

**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

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

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#### 1. INTRODUCTION

The respective directors of ElectroTech Investments Limited ("**ElectroTech**") and ETLA Limited ("**ETLA**") refer to the joint announcement made by ElectroTech and ETLA on 3 November 2008 (the "**Joint Announcement**") in relation to 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 to be effected by way of ETLA implementing a scheme of arrangement (the "**Scheme**") under Section 210 of the Companies Act, Chapter 50 of Singapore, and in accordance with the Singapore Code on Take-overs and Mergers (the "**Code**"), resulting in the merger of the ElectroTech group and the ETLA group (the "**Proposed Merger**"). ElectroTech and ETLA had on 3 November 2008 entered into an implementation agreement to implement the Scheme, and on 5 December 2008 entered into a supplemental agreement to supplement and vary certain terms of the implementation agreement (collectively, the "**Implementation Agreement**").

Unless otherwise defined, capitalised terms used in this Announcement shall have the same meanings as defined in the Joint Announcement.

#### 2. SECOND SUPPLEMENTAL AGREEMENT

It is noted in the announcement made by ElectroTech on 20 February 2009 that in line with ElectroTech's plans to rationalise its mechatronics operations, a new indirect wholly owned subsidiary, Frencken Mechatronics (M) Sdn. Bhd. ("**FMMSB**"), was incorporated in Penang, Malaysia (that is held through ElectroTech's wholly-owned Dutch subsidiary, Frencken Group B.V. in The Netherlands). The directors of ElectroTech wish to inform that FMMSB has assumed ElectroTech's mechatronics activities in Malaysia, previously undertaken by Frencken Malaysia Sdn. Bhd. ("**FMSB**"), ElectroTech's indirect wholly owned subsidiary in Penang, Malaysia. Pursuant thereto, FMSB has transferred its fixed assets and inventory to FMMSB, and ElectroTech has taken steps to wind down the operations of FMSB. FMSB will be passing a resolution to be voluntarily wound up.

In view of the above, ElectroTech and ETLA have agreed to supplement and vary the terms of the Implementation Agreement. The respective directors of ElectroTech and ETLA now wish to announce that ElectroTech and ETLA have today entered into a second supplemental agreement to supplement and vary the terms of the Implementation Agreement (the "**Second Supplemental Agreement**") relating to the following:

- 2.1 **Prescribed Occurrences.** As stated in the Joint Announcement, the Scheme is conditional upon the satisfaction or waiver (as the case may be) of the Scheme Conditions as set out in Schedule 1 to the Joint Announcement. The Scheme Conditions include, as set out in paragraph 7 of Schedule 1 to the Joint Announcement, there being no Prescribed Occurrence in relation to the ETLA Group or the ElectroTech Group occurring between the date of the Implementation Agreement and the Record

Date. As set out at paragraphs 8, 9, 10 and 14 of Schedule 2 to the Joint Announcement, a Prescribed Occurrence includes the following: (a) any ElectroTech Group Company or ETLA Group Company (save for Eng Tic Lee Achieve (M) Sdn Bhd) resolving that it be wound up; (b) the appointment of a liquidator, provisional liquidator, judicial manager and/or provisional judicial manager of any ElectroTech Group Company or ETLA Group Company; (c) the making of an order by a court of competent jurisdiction for the winding up of any ElectroTech Group Company or ETLA Group Company; and (d) 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.

ElectroTech and ETLA have agreed in the Second Supplemental Agreement that for the purposes of the abovementioned Prescribed Occurrences, an ElectroTech Group Company shall exclude FMSB.

- 2.2 **ElectroTech's Undertakings.** Pursuant to the Implementation Agreement, ElectroTech has undertaken to ETLA that, amongst other things, ElectroTech will and will procure that each of its subsidiaries will, from 3 November 2008 (being the date of the execution of the Implementation Agreement) to the Effective Date, or as the case may be, the termination of the Implementation Agreement, save insofar as otherwise agreed in writing by ETLA, carry on its business in the ordinary and normal course of business consistent with past practices and in compliance in all material respects with all applicable laws and regulations, so as to maintain the same as a going concern to the extent consistent therewith.

ElectroTech and ETLA have agreed in the Second Supplemental Agreement that ElectroTech's abovementioned undertaking shall be amended to exclude any order made, application presented, resolution passed, proceedings commenced or action taken in relation to the voluntary winding-up or liquidation of FMSB (including ceasing to carry on business in its usual ordinary course) and/or any action taken by any ElectroTech Group Company in connection therewith.

### 3. **ADDITIONAL DEED OF UNDERTAKING BY DATO' LARRY LOW HOCK PENG**

- 3.1 **ElectroTech Irrevocable Undertaking.** It was announced in the Joint Announcement that Dato' Larry Low Hock Peng had provided an ElectroTech Irrevocable Undertaking to ETLA to, amongst other things, (a) vote and/or procure the voting of 17,912,000 ElectroTech Shares, 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; (b) not, for the Initial Period, sell, transfer or otherwise dispose of any of 16,372,000 of the said ElectroTech Shares; 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 said 16,372,000 ElectroTech Shares.

- 3.2 **Additional Deed of Undertaking.** The respective directors of ElectroTech and ETLA now wish to announce that Dato' Larry Low Hock Peng has today executed a second deed of undertaking in addition to his ElectroTech Irrevocable Undertaking (the "**Additional Undertaking**") in favour of ETLA in respect of an additional 23,454,794 ElectroTech Shares (the "**Additional ElectroTech Shares**").

In addition to the ElectroTech Irrevocable Undertaking provided by Dato' Larry Low Hock Peng in respect of the aforesaid ElectroTech Shares, Dato' Larry Low Hock Peng further undertakes pursuant to the Additional Undertaking to, amongst other things:

- (a) procure the voting of all of the Additional ElectroTech Shares 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;

- (b) not, for the Initial Period, sell, transfer or otherwise dispose of any of the Additional ElectroTech Shares; 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 Additional ElectroTech Shares.

Save that in respect of the obligations described in sections 3.2(b) and 3.2(c) above (in which those obligations shall expire on the respective expiry dates set out therein), Dato' Larry Low Hock Peng's obligations under the Additional Undertaking will generally terminate on the earlier of any of the following dates:

- (i) the date in which the Implementation Agreement terminates or is terminated; or
- (ii) the Effective Date.

Accordingly, as at the date of this Announcement, Dato' Larry Low Hock Peng is providing irrevocable undertakings, pursuant to the ElectroTech Irrevocable Undertaking and the Additional Undertaking, for the following ElectroTech Shares owned or controlled by him, as follows:

- (A) to vote, and/or procure the voting of, all of the 41,366,794 ElectroTech Shares 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;
- (B) not, for the Initial Period, sell, transfer or otherwise dispose of any of 39,826,794 of the said ElectroTech Shares; 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 39,826,794 of the said ElectroTech Shares.

#### **4. DOCUMENTS FOR INSPECTION**

Copies of the Second Supplemental Agreement and the Additional Undertaking will be made available for inspection during normal business hours at the registered offices of both ElectroTech and ETLA for three months from the date of this Announcement or up until the Effective Date, whichever is the later.

#### **5. RESPONSIBILITY STATEMENTS**

##### **5.1 ElectroTech**

The directors of ElectroTech (including any director who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and the opinions expressed in this Announcement (other than those relating to ETLA) are fair and accurate and, that where appropriate, no material facts have been omitted from this Announcement, the omission of which would make any statement in this 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 Announcement. The directors of ElectroTech do not accept any responsibility for any information relating to or opinions expressed by ETLA.

## 5.2 ETLA

The directors of ETLA (including any director who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and the opinions expressed in this Announcement (other than those relating to ElectroTech) are fair and accurate and, that where appropriate, no material facts have been omitted from this Announcement, the omission of which would make any statement in this 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 Announcement. The directors of ETLA do not accept any responsibility for any information relating to or opinions expressed by ElectroTech.

5 March 2009

BY ORDER OF THE BOARD OF  
**ELECTROTECH INVESTMENTS LIMITED**

BY ORDER OF THE BOARD OF  
**ETLA LIMITED**

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

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