

ELEKTROMOTIVE GROUP LIMITED



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

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Half-Year Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group		%
		S\$'000		Increase/ (Decrease)
	Note	30/09/2012	30/09/2011	
Continuing operations				
Revenue				
Publishing		1,404	1,955	(28.2)
Exhibition and events		65	110	(40.9)
Electric vehicles charging equipment		3,270	677	383.0
		<u>4,739</u>	<u>2,742</u>	72.8
Other income	(i)	73	98	(25.5)
Direct costs:				
- Publications		(765)	(1,036)	(26.2)
- Exhibition and events		(70)	(81)	(13.6)
- Electric vehicle charging equipment		(2,341)	(453)	416.8
Personnel expenses		(1,550)	(1,417)	9.4
Amortization and depreciation		(89)	(71)	25.4
Operating lease expenses		(205)	(134)	53.0
Other operating expenses, net	(ii)	<u>(1,690)</u>	<u>(1,552)</u>	8.9
Total expenses		<u>(6,710)</u>	<u>(4,744)</u>	41.5
Finance costs		(33)	(7)	371.4
Loss before income tax		(1,931)	(1,911)	1.0
Income tax expense		(49)	6	916.7
Loss from continuing operations		(1,980)	(1,905)	3.9
Discontinued operations				
Loss from discontinued operations – net of tax		(71)	(526)	(86.5)
Total Loss		(2,051)	(2,431)	(15.6)

Note	Group		% Increase/ (Decrease)
	S\$'000		
	30/09/2012	30/09/2011	
Statement of comprehensive loss for 6 months period ended 30 September			
Loss attributable to Shareholder	(1,992)	(2,302)	(13.5)
Other comprehensive income			
- Currency translation difference arising from consolidation	39	87	(55.2)
Total Comprehensive loss for the period	<u>(1,953)</u>	<u>(2,215)</u>	(11.8)
Loss attributable to:			
- Equity holders of the company	<u>(1,992)</u>	<u>(2,302)</u>	(13.5)
- Non-controlling interests	<u>(59)</u>	<u>(129)</u>	(54.3)
Total comprehensive loss attributable to:			
- Equity holders of the company	<u>(1,953)</u>	<u>(2,215)</u>	(11.8)
- Non-controlling interests	<u>(59)</u>	<u>(129)</u>	(54.3)

Notes to income statements:

	Group		% Increase/ Decrease
	S\$'000		
	30/09/2012	30/09/2011	
(i) Other income:			
Others	<u>73</u>	<u>109</u>	(33.0)
(ii) Included in other operating expenses are:			
Legal expenses incurred relating to Elektromotive Limited ("EUK")	352	-	100.0
Legal expenses incurred relating to the arbitration for Tom N Toms International Pte Ltd ("TNTI")	191	-	100.0
Expenses incurred in relation to rights issue	83	-	100.0
Fees paid relating to the acquisition of EUK in the form of shares	-	459	100.0
Other expenses incurred relating to acquisition of EUK	-	220	100.0

NM - Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/09/2012	31/03/2012	30/09/2012	31/03/2012
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets				
Cash and cash equivalents	2,897	857	2,140	170
Trade and other receivables	1,965	2,204	14	36
Inventories	1,108	750	-	-
Other current assets	303	179	203	36
	<u>6,273</u>	<u>3,990</u>	<u>2,357</u>	<u>242</u>
Assets directly associated with discontinued operations	50	278	-	-
	<u>6,323</u>	<u>4,268</u>	<u>2,357</u>	<u>242</u>
Non-current assets				
Investment in subsidiaries	-	-	8,630	8,630
Property, plant and equipment	1,650	1,565	245	134
Intangible assets	8,260	8,046	-	-
	<u>9,910</u>	<u>9,611</u>	<u>8,875</u>	<u>8,764</u>
TOTAL ASSETS	<u>16,233</u>	<u>13,879</u>	<u>11,232</u>	<u>9,006</u>
Current liabilities				
Trade and other payables	4,081	4,371	978	1,524
Due to subsidiaries (trade)	-	-	821	613
Due to subsidiaries (non-trade)	-	-	2,312	2,540
Borrowings, current portion	1,432	1,523	888	988
Finance lease liabilities, current portion	28	28	28	28
Current income tax liabilities	100	95	-	-
	<u>5,641</u>	<u>6,017</u>	<u>5,027</u>	<u>5,693</u>
Liabilities directly associated with discontinued operations	409	650	-	-
	<u>6,050</u>	<u>6,667</u>	<u>5,027</u>	<u>5,693</u>
Non-current liabilities				
Borrowings (non-current portion)	951	1,045	-	-
Finance lease liabilities (non-current portion)	14	28	14	28
Deferred income tax liabilities	37	28	-	-
	<u>7,052</u>	<u>7,768</u>	<u>5,041</u>	<u>5,721</u>
TOTAL LIABILITIES	<u>7,052</u>	<u>7,768</u>	<u>5,041</u>	<u>5,721</u>
NET ASSETS	<u>9,181</u>	<u>6,111</u>	<u>6,191</u>	<u>3,285</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	135,949	130,867	135,949	130,867
Accumulated losses	(130,393)	(128,401)	(129,758)	(127,582)
Currency translation reserve	2,707	2,668	-	-
	<u>8,263</u>	<u>5,134</u>	<u>6,191</u>	<u>3,285</u>
Non-controlling interests	918	977	-	-
TOTAL EQUITY	<u>9,181</u>	<u>6,111</u>	<u>6,191</u>	<u>3,285</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/09/2012		As at 31/03/2012	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
425	1,035	413	1,138

Amount repayable after one year

As at 30/09/2012		As at 31/03/2012	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
742	223	772	301

Details of any collateral

The property amounting to S\$1.27 million owned by a subsidiary, TLG Properties Pte Ltd is mortgaged to the bank and trade receivables of EUK amounting to about S\$0.36 million have been pledged as security to a bank to secure factoring loan.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	For the 6 months ended	
	30/09/2012 S\$'000	30/09/2011 S\$'000
Cash flows from operating activities		
Total loss	(2,051)	(2,431)
Adjustments for:		
Income tax expenses	49	(6)
Fees paid in the form of shares	-	459
Amortization and depreciation	89	198
Interest expense	33	7
	(1,880)	(1,773)
Changes in working capital, net of effects from disposal of subsidiaries		
Trade and other receivables	178	388
Inventories	(357)	(394)
Trade and other payables	(633)	111
Cash used in operations	(2,692)	(1,668)
Interest paid	(33)	(7)
Income taxes (paid)/ recovered	(35)	6
Net cash used in operating activities	(2,760)	(1,669)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(224)	(64)
Purchase of intangible assets	(167)	(46)
Acquisition of subsidiary, net of cash	-	120
Net cash (used in)/ generated from investing activities	(391)	10
Cash flows from financing activities		
Proceeds from issue of warrants	1	-
Proceeds from issue of shares	5,081	1,551
Repayment of lease obligations	(14)	(17)
Repayment of term loans	(84)	(30)
Withdrawal from/ (placement of) short-term bank deposits pledged to banks	176	32
Net cash generated from financing activities	5,160	1,536
Net increase/ (decrease) in cash and cash equivalents	2,009	(123)
Cash and cash equivalents at beginning of the financial period	877	2,037
Effects of currency translation on cash and cash equivalents	41	88
Cash and cash equivalents at end of the financial period	2,927	2,002
Cash and cash equivalents comprise		
Cash and bank balances	2,927	2,178
Less: Short-term bank deposits pledged to banks	-	(176)
	2,927	2,002

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company			Total S\$'000	Non- Controlling Interests S\$'000	Total S\$'000
	Share Capital S\$'000	Currency translation reserve S\$'000	Accumulated losses S\$'000			
The Group						
<u>For the 6 months period ended</u>						
<u>30/09/2012</u>						
Balance at 01/04/2012	130,867	2,668	(128,401)	5,134	977	6,111
Issuance of shares	5,082	-	-	5,082	-	5,082
Total comprehensive loss for the period	-	39	(1,992)	(1,953)	(59)	(2,012)
Balance at 30/9/2012	135,949	2,707	(130,393)	8,263	918	9,181
<u>For the 6 months period ended</u>						
<u>30/09/2011</u>						
Balance at 01/04/2011	113,557	2,613	(114,967)	1,203	796	1,999
Issuance of shares	2,010	-	-	2,010	-	2,010
Acquisition of subsidiary	15,300	-	-	15,300	477	15,777
Total comprehensive loss for the period	-	87	(2,302)	(2,215)	(129)	(2,344)
Balance at 30/9/2011	130,867	2,700	(117,269)	16,298	1,144	17,442
The Company						
<u>For the 6 months period ended</u>						
<u>30/09/2012</u>						
Balance at 01/04/2012	130,867	-	(127,582)	3,285	-	3,285
Issue of shares	5,082	-	-	5,082	-	5,082
Total comprehensive loss for the period	-	-	(2,176)	(2,176)	-	(2,176)
Balance at 30/09/2012	135,949	-	(129,758)	6,191	-	6,191
<u>For the 6 months period ended</u>						
<u>30/09/2011</u>						
Balance at 01/04/2011	113,557	-	(114,549)	(992)	-	(992)
Issue of shares	17,310	-	-	17,310	-	17,310
Total comprehensive loss for the period	-	-	(13,033)	(13,033)	-	(13,033)
Balance at 30/09/2011	130,867	-	(127,582)	3,285	-	3,285

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	30/09/2012	30/09/2011
Number of shares		
At beginning of the period	2,419,533,313	1,225,933,313
Issue of shares arising from conversion of warrants	300,000	-
Issue of shares pursuant to acquisition of Elektromotive Ltd	-	1,050,600,000
Issue of shares arising from placement	-	143,000,000
Issue of shares pursuant to rights issue	<u>1,693,673,319</u>	<u>-</u>
At end of the period	<u>4,113,506,632</u>	<u>2,419,533,313</u>
Treasury shares		
At the end of the period	<u>-</u>	<u>-</u>
	30/09/2012	30/09/2011
Outstanding convertibles		
Outstanding warrants convertible into ordinary shares	<u>5,215,719,957</u>	<u>135,000,000</u>

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Refer to 1(d)(ii) above.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

There are no treasury shares outstanding as at 30/09/2012 and 30/09/2011.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures are unaudited and are not reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those for the audited financial statements as at 31 March 2012.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

With effect from 1 April 2012, the Group adopted the following new or amended Singapore Financial Reporting Standards ("FRS") which are relevant to the Group's operations:

- Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies or have any material impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	30/09/2012	30/09/2011
Loss per share based on Group's loss after taxation		
- on weighted average number of shares	(0.06) cent	(0.13) cent
- on a fully diluted basis	(0.06) cent	(0.13) cent

The weighted average number of ordinary shares outstanding is 3,266,419,973 and 1,775,066,646 for HY 2012 and HY 2011 respectively.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	30/09/2012	31/03/2012	30/09/2012	31/03/2012
Net asset value based on existing issued share capital as at the respective period	0.20 cent	0.21 cent	0.15 cent	0.14 cent

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Revenue

Revenue for the 6 months ended 30 September 2012 increased by 72.8% to S\$4.74 million from S\$2.74 million in the prior year period mainly due to increase in revenue from the sale of Elektrobays and other related services during the 6-month period which is offset partly by the decrease in revenue in the publishing division.

Loss attributable to shareholders

Loss attributable to shareholders for the period under review was S\$1.99 million as compared to S\$2.30 million for the prior year period ended 30 September 2011. The loss during the period was due to the following:

- An increase in personnel expenses and other operating expenses;
- A decrease in revenue from the publishing division;
- An increase in legal expenses relating to EUK and TNTI amounting to \$0.54 million; and
- An increase in expenses relating to the rights issue amount to S\$0.1 million..

Balance sheet

During the period, the Group's Net Assets attributable to shareholders increased to S\$8.3 million from S\$5.1 million in the beginning of the year. The increase is mainly due to the rights issue of 1,693,673,319 shares at S\$0.003 each in July 2012.

Cash-flow

Cash and cash equivalents as at end of period was S\$2.9 million as compared to S\$0.9 million at the beginning of the period.

Others

The Company has yet to cancel the 219,156,610 shares received from the vendors of EUK.

In addition to the above, we have reached a settlement with Rehan Velmi and Pengiran Muda Abdul Hakeem respectively which when completed, will result in the cancellation of an additional 314,700,760 shares.

The cancellation of these shares, when approved by shareholders, is expected to have a positive impact in the financial statements.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

N/A.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

To-date, the electric vehicles ("EV") market has been hindered by limited choice, high ticket prices and driver range anxiety (limited battery range and a lack of recharging infrastructure). The consensus at the start of 2012 is that the EV market will take off gradually between 2012 and 2015 as a raft of legislation designed to reduce new car emissions, the introduction of common standards for EVSE, improving battery range, greater choice of vehicle types and prices, together with an increasing number of charge points, make plug-in vehicles more viable, first for fleets and subsequently for motorists in general. However, the EV industry has been progressing at a slower pace than anticipated due to the crisis in Europe. We expect Asia particularly China to be the driving force behind the EV industry for the next few years.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared or recommended during and for the six months ended 30 September 2012.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.

The Group has not obtained a general mandate from shareholders for IPTs.

14. Negative assurance

We, Ricky Ang Gee Hing and Tan Choon wee, being two directors of Elektromotive Group Limited (the "Company") do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the six months ended 30 September 2012 to be false or misleading.

For and on behalf of the Board

(signed)
Ricky Ang Gee Hing
Executive Vice-Chairman
and Managing Director

(signed)
Tan Choon Wee
Executive Director

BY ORDER OF THE BOARD

Ricky Ang Gee Hing
Executive Vice-Chairman and MD
14 November 2012

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.