SGX-ST;
- (g) receipt of approval in-principle of the financial adviser or full sponsor to be appointed in relation to the Proposed Acquisition;
- (h) receipt of approval of the shareholders of the Company in relation to the Proposed Acquisition;
- (i) the waiver by the Securities Industry Council (if required) being obtained by the Vendors in relation to the obligation of the Vendors to make a general offer for all of the shares in the Company under Rule 14 of the Singapore Code on Take-overs and Mergers; and
- (j) all other necessary approvals and consents from all relevant government, regulatory and other authorities and third parties in Singapore and Korea and other relevant jurisdictions to effect and complete the Proposed Acquisition being obtained, and where such approvals or consents are subject to conditions pertaining to and are to be complied with the Company, such conditions being reasonably acceptable to the Company.

#### **4. RATIONALE FOR THE PROPOSED ACQUISITION**

With the termination of the proposed acquisition of QTI as announced earlier today, the Company has been seeking alternative opportunities to diversify its revenue streams and business operations. The Proposed Acquisition will enable the company to enter the entertainment media business in South Korea which has a ever-growing audience in Asia.

Notwithstanding the termination, it is the Company's intention to cease, dispose or transfer its existing electric vehicle charging solutions and publishing businesses. The Company has on 9 September 2016 announced the proposed disposal of its 55% stake in the issued capital of Elektromotive Limited to Chargemaster Plc.

#### **5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective directorships and shareholdings in the Company.

#### **6. FURTHER ANNOUNCEMENTS**

The Company will make further announcement(s) as appropriate when there are material developments to the Proposed Acquisition.

#### **7. CAUTION IN TRADING**

Shareholders and potential investors are advised to exercise caution in trading the shares in the Company as there is no certainty or assurance as at the date of this announcement that the Definitive Agreement will be entered into, the terms and conditions of the Proposed Acquisition will not differ from that set out in the MOU, or the Proposed Acquisition will be undertaken at all.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

By Order of the Board

Ng Kai Man  
Executive Director  
4 November 2016