

ElectroTech Investments Limited
(Incorporated in the Republic of Singapore)
(Company Registration No. 199905084D)

ETLA Limited
(Incorporated in the Republic of Singapore)
(Company Registration No. 199202325G)

JOINT ANNOUNCEMENT

PROPOSED MERGER OF ELECTROTECH INVESTMENTS LIMITED AND ETLA LIMITED BY WAY OF A SCHEME OF ARRANGEMENT

1. INTRODUCTION

The respective directors of ElectroTech Investments Limited ("**ElectroTech**", and together with its subsidiaries, the "**ElectroTech Group**") and ETLA Limited ("**ETLA**", and together with its subsidiaries, the "**ETLA Group**") are pleased to announce the proposed acquisition by ElectroTech of all the shares in the capital of ETLA in consideration for the allotment and issue of shares in the capital of ElectroTech to the shareholders of ETLA, resulting in the merger of the ElectroTech Group and the ETLA Group (the "**Proposed Merger**"). The Proposed Merger shall be effected by way of ETLA implementing a scheme of arrangement (the "**Scheme**") under Section 210 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), and in accordance with the Singapore Code on Take-overs and Mergers (the "**Code**").

2. INFORMATION ON THE PARTIES

- 2.1 ElectroTech was incorporated in Singapore on 27 August 1999 and was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in May 2005. As at the date of this Joint Announcement (the "**Announcement Date**"), the issued share capital of ElectroTech is S\$76,614,907.85 comprising 304,713,258 ordinary shares (the "**ElectroTech Shares**").

The ElectroTech Group is an international contract manufacturer that offers integrated 'one-stop' outsourcing solutions. The ElectroTech Group serves the capital equipment and consumer industries through its Mechatronics and Electronics Manufacturing Services ("**EMS**") divisions respectively. The unique combination of Mechatronics and EMS capabilities enables the ElectroTech Group to offer customers a comprehensive range of technologies and outsourcing solutions.

With operations based in the Netherlands and Penang, the ElectroTech Group provides the full spectrum of outsourcing services, spanning product design and development, engineering, prototyping, tooling design and manufacture, plastics and metal components manufacture, procurement and logistics management, final test and assembly of complete modules or products. Leveraging on its advanced technical competencies, the ElectroTech Group develops parts and modules, complex electro-mechanical assemblies as well as complete systems and machines. The ElectroTech Group's customers hail from diverse industries encompassing the semi-conductor, medical, analytical, telecommunications, office automation and automotive sectors. Its Mechatronics Division counts among its global key customers renowned companies such as ASML Netherlands B.V., FEI Electron Optics B.V. and PANALYTICAL B.V., while Shin-Etsu Polymer (Malaysia) Sdn Bhd, Valeo and its group of companies (including Valeo Schalter und Sensoren GmbH, Valeo Auto-Electric Magyarorszag KF and Dav

Tunise-Valeo VSDS), Neopost Industrie and Sanyo Automeida Sdn Bhd count amongst its EMS Division's customers.

- 2.2 ETLA was incorporated in Singapore on 6 May 1992 and is currently listed on the Main Board of the SGX-ST. As at the Announcement Date, the issued share capital of ETLA is S\$25,200,000, comprising 140,691,100 ordinary shares (the "**ETLA Shares**").

The ETLA Group is in the business of contract equipment manufacturing, precision machining and sheet metal fabrication with operations in Singapore, Malaysia and China, and a sales representative in the USA.

The ETLA Group has established itself as a vertically integrated solutions provider with a full range of integrated services including design enhancement, mechanical parts manufacturing, equipment assembly, integration, testing and commissioning of production lines.

Its customers are worldwide players primarily in the data storage device, semiconductor, medical/pharmaceutical and machine tools industries. Seagate Technology International and its group of companies (including Seagate Technology (Thailand) Ltd, Seagate Technology International (Wuxi) Co., Ltd and Seagate Technology LLC), Uhlmann Pac-Systeme GmbH & Co. KG and its group of companies (including Uhlmann Singapore LLP) and Benchmark Electronics Singapore Manufacturing Pte. Ltd. are some of its key customers.

3. THE SCHEME

- 3.1 **Scheme.** ElectroTech and ETLA have today entered into an implementation agreement (the "**Implementation Agreement**") to implement the Scheme. The Scheme will involve, amongst other things, the following:

- (a) the transfer of all the ETLA Shares held by the shareholders of ETLA (the "**ETLA Shareholders**") to ElectroTech; and
- (b) in consideration of the transfer of the ETLA Shares held by the ETLA Shareholders, the ETLA Shareholders will receive from ElectroTech 508 newly-issued ElectroTech Shares (the "**New ElectroTech Shares**") for every 1,000 ETLA Shares (the "**Scheme Consideration**").

Pursuant to the Scheme, the ETLA Shares are to be transferred by the ETLA Shareholders to ElectroTech (i) fully paid; (ii) free from any charge, mortgage, lien, hypothecation, judgment, encumbrance, easement, security, title retention, preferential right, trust arrangement or any other security interest or any other agreement or arrangement having a commercial effect analogous to the conferring of security or a similar right in favour of any person ("**Encumbrance**"); and (iii) together with all rights, benefits and entitlements as of the Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by ETLA on or after the Announcement Date.

The actual number of New ElectroTech Shares which each ETLA Shareholder will receive will be calculated such that any resultant fraction of a New ElectroTech Share will be rounded downwards to the nearest whole number and accordingly, no fraction of a New ElectroTech Share shall be allotted or issued to any ETLA Shareholder.

On the date on which the Scheme becomes effective in accordance with its terms (the "**Effective Date**"), ETLA will become a wholly-owned subsidiary of ElectroTech. Consequently, ETLA will not be able to meet the listing requirements of the SGX-ST. An application will therefore be made to the SGX-ST to delist ETLA from the Main Board of the SGX-ST and such delisting, upon approval by SGX-ST, will take place shortly after the Effective Date.

Further information on the Proposed Merger and the terms and conditions upon which the Scheme will be implemented will be set out in the document to be issued by ETLA to the ETLA Shareholders (the "**Scheme Document**").

- 3.2 **Scheme Consideration.** ElectroTech shall, pursuant to the Scheme, issue approximately 71,471,078 (rounded down to the nearest one share) New ElectroTech Shares representing (i) approximately 23.46% of the issued share capital of ElectroTech as at the Announcement Date; and (ii) approximately 19.00% of the enlarged issued share capital of ElectroTech as at the Effective Date (assuming no ElectroTech Options (as defined below) are exercised on or prior to the Effective Date).

The Scheme Consideration was arrived at after arm's length negotiations between ElectroTech and ETLA on a willing-seller, willing-buyer basis, taking into account, amongst other things, prevailing market conditions, market prices (as traded on the SGX-ST) of the ElectroTech Shares and the ETLA Shares, financial performance, financial position, operations and business prospects of each of ElectroTech and ETLA.

The aggregate value of the Scheme Consideration is approximately S\$30.05 million, based on the market value of the ElectroTech Shares, calculated based on the volume weighted average price of the ElectroTech Shares during the six-month period leading up to the Announcement Date (i.e. during the period commencing 1 May 2008 and ending 31 October 2008 being the market day immediately preceding the Announcement Date, both dates inclusive), multiplied by 71,471,078, being the number of New ElectroTech Shares to be issued pursuant to the Scheme (assuming no ElectroTech Options (as defined below), are exercised on or prior to the Effective Date).

ElectroTech does not intend to revise the Scheme Consideration.

- 3.3 **New ElectroTech Shares.** The New ElectroTech Shares shall be (i) credited as fully paid; (ii) free from any Encumbrances; (iii) rank *pari passu* in all respects with one another as well as with all other issued ElectroTech Shares as of the Effective Date; and (iv) have the same rights, privileges and entitlements as all other issued ElectroTech Shares as of the Effective Date, **except that the New ElectroTech Shares shall not be entitled to receive any dividends to be declared or paid by ElectroTech in respect of its financial year ending 31 December 2008** (the "**Final FY2008 Dividends**"). Subject to applicable laws and regulations, it has been agreed between ElectroTech and ETLA that the aggregate amount of the Final FY2008 Dividends (if any) shall not exceed 40% of the net profit after tax of ElectroTech for its financial year ending 31 December 2008.

In the event the Effective Date falls on a date earlier than the books closure date for the purposes of determining entitlement to any Final FY2008 Dividends declared, and subject to the approval of the SGX-ST, the New ElectroTech Shares shall be issued and traded temporarily under a temporary stock counter that is separate from the existing ElectroTech stock counter on the SGX-ST. After the last day of "cum-distribution" (in respect of the Final FY2008 Dividends) trading, both the New

ElectroTech Shares trading on the temporary stock counter and the other ElectroTech Shares trading on the existing ElectroTech stock counter will be aggregated and traded under the existing ElectroTech stock counter on the SGX-ST on the next Market Day, *i.e.* the first day of "ex-distribution" trading for both the New ElectroTech Shares and the other ElectroTech Shares. Thereafter, the holders of New ElectroTech Shares shall have the same rights as any other holder of ElectroTech Shares to receive and retain all dividends (if any) declared, paid or made by ElectroTech in respect of subsequent financial years.

ElectroTech will make an application to the SGX-ST to list and quote the New ElectroTech Shares on the Official List of the SGX-ST (including, if applicable, the issuance, and temporary trading, of the New ElectroTech Shares under the aforesaid temporary stock counter that is separate from the existing ElectroTech stock counter on the SGX-ST).

ElectroTech will also be applying to the SGX-ST to set up a temporary counter for the trading of smaller board lots of ElectroTech Shares after the Effective Date, for the convenience of the ETLA Shareholders who receive odd lots of New ElectroTech Shares pursuant to the Scheme and who wish to trade such odd lots on the SGX-ST. Further details will be set out in the Scheme Document.

- 3.4 **Options.** As at the Announcement Date, ElectroTech has not granted any options to subscribe for ElectroTech Shares (the "**ElectroTech Options**") under The ElectroTech Investments Limited Employee Share Option Scheme 2008 adopted on 18 April 2008 (the "**ElectroTech ESOS**"). The ElectroTech ESOS Committee intends to grant ElectroTech Options representing approximately 3.15% of the existing total number of issued ElectroTech Shares to selected confirmed employees (including Executive Directors) of the ElectroTech Group prior to the expected Effective Date. Pursuant to the terms and conditions under the ElectroTech ESOS, these ElectroTech Options as granted are not likely to be exercisable before the Effective Date.

As at the Announcement Date, ETLA has not granted any options to subscribe for ETLA Shares under the ETLA Limited Share Option Scheme adopted on 25 June 2007 (the "**ETLA Options**"), and ETLA has not granted any awards under the ETLA Performance Share Plan adopted on 25 June 2007 (the "**ETLA PSP**"). Further, ETLA does not intend to grant any ETLA Options or awards under the ETLA PSP prior to the Effective Date.

4. RATIONALE AND BENEFITS FOR THE PROPOSED MERGER

4.1 Rationale

(a) Overview

The respective boards of directors of ElectroTech and ETLA believe that there is a strong strategic fit between ElectroTech and ETLA, and the Proposed Merger will create a compelling manufacturing partnership for the merged group's customers and thus enhance value for the shareholders of ElectroTech (the "**ElectroTech Shareholders**") and the ETLA Shareholders.

(b) **Strong strategic fit between ElectroTech and ETLA**

ElectroTech and ETLA believe that there are substantial opportunities for sharing skills and technology as well as cross-selling of its facilities and capabilities.

Additionally, there is a significant geographical expansion of the merged group's manufacturing locations especially in the growth regions of Asia.

While both ElectroTech and ETLA share the same strategic vision and business direction, each has its own separate base of key customers.

Therefore, by pooling their strengths, sharing technology and skills, and cross selling each other's capabilities and facilities to their respective current and potential customers, ElectroTech and ETLA believe that the Proposed Merger presents a strong strategic opportunity for both ElectroTech and ETLA.

(c) **Create a compelling merged group to exploit opportunities and surmount challenges ahead**

ElectroTech and ETLA operate in a challenging business environment. With customers consolidating their manufacturing service providers, pricing pressures are expected to increase. Every industry sector has its own cyclical behaviour and a company that relies on only one or two sectors for its customers may be particularly vulnerable. However, the continuing relocation of manufacturing from higher-cost areas to lower-cost areas and on-going outsourcing trends present multiple opportunities for well-managed companies with appropriate skill sets, financial strength and a broad geographical presence. The Proposed Merger will enable ElectroTech and ETLA to consolidate and become a compelling global manufacturing partner for their customers.

4.2 **Benefits**

(a) **Expand the value chain to its customers**

ElectroTech's key strength lies in its upfront design and development, engineering and project management capabilities. ETLA on the other hand has strong manufacturing capabilities and multiple manufacturing sites located in strategic and emerging markets.

The merged group offers both ElectroTech's and ETLA's existing customers the immediate advantage and option to expand their value chain and therefore the potential of increased sales revenue. For example, ElectroTech's customers are interested to increasingly transfer more of their manufacturing activities to lower cost countries and emerging markets (in which ETLA has operations) while ETLA's customers will benefit from ElectroTech's upfront design and development, engineering and project management capabilities to a higher level of integration and independence to meet their outsourcing needs.

(b) **Expansion in strategic geographic markets**

The merged group will have a broader market reach (in Europe, Asia and North America) and offer facilities in almost all the key manufacturing centres

in Asia (Singapore, Malaysia, China). This will enable the merged group to capture a bigger share of the growing capital equipment contract manufacturing business in these regions and at the same time, targeting new opportunities available in the various business sectors in each geographic location.

(c) **Strengthen management teams**

The Proposed Merger will combine two management teams with strengths in their relevant fields which will lead the merged group to become a multi-talented and strong globally integrated contract manufacturing group. The executive directors of ElectroTech and ETLA respectively have decades of experience between them in regional and global business as well as from a wider business perspective in addition to their senior managers' extensive experience in their respective fields. The larger pool of experienced senior management will provide the additional resources required to explore new business areas and opportunities in the various key industry sectors.

(d) **Increase scale and financial strength**

The Proposed Merger will combine ElectroTech's and ETLA's operational and financial resources, thereby increasing its scale and financial strength. This will enable the merged group to secure larger contracts and take advantage of overall economies of scale.

(e) **Optimise use of resources**

An operational exercise will be carried out to gradually integrate its:

- (i) design and development, engineering and project management capabilities in each strategic geographical location and market to meet its current and potential customers' requirements and expectations;
- (ii) supply chain and management information systems. With its consolidated purchasing volumes and logistic needs, the merged group should enjoy increased purchasing power; and
- (iii) manufacturing capabilities and capacities in each geographical market to meet its business and market growth expectations.

In summary, the Proposed Merger will create value for ElectroTech Shareholders and ETLA Shareholders through an expanded and more diversified customer base, enhanced skills and technologies, geographical market expansion, stronger and larger management team, increased scale and financial strength and optimisation of resources in each strategic location.

(f) **Broader investor interest**

With the Proposed Merger of two strong players in the capital equipment contract manufacturing space with proven track record, strong management teams, enhanced manufacturing capabilities and geographical footprints which can better serve the combined customer base, the merged group should also be better positioned to attract wider investor interest and more extensive research coverage.

5. CONDITIONS PRECEDENT

The Scheme is conditional upon the satisfaction or waiver (as the case may be) of a number of conditions precedent (the "**Scheme Conditions**") which are set out in Schedule 1 to this Joint Announcement.

The Scheme Conditions include obtaining the following approvals:

- (a) the approval from the SGX-ST of the Scheme, the proposed delisting of ETLA pursuant thereto, and listing and quotation of the New ElectroTech Shares on the Main Board of the SGX-ST;
- (b) the approval by a majority in number of the ElectroTech Shareholders present and voting, either in person or by proxy, at a meeting of the ElectroTech Shareholders to be convened to approve the Proposed Merger and the allotment and issuance of the New ElectroTech Shares pursuant to the Scheme (the "**ElectroTech EGM**");
- (c) the approval of the Scheme by a majority in number of ETLA Shareholders present and voting, either in person or by proxy, at a meeting of the ETLA Shareholders to be convened by the High Court of the Republic of Singapore (the "**Court**") to approve the Scheme and any adjournment thereof (the "**Court Meeting**"), such majority holding not less than 75 per cent. in value of the ETLA Shares held by the ETLA Shareholders present and voting at the Court Meeting; and
- (d) the sanction of the Scheme by the Court.

It is currently intended that the ElectroTech EGM shall be held before the Court Meeting.

In addition, the Scheme will only become effective if all the Scheme Conditions specified in the Implementation Agreement have been satisfied or waived (as the case may be) in accordance with the Implementation Agreement and a copy of the order of the Court has been lodged with the Accounting and Corporate Regulatory Authority of Singapore.

The Securities Industry Council ("**SIC**") has confirmed that the Scheme is exempted from Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) to Rule 19 of the Code, subject to the following conditions:

- (i) ElectroTech and its concert parties as well as the common substantial shareholders of ElectroTech and ETLA abstain from voting on the Scheme. In this regard, the SIC had confirmed that the ETLA Undertaking Shareholders may attend and vote their ETLA Shares on the Scheme at the Court Meeting;
- (ii) the directors of ETLA who are also directors of ElectroTech abstain from making a recommendation on the Scheme to the ETLA Shareholders; and
- (iii) ETLA appoints an independent financial adviser to advise the ETLA Shareholders on the Scheme.

6. TERMINATION

6.1 **Right to Terminate.** The Implementation Agreement provides that the Implementation Agreement may be terminated at any time on or prior to the date falling on the business day immediately preceding the Effective Date (the "**Record Date**") provided that the party seeking termination does so only after it has had prior consultation with the SIC as follows:

- (a) **Court Order:** by either ElectroTech or ETLA, if any court of competent jurisdiction or governmental agency has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, the Proposed Merger or any part thereof, or has refused to do anything necessary to permit the Scheme, the Proposed Merger or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;
- (b) **Breach:** either (i) by ElectroTech, if ETLA is in material breach of any provision of the Implementation Agreement (other than a provision which is qualified by a materiality test, in which case any breach shall suffice) or has failed to perform and comply in all material respects with any matters referred to in the Scheme Conditions set out in paragraphs 7 (in relation to Prescribed Occurrences (as defined in Schedule 2 to this Joint Announcement)) relating to the ETLA Group), 8, 10, and 12(i) of Schedule 1 to this Joint Announcement, on or prior to the Record Date; or (ii) by ETLA, if ElectroTech is in material breach of any provision of the Implementation Agreement (other than a provision which is qualified by a materiality test, in which case any breach shall suffice) or has failed to perform and comply in all material respects with any matters referred to in the Scheme Conditions set out in paragraphs 7 (in relation to Prescribed Occurrences (as defined in Schedule 2 to this Joint Announcement) relating to the ElectroTech Group)), 9, 11, and 12(ii) of Schedule 1 to this Joint Announcement, on or prior to the Record Date, provided that either ElectroTech or ETLA, as the case may be, has given written notice to the other party of its intention to terminate the Implementation Agreement. In this circumstance, the Implementation Agreement shall be terminated on the date falling five (5) business days after the date of such notice of termination; and
- (c) **Shareholders' Approvals:** by either ElectroTech or ETLA, if the resolutions submitted to the Court Meeting and/or the ElectroTech EGM are not approved (without amendment) by the requisite majorities of the ETLA Shareholders and the ElectroTech Shareholders respectively.

6.2 **Non-fulfilment of Conditions Precedent.** Notwithstanding anything contained in the Implementation Agreement, the Implementation Agreement shall terminate if any of the Scheme Conditions has not been satisfied (or, where applicable, has not been waived) by 30 April 2009 (or such other date as ElectroTech and ETLA may agree) and the non-fulfilment of any such Scheme Condition is material in the context of the Proposed Merger, except that:

- (a) in the event of any non-fulfilment of the Scheme Conditions set out in paragraphs 7, 8, 10 and/or 12(i) of Schedule 1 to this Joint Announcement, ElectroTech may only rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement with the prior consultation and approval of the SIC; and

- (b) in the event of any non-fulfilment of the Scheme Conditions set out in paragraphs 7, 9, 11 and/or 12(ii) of Schedule 1 to this Joint Announcement, ETLA may only rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement with the prior consultation and approval of the SIC.

If the Implementation Agreement is not terminated because the SIC does not for any reason consent to the same, the non-termination of the Implementation Agreement does not amount to a waiver of any claims or rights which ElectroTech or ETLA may have against the other in relation to the non-fulfilment of the relevant Scheme Conditions set out in paragraphs 7, 8, 9, 10, 11, 12(i) and/or 12(ii) of Schedule 1 to this Joint Announcement.

7. IRREVOCABLE UNDERTAKINGS

7.1 Contemporaneously with the execution of the Implementation Agreement,

- (a) certain ETLA Shareholders, as set out in Part I of Schedule 3 to this Joint Announcement (collectively, the **"ETLA Undertaking Shareholders"**, and each an **"ETLA Undertaking Shareholder"**), have each provided an irrevocable undertaking (collectively, the **"ETLA Irrevocable Undertakings"**, and each an **"ETLA Irrevocable Undertaking"**) to ElectroTech to, amongst other things, (i) vote and/or procure the voting of all the ETLA Shares as set out against his/her name in Part I of Schedule 3 to this Joint Announcement in favour of the Scheme and any other matter necessary or proposed to implement the Scheme at the Court Meeting; (ii) subject to the terms and conditions of his/her employment agreement with ETLA not being materially adverse from that as at the date of the Implementation Agreement, not resign or terminate his/her employment with ETLA, or give any notice to ETLA to resign or terminate his/her employment, in his/her current office and designation, for a period of two (2) years after the Effective Date; (iii) not, for a period of six (6) months after the Effective Date (the **"Initial Period"**), sell, transfer or otherwise dispose of any of his/her ElectroTech Shares; (iv) not, for a period of six (6) months after the Initial Period, sell, transfer or otherwise dispose of more than half or 50% of his/her ElectroTech Shares; and (v) subject to his/her fiduciary duties solely in his/her capacity as a director of ETLA (where applicable), to reject any bona fide offer by any person other than by or on behalf of ElectroTech or a company in the ElectroTech Group for (1) any company in the ETLA Group, (2) all or a substantial part of the ETLA Shares, including by way of a general or partial offer, or a scheme of arrangement, or (3) a substantial part of the business, operations and/or assets of the ETLA Group (the **"Competing Bid"**), and not solicit or accept any Competing Bid, and where applicable, to vote against any Competing Bid, during the term of his/her ETLA Irrevocable Undertaking; and
- (b) certain ElectroTech Shareholders, as set out in Part II of Schedule 3 to this Joint Announcement (collectively, the **"ElectroTech Undertaking Shareholders"**, and each an **"ElectroTech Undertaking Shareholder"**), have each provided an irrevocable undertaking (collectively, the **"ElectroTech Irrevocable Undertakings"**, and each an **"ElectroTech Irrevocable Undertaking"**) to ETLA to, amongst other things, (i) vote and/or procure the voting of the ElectroTech Shares as set out against his name in Part II(A) of Schedule 3 to this Joint Announcement to approve the Proposed Merger and any other matter necessary or proposed to implement the Proposed Merger at

the ElectroTech EGM and at any adjournment thereof; (ii) not, for the Initial Period, sell, transfer or otherwise dispose of any of such ElectroTech Shares as set out against his name in Part II(B) of Schedule 3; and (iii) not, for a period of six (6) months after the Initial Period, sell, transfer or otherwise dispose of more than half or 50% of such ElectroTech Shares as set out against his name in Part II(B) of Schedule 3.

- 7.2 Save that in respect of the obligations described in sections 7.1(a)(ii), (iii) and (iv), and sections 7.1(b)(ii) and (iii), those obligations shall expire on the respective expiry dates set out therein, the other obligations under each of the ETLA Irrevocable Undertakings and the ElectroTech Irrevocable Undertakings will generally terminate on the earlier of any of the following dates:

- (a) the Implementation Agreement terminates or is terminated; and
- (b) the Effective Date.

- 7.3 Save for the ETLA Irrevocable Undertakings, as at the Announcement Date, neither ElectroTech nor any party acting in concert with ElectroTech has received any irrevocable undertakings from any other party to vote in favour of the Scheme.

8. APPOINTMENT OF NEW ELECTROTECH DIRECTORS POST-MERGER

It is proposed that following the implementation of the Scheme, Mr Derrick Tan Lai Heng and Mr Barry Sim Mong Huat, both of whom are currently executive directors of ETLA, will also be appointed to the board of directors of ElectroTech as executive directors.

As the above proposed new appointments are to take place after the implementation of the Scheme, no service contracts in this regard have been agreed with Mr Derrick Tan Lai Heng or Mr Barry Sim Mong Huat as at the Announcement Date.

9. APPLICATION OF CHAPTER 10 OF THE LISTING MANUAL IN RELATION TO ELECTROTECH

- 9.1 **Net asset value test.** The net asset value test set out in Rule 1006(a) of the Listing Manual of the SGX-ST (the "**Listing Manual**") is not applicable to ElectroTech for the purposes of the Scheme.
- 9.2 **Net profits test.** The net profits test set out in Rule 1006(b) of the Listing Manual is not applicable or meaningful as the ETLA Group recorded a loss for its half-year financial period ended 30 June 2008.
- 9.3 **Market capitalisation test.** In respect of the market capitalisation test set out in Rule 1006(c) of the Listing Manual, Rule 1003(3) of the Listing Manual states that where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is higher. Accordingly, for the purpose of Rule 1006(c) of the Listing Manual, the aggregate value of the consideration to be given by ElectroTech in respect of the Scheme (being S\$41.8 million based on the net asset value of the New ElectroTech Shares to be issued pursuant to the Scheme (assuming no ElectroTech Options are exercised on or prior to the Effective Date)) constitutes approximately 68.4% of the market capitalisation of ElectroTech (based on

the total number of issued ElectroTech Shares, excluding treasury shares, on 31 October 2008).

- 9.4 **Equity securities test.** In respect of the equities securities test set out in Rule 1006(d) of the Listing Manual, the 71,471,078 New ElectroTech Shares to be issued by ElectroTech as the Scheme Consideration constitutes approximately 23.46% of the 304,713,258 ElectroTech Shares in issue as at the Announcement Date.
- 9.5 **Major Transaction.** The relative figures under Rules 1006(c) and 1006(d) of the Listing Manual exceed 20%. Accordingly, the Proposed Merger constitutes a major transaction under Rule 1006 of the Listing Manual and is therefore subject to and conditional upon the approval of ElectroTech Shareholders at the ElectroTech EGM.

10. FINANCIAL EFFECTS OF THE PROPOSED MERGER IN RELATION TO ELECTROTECH

The financial effects of the Proposed Merger in relation to ElectroTech set out below are for illustration purposes only, and are neither indicative of the actual financial effects of the Proposed Merger on the net tangible asset value (the "NTA") per share or earnings per share (the "EPS") of ElectroTech, nor represent the actual financial position and/or results of the ElectroTech Group immediately after the implementation of the Scheme.

The financial effects have been prepared using the following bases and assumptions:

- (a) the audited consolidated financial statements of the ElectroTech Group for the financial year ended 31 December 2007;
- (b) in the calculation of the financial effects on the EPS of the ElectroTech Group for the financial year ended 31 December 2007, it is assumed that the Effective Date is 1 January 2007, and hence that ElectroTech owned 100% of the issued share capital of ETLA with effect from 1 January 2007;
- (c) in the calculation of the financial effects on the NTA per share of the ElectroTech Group for the financial year ended 31 December 2007, it is assumed that the Effective Date is 31 December 2007, and hence that ElectroTech owned 100% of the issued share capital of ETLA with effect from 31 December 2007; and
- (d) 71,471,078 New ElectroTech Shares will be issued pursuant to the Scheme, on the assumption that no ElectroTech Options, are exercised on or prior to the Effective Date.

Effect on Share Capital

Assuming the Effective Date was 31 December 2007, the number of issued ElectroTech Shares and the percentage of the enlarged issued share capital of ElectroTech, are as follows:

As at 31 December 2007	Number of ElectroTech Shares	As a % of the total issued ElectroTech Shares as at 31 December 2007
Total number of issued ElectroTech Shares	304,713,258	81%
Number of New ElectroTech Shares to be issued pursuant to the Scheme	71,471,078	19%
Enlarged issued share capital of ElectroTech (including the New ElectroTech Shares to be issued pursuant to the Scheme)	376,184,336	100%

Effect on NTA per Share

The effects of the Proposed Merger on the NTA per ElectroTech Share, assuming that the Proposed Merger had been completed as at 31 December 2007, are as follows:

As at 31 December 2007	NTA (S\$'000)	NTA per Share
Before adjusting for the Proposed Merger	164,557	S\$0.540
After adjusting for the Proposed Merger	204,546	S\$0.544

Effect on EPS

The effects of the Proposed Merger on the EPS of ElectroTech, assuming that the Proposed Merger had been completed as at 1 January 2007, are as follows:

Financial year ended 31 December 2007	Profit After Tax (S\$'000)	EPS
Before adjusting for the Proposed Merger	23,002	S\$0.076
After adjusting for the Proposed Merger	27,056	S\$0.072

11. FINANCIAL ADVISER AND INDEPENDENT FINANCIAL ADVISER

- 11.1 Financial Adviser to ElectroTech.** ElectroTech has appointed DBS Bank Ltd ("**DBS**") as its financial adviser in respect of the Scheme.
- 11.2 Financial Adviser to ETLA.** ETLA has appointed NRA Capital Pte. Ltd. ("**NRA Capital**") as its financial adviser in respect of the Scheme.
- 11.3 Independent Financial Adviser to ETLA's Independent Directors.** The directors of ETLA considered to be independent for the purposes of the Scheme (collectively, the ("**Independent Directors**") will be appointing an independent financial adviser ("**IFA**") to advise them on the Scheme for the purpose of making a recommendation to the ETLA Shareholders in connection with the Scheme. In the meantime, the ETLA Shareholders are advised to refrain from taking any action in relation to their ETLA Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Directors as well as the advice of the IFA set out in the Scheme Document to be issued in due course.

12. SCHEME DOCUMENT

Full details of the Scheme (including the recommendation of the Independent Directors along with the advice of the IFA) and notice of the Court Meeting to approve the Scheme will be contained in the Scheme Document to be despatched to the ETLA Shareholders in due course. In the meantime, ETLA Shareholders are advised to exercise caution when trading in their ETLA Shares, pending receipt of the Scheme Document.

Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

13. ELECTROTECH CIRCULAR

ElectroTech will in due course despatch a circular, containing further information on, amongst other things, the Proposed Merger and notice of the ElectroTech EGM to approve the Proposed Merger and the allotment and issue of the New ElectroTech shares, to the ElectroTech Shareholders.

14. DISCLOSURES

14.1 ETLA

Save as disclosed in this Joint Announcement, no director or controlling shareholder of ETLA has any interest in the Scheme (other than by reason only of being a director or shareholder of ETLA or, in the case of Mr Barry Sim Mong Huat, his holding of 5,000 ElectroTech Shares). As noted in paragraph 7.1(a) above, the ETLA Undertaking Shareholders have given the ETLA Irrevocable Undertakings to, among other things, vote and/or procure the voting of the ETLA Shares set out against their respective names in Part I of Schedule 3 to this Joint Announcement, in favour of the Scheme. As noted in paragraph 8 above, Mr Derrick Tan Lai Heng and Mr Barry Sim Mong Huat will be appointed to the board of directors of ElectroTech after the implementation of the

Scheme.

14.2 **ElectroTech**

None of (a) ElectroTech, its directors or its wholly-owned subsidiaries; or (b) DBS (i) owns, controls or has agreed (other than pursuant to the Implementation Agreement) to acquire any ETLA Shares as at the Announcement Date, (ii) has dealt for value in any ETLA Shares during the three-month period immediately preceding the Announcement Date, or (iii) has, as at the Announcement Date, received any irrevocable undertaking from any party (other than the ETLA Irrevocable Undertakings) to vote in favour of or against the Scheme.

Saved as disclosed in this Joint Announcement, no director or substantial shareholder of ElectroTech has any interest in the Scheme (other than by reason only of being a director or ElectroTech Shareholder). As noted in paragraph 7.1(b) above, the ElectroTech Undertaking Shareholders have given the ElectroTech Irrevocable Undertakings to, amongst other things, vote and/or procure the voting of ElectroTech Shares set out against their respective names in Part II(A) of Schedule 3 to this Joint Announcement, to approve the Proposed Merger.

14.3 **Confidentiality**

In the interests of confidentiality, ElectroTech has not made enquiries in respect of other parties who are or may be deemed to be acting in concert with it in connection with the Scheme. Similarly, DBS has also not made any enquiries in respect of other members of the DBS group which comprises DBS Group Holdings Ltd ("**DBSH**"), subsidiaries of DBSH and associated companies controlled by DBSH. Further enquiries will be made of such persons and the relevant disclosures will be made in due course subsequently and in the Scheme Document.

15. **OVERSEAS SHAREHOLDERS**

This Joint Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Joint Announcement in any jurisdiction in contravention of applicable law.

The release, publication or distribution of this Joint Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Joint Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Joint Announcement and any formal documentation relating to the Scheme are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the implementation of the Scheme would violate the law of that jurisdiction (the "**Restricted Jurisdiction**") and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The applicability of the Scheme to persons not resident in Singapore may be affected by the laws of the relevant jurisdiction. ETLA Shareholders who are not resident in Singapore should keep themselves informed of, and observe, any applicable

restrictions or prohibitions. Further details in relation to overseas shareholders will be contained in the Scheme Document.

16. DOCUMENTS FOR INSPECTION

Copies of the Implementation Agreement, the ElectroTech Irrevocable Undertakings and the ETLA Irrevocable Undertakings will be made available for inspection during normal business hours at the registered offices of both ElectroTech and ETLA for three months from the Announcement Date or up until the Effective Date, whichever is the later.

17. RESPONSIBILITY STATEMENTS

17.1 ElectroTech

The directors of ElectroTech (including any director who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and the opinions expressed in this Joint Announcement (other than those relating to ETLA) are fair and accurate and, that where appropriate, no material facts have been omitted from this Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading, and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or otherwise publicly available sources, the sole responsibility of the directors of ElectroTech for such information has been to ensure, through reasonable enquiries, that such information has been correctly and accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of ElectroTech do not accept any responsibility for any information relating to or opinions expressed by ETLA.

17.2 ETLA

The directors of ETLA (including any director who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and the opinions expressed in this Joint Announcement (other than those relating to ElectroTech) are fair and accurate and, that where appropriate, no material facts have been omitted from this Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading, and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or otherwise publicly available sources, the sole responsibility of the directors of ETLA for such information has been to ensure, through reasonable enquiries, that such information has been correctly and accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of ETLA do not accept any responsibility for any information relating to or opinions expressed by ElectroTech.

3 November 2008

BY ORDER OF THE BOARD OF
ELECTROTECH INVESTMENTS LIMITED

BY ORDER OF THE BOARD OF
ETLA LIMITED

Forward-Looking Statements

All statements other than statements of historical facts included in this Joint Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect ElectroTech's or ETLA's (as the case may be) current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors of ElectroTech and ETLA should not place undue reliance on such forward-looking statements, and neither ElectroTech, ETLA, NRA Capital nor DBS undertakes any obligation to update publicly or revise any forward-looking statements.

Any enquiries relating to this Joint Announcement, the Proposed Merger or the Scheme should be directed to one of the following:

ElectroTech Investments Limited

Keng Kok Sing
Senior Vice President
DBS Bank Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809
Telephone: (65) 6878 1921
Fax: (65) 6878 5676

ETLA Limited

Vicky Han
Head of Corporate Finance
NRA Capital Pte. Ltd.
36 Robinson Road
#12-05/06 City House
Singapore 068877
Telephone: (65) 6236 6883
Fax: (65) 6222 0093

SCHEDULE 1

SCHEME CONDITIONS

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the respective registered offices of ElectroTech and ETLA during their respective normal business hours for three months from the date of this Joint Announcement or until the Effective Date, whichever is the later.

The Acquisition is conditional upon:

1. **Scheme:** the approval of the Scheme by the ETLA Shareholders in compliance with the requirements of Section 210(3) of the Companies Act;
2. **Court Order:** the grant of the Court Order by the Court and such Court Order having become final;
3. **No Injunctions:** no injunction or other order being issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof;
4. **ACRA Registration:** the registration of the Court Order with ACRA;
5. **Regulatory Approvals:** all Regulatory Approvals having been obtained prior to the Record Date, and not withdrawn or revoked, including without limitation, the following:
 - (i) confirmation from the SIC that Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) to Rule 19 of the Code shall not apply to the proposed Scheme subject to any conditions the SIC may deem fit to impose; and
 - (ii) the approval-in-principle from the SGX-ST of the Scheme, the proposed delisting of ETLA, and the listing and quotation of the New ElectroTech Shares on the Main Board of the SGX-ST (including, if applicable, the issuance and temporary trading of the New ElectroTech Shares under a temporary stock counter that is separate from the existing ElectroTech stock counter on the SGX-ST);
6. **Authorisations:** prior to the Record Date, in addition to the approvals mentioned in paragraph 5 above:
 - (i) in relation to ElectroTech, the approval by the ElectroTech Shareholders of the Acquisition and the allotment and issuance of the New ElectroTech Shares pursuant to the Scheme ("**ElectroTech Shareholders' Approval**") and all other authorisations, consents, clearances, permissions and approvals as are necessary or required by ElectroTech under any and all applicable laws, from all relevant Governmental Agencies, and under the ElectroTech Major Contracts, for or in respect of the implementation of the Scheme and the Acquisition including without limitation, consents and/or waivers (where required) from the ElectroTech Major Customers; and
 - (ii) in relation to ETLA, all authorisations, consents, clearances, permissions and approvals as are necessary or required by ETLA under any and all applicable laws, from all relevant Governmental Agencies, and under the ETLA Material Contracts, for or in respect of the implementation of the Scheme including

without limitation, consents and/or waivers (where required) from the creditors, the ETLA Lenders, and the ETLA Major Customers,

(collectively, the "**Authorisations**") having been obtained, and not withdrawn or revoked on or before the Record Date;

7. **No Prescribed Occurrence:** between the date of the Implementation Agreement and the Record Date, no Prescribed Occurrence in relation to the ETLA Group or the ElectroTech Group (as the case may be) occurring, other than as required or contemplated by the Implementation Agreement or pursuant to the Acquisition;

8. **The ETLA Warranties and ETLA's Covenants:**

- (i) (A) the ETLA Warranties that are qualified as to materiality being true and correct;
- (B) the ETLA Warranties that are not qualified as to materiality being true and correct in all material respects,

in each case as of the date of the Implementation Agreement and as of the Record Date as though made on and as of that date except to the extent any such ETLA Warranty expressly relates to an earlier date (in which case as of such earlier date); and

- (ii) ETLA having, as of the Record Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Record Date;

9. **The ElectroTech Warranties and ElectroTech's Covenants:**

- (i) (A) the ElectroTech Warranties that are qualified as to materiality being true and correct;
- (B) the ElectroTech Warranties that are not qualified as to materiality being true and correct in all material respects,

in each case as of the date of the Implementation Agreement and as of the Record Date as though made on and as of that date except to the extent any such ElectroTech Warranty expressly relates to an earlier date (in which case as of such earlier date); and

- (ii) ElectroTech having, as of the Record Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Record Date;

10. **No ETLA Material Adverse Event:** none of the following events, matters or circumstances having occurred between the date of the Implementation Agreement and the Record Date:

- (i) (A) any ETLA Major Customer having terminated, or any ETLA Group Company having received any notice from any ETLA Major Customer terminating or indicating its intention to terminate, an ETLA Major Contract; or

- (B) any ETLA Group Company having received any notice from any ETLA Lender demanding repayment of any outstanding amounts owed under, or terminating or indicating its intention to terminate, the relevant ETLA Financing Contract pursuant to its terms ("**Relevant Event**"), provided that it will not be an ETLA Material Adverse Event if (1) such Relevant Event did not arise due to a default by the ETLA Group and any such termination of banking, credit, loan or financing facilities are replaced by the ETLA Group as soon as practicable with other banking, credit, loan or financing facilities of similar and comparable amounts and commercial terms, or (2) any such Relevant Event will not cause, give rise to, or result in, an aggregate amount of 5% of the ETLA NAV or more (based on ETLA's latest published consolidated financial statements at the time of occurrence of such Relevant Event) becoming immediately due and payable (whether as a result of cross-default provisions in other ETLA Financing Contracts or otherwise);
- (ii) a diminution in the ETLA NAV (calculated on the same basis as the calculation for the ETLA NAV for the financial year ended 31 December 2007) to an amount less than S\$30 million:
 - (A) as at 30 September 2008, based on the 30 September 2008 ETLA NAV as shall be set out in a statement by ETLA to be publicly released no later than 5 December 2008; or
 - (B) as at 31 December 2008, based on the publicly released consolidated unaudited financial statements of ETLA for the full financial year ending 31 December 2008 (in the event the Record Date falls after the date on which ETLA is due to publicly release the said financial statements pursuant to the Listing Manual, but before the Long-Stop Date); or
 - (C) as at 31 December 2008, based on the consolidated audited financial statements of ETLA for the full financial year ending 31 December 2008 (in the event the Record Date falls after the date on which the said consolidated audited financial statements of ETLA are made publicly available, but before the Long-Stop Date),

provided that any diminution or increase in the ETLA NAV arising from currency translations (during the period of 1 July 2008 to 30 September 2008, in the event the statement in paragraph 10(ii)(A) above is referred to, or during the period of 1 July 2008 to 31 December 2008, in the event the financial statements in paragraphs 10(ii)(B) or 10(ii)(C) above are referred to) attributable only to the difference between the Functional Currency of any ETLA Group Company and the Presentation Currency of ETLA shall not be taken into account;

11. **No ElectroTech Material Adverse Event:** none of the following events, matters or circumstances having occurred between the date of the Implementation Agreement and the Record Date:

- (i) any ElectroTech Major Customer having terminated, or any ElectroTech Group Company having received any notice from any ElectroTech Major Customer

terminating or indicating its intention to terminate, an ElectroTech Major Contract; and

- (ii) a diminution in the ElectroTech NAV (calculated on the same basis as the calculation for the ElectroTech NAV for the financial year ended 31 December 2007) to an amount less than S\$159 million:
 - (A) as at 30 September 2008, based on the publicly released consolidated unaudited financial statements of ElectroTech for the period from 1 July 2008 to 30 September 2008; or
 - (B) as at 31 December 2008, based on the publicly released consolidated unaudited financial statements of ElectroTech for the full financial year ending 31 December 2008 (in the event the Record Date falls after the date on which ElectroTech is due to publicly release the said financial statements pursuant to the Listing Manual, but before the Long-Stop Date); or
 - (C) as at 31 December 2008, based on the consolidated audited financial statements of ElectroTech for the full financial year ending 31 December 2008 (in the event the Record Date falls after the date on which the said consolidated audited financial statements of ElectroTech are made publicly available, but before the Long-Stop Date),

provided that any diminution or increase in the ElectroTech NAV arising from currency translations (during the period of 1 July 2008 to 30 September 2008, in the event the financial statements in paragraph 11(ii)(A) above are referred to, or during the period of 1 July 2008 to 31 December 2008, in the event the financial statements in paragraphs 11(ii)(B) or 11(ii)(C) above are referred to) attributable only to the difference between the Functional Currency of any ElectroTech Group Company and the Presentation Currency of ElectroTech shall not be taken into account; and

12. **Irrevocable Undertakings:** contemporaneous with the execution of the Implementation Agreement:

- (i) certain ETLA Shareholders, as set out in Part I of Schedule 3 (collectively, the "**ETLA Undertaking Shareholders**", and each an "**ETLA Undertaking Shareholder**"), each providing an irrevocable undertaking (collectively, the "**ETLA Irrevocable Undertakings**", and each an "**ETLA Irrevocable Undertaking**") to ElectroTech in a form and substance satisfactory to ElectroTech that each ETLA Undertaking Shareholder will:
 - (A) vote and/or procure the voting of the ETLA Shares as set out against his/her name in Part I of Schedule 3 in favour of the Scheme and any other matter necessary or proposed to implement the Scheme at the Court Meeting;
 - (B) subject to the terms and conditions of his/her employment agreement with ETLA not being materially adverse from that as at the date of the Implementation Agreement, will not resign or terminate his/her employment with ETLA, or give any notice to ETLA to resign or terminate his/her employment, in his/her current office and designation, for a period of two (2) years after the Effective Date;

- (C) not, for a period of six (6) months after the Effective Date ("**Initial Period**"), sell, transfer or otherwise dispose of any of his/her ElectroTech Shares;
 - (D) not, for a period of six (6) months after the Initial Period, sell, transfer or otherwise dispose of more than half or 50% of his/her ElectroTech Shares; and
 - (E) subject to his/her fiduciary duties solely in his/her capacity as a director of ETLA (where applicable), reject any Competing Bid, not solicit or accept any Competing Bid, and where applicable, vote against any Competing Bid, during the term of the ETLA Irrevocable Undertakings; and
- (ii) certain ElectroTech Shareholders, as set out in Part II of Schedule 3 (collectively, the "**ElectroTech Undertaking Shareholders**", and each an "**ElectroTech Undertaking Shareholder**"), each providing an irrevocable undertaking (collectively, the "**ElectroTech Irrevocable Undertakings**", and each an "**ElectroTech Irrevocable Undertaking**") to ETLA in a form and substance satisfactory to ETLA that each ElectroTech Undertaking Shareholder will:
- (A) vote and/or procure the voting of the ElectroTech Shares as set out against his name in Part II(A) of Schedule 3 to approve the Acquisition and any other matter necessary or proposed to implement the Acquisition at the ElectroTech EGM and at any adjournment thereof;
 - (B) not, for the Initial Period, sell, transfer or otherwise dispose of any of the ElectroTech Shares as set out against his name in Part II(B) of Schedule 3; and
 - (C) not, for a period of six (6) months after the Initial Period, sell, transfer or otherwise dispose of more than half or 50% of the ElectroTech Shares as set out against his name in Part II(B) of Schedule 3.

SCHEDULE 2

PRESCRIBED OCCURRENCES

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the respective registered offices of ElectroTech and ETLA during their respective normal business hours for three months from the date of this Joint Announcement or until the Effective Date, whichever is the later.

For the purpose of the Implementation Agreement, ("**Prescribed Occurrence**"), in relation to the ElectroTech Group or the ETLA Group, as the case may be, means any of the following:

1. **Conversion of Shares:** ElectroTech or ETLA converting all or any of its shares into a larger or smaller number of shares;
2. **Share Buy-back:** ElectroTech or ETLA entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the Companies Act or the equivalent companies or securities legislation;
3. **Alteration of Share Capital:** ElectroTech or ETLA resolving to alter its share capital in any way. For the avoidance of doubt in relation to ElectroTech only, this does not include any resolution to increase the issued share capital of ElectroTech to implement the Scheme pursuant to the Implementation Agreement or to grant ElectroTech Options (subject to the maximum of 10,000,000 ElectroTech Shares, in respect of which ElectroTech Options may be granted, in the period commencing from the date of the Implementation Agreement and up till and including the Effective Date (the "**ElectroTech Options Limit**")), and any increase in the issued share capital of ElectroTech arising from the granting, allotment or issuance of ElectroTech Options (subject to the ElectroTech Options Limit), or of the New ElectroTech Shares;
4. **Allotment of Shares:** Any ElectroTech Group Company or ETLA Group Company making an allotment of, or granting an option to subscribe for, any shares or securities convertible into shares or agreeing to make such an allotment or to grant such an option or convertible security, other than, any allotment of shares to its fellow ElectroTech Group Company or ETLA Group Company (as the case may be), and in relation to ElectroTech only, any grant of ElectroTech Options (subject to the ElectroTech Options Limit), or any allotment of shares pursuant to the Implementation Agreement;
5. **Issuance of Debt Securities:** Any ElectroTech Group Company or ETLA Group Company issuing, or agreeing to issue, convertible notes or other debt securities;
6. **Dividends and other Distributions:** ElectroTech or ETLA declaring, making or paying any dividends or any other form of distribution to its shareholders without the prior written approval of the other Party save, in relation to ElectroTech only: (i) as already declared or paid, as at the date of the Implementation Agreement, and (ii) for the final dividends to be declared (as approved by the ElectroTech Shareholders) or paid by ElectroTech in respect of its financial year ending 31 December 2008 as consistent with its usual annual policy of distribution of dividends. Subject to applicable laws and regulations, it has been agreed between ElectroTech and ETLA that the aggregate amount of dividends (if any) that may be declared and paid by ElectroTech in respect of its financial year ending 31 December 2008 shall not exceed 40% of the net profit after tax of ElectroTech for the financial year ending 31 December 2008;

7. **Injunction:** an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by ElectroTech or ETLA;
8. **Resolution for Winding Up:** any ElectroTech Group Company or ETLA Group Company (save for Eng Tic Lee Achieve (M) Sdn Bhd) resolving that it be wound up;
9. **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager and/or provisional judicial manager of any ElectroTech Group Company or ETLA Group Company;
10. **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of any ElectroTech Group Company or ETLA Group Company;
11. **Composition:** any ElectroTech Group Company or ETLA Group Company entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
12. **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of any ElectroTech Group Company or ETLA Group Company;
13. **Insolvency:** any ElectroTech Group Company or ETLA Group Company becoming or being deemed by law or a court to be insolvent, or stops or suspends or defaults on, or threatens to stop or suspend or default on, payment of its debts;
14. **Cessation of Business:** any ElectroTech Group Company or ETLA Group Company ceases or threatens to cease for any reason to carry on business in its usual ordinary course;
15. **Breach of the Implementation Agreement:** ElectroTech or ETLA being in material breach of any of the provisions of the Implementation Agreement;
16. **Investigations and Proceedings:** if any ElectroTech Group Company or ETLA Group Company or any of their respective directors is or will be the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding relating to any criminal or statutory offence of any ElectroTech Group Company or ETLA Group Company or any of their respective directors, which would have a material adverse effect on the business, operations, assets and/or financial condition of the ElectroTech Group or the ETLA Group respectively, taken as a whole, provided that this paragraph does not apply to a case where a relevant ElectroTech Group Company or ETLA Group Company or any of their respective directors assists in any investigation of other persons; or
17. **Analogous Event:** any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

SCHEDULE 3

UNDERTAKING SHAREHOLDERS

Part I

ETLA Undertaking Shareholders:

Names of ETLA Undertaking Shareholders who are providing the ETLA Irrevocable Undertakings and the total number of ETLA Shares owned (including direct, deemed or beneficial interest) or controlled by them:

Name of ETLA Undertaking Shareholder	Number of ETLA Shares
Derrick Tan Lai Heng	38,111,640
Frances Yap Yock Ran	38,111,640
Ricky Lee Tiam Nam	11,501,300
Barry Sim Mong Huat	1,500,000

Part II

ElectroTech Undertaking Shareholders:

Names of ElectroTech Undertaking Shareholders who are providing the ElectroTech Irrevocable Undertakings and the number of ElectroTech Shares owned or controlled by them, for the purposes of:

(A) the Scheme Condition in paragraph 12(ii)(A) of Schedule 1 to this Joint Announcement:

Name of ElectroTech Undertaking Shareholder	Number of ElectroTech Shares
Dato' Larry Low Hock Peng	17,912,000
Gooi Soon Hock	104,412,194

(B) the Scheme Conditions in paragraphs 12(ii)(B) and 12(ii)(C) of Schedule 1 to this Joint Announcement:

Name of ElectroTech Undertaking Shareholder	Number of ElectroTech Shares
Dato' Larry Low Hock Peng	16,372,000
Gooi Soon Hock	97,711,424