


ALLIANCE TECHNOLOGY AND DEVELOPMENT LIMITED
(IN JUDICIAL MANAGEMENT)
(Company Registration Number 197200994H)

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ANNOUNCEMENT

PROPOSED SCHEMES OF ARRANGEMENT BY ALLIANCE TECHNOLOGY AND DEVELOPMENT LIMITED WITH CREDITORS AND SHAREHOLDERS PURSUANT TO SECTION 210 (READ WITH SECTION 227X) OF THE COMPANIES ACT (CAP. 50) OF SINGAPORE

Introduction

Further to the announcements by Alliance Technology and Development Limited (the “**Company**” or “**ATD**”), currently in judicial management, on 17 April 2003 and 26 March 2004 relating to the proposed schemes of arrangement to be entered into by the Company pursuant to section 210 (read with Section 227X) of the Companies Act (Cap. 50) with its creditors and shareholders (the “**Schemes**”) and the Scheme of Arrangement Agreement dated 16 April 2003 (“**Scheme Agreement**”) made between the Company, Gallant Venture Pte. Ltd. (“**Gallant**”) and P.T. Herwido Rintis (“**PTHR**”), the Company wishes to announce that a revised Scheme of Arrangement Agreement (the “**Revised Scheme Agreement**”) has been entered into by the Company, Gallant and PTHR on 8 February 2005, revising certain terms and conditions of the Schemes. The Revised Scheme Agreement supersedes the Scheme Agreement. Under the terms of the Revised Scheme Agreement, the Schemes would involve, *inter alia*,:

- (a) the cancellation, by way of capital reduction, of all the existing issued and paid-up capital of the Company of S\$82,531,680 divided into 82,531,680 ordinary shares of S\$1.00 each (each, an “**ATD Share**”);
- (b) the transfer by PTHR of ordinary shares of par value S\$0.20 each or such other par value from time to time in the share capital of Gallant (“**Gallant Shares**”) to the existing shareholders of the Company in consideration thereof, based on a share exchange ratio of 100 Gallant Shares for every 1,000 ATD Shares held, fractions to be disregarded;
- (c) the assignment by the creditors of the Company of their rights, title and interests to a portion of their approved claims against the Company (“**Assigned Indebtedness**”) in the aggregate amount of S\$8,400,000 to PTHR and in consideration for such assignment, the transfer by PTHR of such number of Gallant Shares, at a transfer price of S\$0.50 each (or such other price as may be agreed) to such creditors; and

- (d) the allotment and issue of 2 new ordinary shares of S\$1.00 each in the Company (or such other number of ATD Shares as may be agreed between the Company and PTHR), credited as fully paid-up, to PTHR (so that PTHR will hold 100% of the Company's issued capital),

on the terms and conditions of the Revised Scheme Agreement.

Pursuant to the Schemes, each shareholder of the Company will receive 100 Gallant Shares for every 1,000 ATD Shares held, and creditors of the Company will receive such number of Gallant Shares at a transfer price of S\$0.50 for each Gallant Share at an aggregate issue price which shall be equal to the amount of the Assigned Indebtedness assigned to PTHR. Fractional share entitlements will be disregarded.

Acquisition of Batamindo by Gallant Venture Pte Ltd

The Company had on 17 April 2003 announced that, in addition to the Schemes, Gallant had on 16 April 2003 entered into an agreement (the "**Sale and Purchase Agreement**") to acquire an equity interest in P.T. Batamindo Investment Cakrawala ("**Batamindo**") (the "**Batamindo Acquisition**") for an aggregate purchase consideration ("**Purchase Consideration**") of S\$200 million which was to have been satisfied by the issue to PTHR of Gallant Shares, Newco Convertible Bonds and Newco Non-Convertible Bonds (both latter terms as defined in the Company's announcement of 17 April 2003).

Gallant and PTHR have on 8 February 2005 entered into a supplemental agreement ("**Supplemental Agreement**") to vary the terms of the Batamindo Acquisition. Under the revised terms of the Sale and Purchase Agreement (as amended by the Supplemental Agreement), *inter alia*, the Purchase Consideration for the Batamindo Acquisition will be S\$237,496,688. The Purchase Consideration was agreed between the parties taking into account the adjusted audited consolidated net asset value of Batamindo as at 30 June 2004, and will be fully satisfied by the issue of an aggregate of 492,748,100 new Gallant Shares to PTHR. No Newco Convertible Bonds nor Newco Non-Convertible Bonds will be issued by Gallant pursuant to the Batamindo Acquisition.

Additional Acquisitions

In addition to acquiring an equity interest in Batamindo, Gallant is currently in discussions and/or has agreed to acquire equity interests in various other companies holding Indonesian assets (which, together with the Batamindo Acquisition, shall be referred to hereinafter as the "**Acquisitions**") from certain other parties (the "**Asset Vendors**"). It is proposed that the purchase consideration for these acquisitions will be satisfied by the allotment of new ordinary shares in Gallant to the respective Asset Vendors ("**Gallant Consideration Shares**"). Subject to Gallant entering into further agreements for the respective Acquisitions with the Asset Vendors and completion of the Acquisitions taking place, the proforma group comprising Gallant and its subsidiaries (the "**Gallant Group**") will be involved in the following businesses, namely, property development of, *inter alia*, certain land situated in Bintan, Indonesia, the ownership and management of industrial parks (which will include the Batamindo Industrial Park located in Batam, Indonesia), the provision of support facilities and

services to resorts located in Bintan, and the provision of utilities and telecommunications services to the tenants and operators of the above industrial parks and resorts respectively.

Subject to the completion of the Acquisitions taking place, it is expected that one of the Asset Vendors will use its best endeavours to place (the “**Placement**”) certain Gallant Shares to be received by it from the Acquisitions to private investors in connection with the proposed listing of Gallant on the SGX-ST Dealing and Automated Quotation System (“**SGX-Sesdaq**”). Immediately after the Placement and the Schemes, it is expected that the Asset Vendors and PTHR will collectively hold approximately 85% of the enlarged issued share capital of Gallant.

Proforma financial information on the Gallant Group

Subject to the further agreements for the Acquisitions being entered into by the relevant parties thereto and the completion of the Acquisitions, immediately after the completion of the Schemes and the Acquisitions, Gallant is expected to have an issued and paid-up capital of S\$426,168,810 comprising 2,130,844,050 ordinary shares of par value S\$0.20 each. Assuming the completion of the Acquisitions, based on the proforma management accounts provided to the Company, the profit after tax and minority interest of the Gallant Group for the half year ended 30 June 2004 would be approximately S\$8.8 million, the net tangible assets of the Gallant Group as at 30 June 2004 would be approximately S\$1.07 billion, and the net tangible assets per Gallant Share would be approximately S\$0.50.

Subject to the further agreements for the Acquisitions being entered into and the completion of the Acquisitions, the financial information based on the proforma management accounts of the Gallant Group for the past 3 financial years (“**FY**”) ended 31 December 2003 and the six months ended (“**HY**”) 30 June 2004 as provided to the Company, is expected to be as set out below.

	FY2001 (S\$'000)	FY2002 (S\$'000)	FY2003 (S\$'000)	HY2003 (S\$'000)	HY2004 (S\$'000)
Revenue	209,432	202,308	191,695	93,969	100,746
Cost of operating revenue	114,077	120,525	129,087	62,958	69,907
Operating profit	95,355	81,783	62,608	31,011	30,839
Profit before taxation	35,359	43,186	17,846	7,079	17,383
Profit after taxation and minority interest	33,155	20,815	5,822	2,286	8,826
Earnings before interest, taxation, depreciation and amortization	100,404	104,287	71,783	35,230	45,258

	As at 31 December 2003 (S\$'000)	As at 30 June 2004 (S\$'000)
Non-current assets	793,005	823,159
Current assets	663,767	696,806
Current liabilities	143,178	144,029
Non-current liabilities	102,894	186,643
Minority interest	109,395	110,819
Shareholders' equity	1,101,305	1,078,474

Conditions

The Schemes are conditional upon, *inter alia*,:

- (a) leave of the Court having been obtained for the Judicial Managers to propose the Schemes and to call for such meetings as are necessary for the Schemes;
- (b) the approval in-principle of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") to the listing of Gallant Shares, including the shares to be issued pursuant to the Acquisitions, on the SGX-Sesdaq;
- (c) the requisite approvals of the shareholders and creditors of the Company including such approvals required under Section 210 (read with Section 227X) and Section 73 of the Companies Act (Cap. 50) and the sanction and confirmation of the High Court of Singapore for the Schemes and the reduction of ATD's share capital;
- (d) the grant of a waiver or an exemption or confirmation by the relevant authorities (including the Securities Industry Council) that the Schemes are exempted from Rules 14, 15, 16, 17, Note 1(b) on Rule 19, Rule 20.1, Rules 21, 22, 28, 29 and Rule 33.2 of the Singapore Code on Takeovers and Mergers ("**Code**"); and for a whitewash waiver from any obligation under the Code for PTHR, the Asset Vendors and/or parties acting in concert with any of them (including in the case of PTHR, the Salim group) and for Gallant and parties acting in concert with it, to make a takeover offer for Gallant and the Company, as a result of the Acquisitions and the Schemes; and
- (e) the Placement becoming unconditional in all respects save for any conditions thereof relating to the Schemes and the listing of Gallant on the SGX-Sesdaq.

Rationale for the Schemes

Based on the proforma management accounts of the Gallant Group for the financial years ended 31 December 2001, 2002 and 2003, and for the six months ended 30 June 2004 provided to the Company, which are subject to review by the reporting

accountants, the Gallant Group is profitable. With the proposed restructuring, the shareholders and creditors of the Company will be able to exchange their shares in the Company and part of their debts owing by the Company (as the case may be) for shares in Gallant, which is expected to own substantial assets pursuant to the Acquisitions. The Judicial Managers of the Company are of the opinion that the Schemes together with the Acquisitions provide a better return to both creditors and shareholders of the Company through their participation in Gallant.

Financial Effects

Based on the unaudited results of the ATD group of companies (“**ATD Group**”), the financial effects of the Schemes on the ATD Group will be as follows:

	As at 31 December 2003	After the Schemes become effective
Issued and paid-up share capital (S\$)	82,531,680	2
Net tangible liabilities (S\$'000)	(55,778)	(55,778)
Profit before income tax, minority interests and extraordinary items (S\$'000) ⁽¹⁾	2,892	2,892
Gearing	Not meaningful	Not meaningful

Note:

(1) After taking into account exceptional items of approximately S\$12.9 million.

Certain proforma financial information in relation to the Gallant Group is set out above in this announcement.

Approval of the SGX-ST

An application has been made by Gallant to the SGX-ST on 9 December 2004 for admission to, and the listing and quotation of the entire share capital of Gallant, including the Gallant Consideration Shares, on the SGX-Sesdaq.

An application will be made by the Company to the SGX-ST for its approval of the Schemes.

Appointments

As previously announced by the Company, Ernst & Young Corporate Finance Pte Ltd has been appointed as financial advisers to the Schemes. Should a Whitewash Waiver be granted by the SIC for purposes of the Code in respect of the Schemes under the Revised Scheme Agreement, PrimePartners Corporate Finance Pte Ltd

will act as independent financial adviser to advise the shareholders of the Company in relation to the Schemes. Asian Corporate Advisors Pte Ltd has been appointed by Gallant as the manager in relation to the proposed listing and quotation of Gallant's shares on the SGX-Sesdaq.

General

A scheme document containing further details of the Schemes and convening the required meetings of the creditors and shareholders under the Schemes will be dispatched in due course to shareholders and creditors of the Company.

Copies of the Revised Scheme Agreement will be made available for inspection during normal business hours at the Company's registered office at 10 Collyer Quay, #21-01 Ocean Building, Singapore 049315 for a period of 3 months from the date of this Announcement.

Disclaimer

The Judicial Managers, being agents of the Company, disclaim all personal liability in relation to and in connection with the Schemes, the Acquisitions and this announcement.

Submitted by Ong Yew Huat, Judicial Manager of Alliance Technology and Development Limited (In Judicial Management) on 8 February 2005.