

**ALLIANCE TECHNOLOGY AND DEVELOPMENT LIMITED  
(IN JUDICIAL MANAGEMENT)**

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**ANNOUNCEMENT**

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- (I) 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; AND**
  - (II) PROPOSED ACQUISITION OF 50% EQUITY INTEREST IN P.T. BATAMINDO INVESTMENT CAKRAWALA**
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Alliance Technology and Development Limited (the "Company"), currently in judicial management announced on 17 April 2003 (the "17 April Announcement"), that it proposes to enter into schemes of arrangement in accordance with section 210 (read with section 227X) of the Companies Act (Cap. 50) with its creditors and shareholders (the "Schemes"). In this regard, the Company had on 16 April 2003 entered into a Scheme of Arrangement Agreement with Gallant Venture Pte. Ltd. ("Newco") and P.T. Herwido Rintis (the "Investor"). In addition, on the same day, Newco entered into a Sale and Purchase Agreement with the Investor for the acquisition ("Acquisition") by Newco from the Investor its 50% equity interest in P.T. Batamindo Investment Cakrawala ("Batamindo"). The purchase consideration for the Acquisition will be satisfied by the issue by Newco of new ordinary shares of S\$0.10 each in the capital of Newco at an issue price of S\$0.20 per share (the "Newco Consideration Shares"), two per cent. (2%) fixed rate unsecured bonds due 2013 and one per cent. (1%) fixed rate unsecured convertible bonds due 2013.

**Approval from Securities Industry Council ("SIC")**

In the 17 April Announcement, it was stated that the Company has sought rulings from the SIC for the following :

- (i) the exemption of the Schemes from Rules 14, 15, 16, 17, Note 1(b) on Rule 19, Rule 20.1, Rules 21, 22, 28, 29 and Rule 33.2 (the "Relevant Provisions") of the Singapore Code on Takeovers and Mergers (the "Code") and that accordingly Newco is not obliged to make any general offer for the Company by reason of the Schemes; and
- (ii) a waiver from the requirement under Rule 14.1 of the Code for the Investor and parties acting or deemed to be acting in concert with it to make a general offer for Newco arising from the issue of the Newco Consideration Shares pursuant to the Acquisition.

The Company wishes to announce that the SIC has, in a letter dated 23 April 2003, exempted the Schemes from the Relevant Provisions of the Code, and has waived the requirement for the Investor and/or parties acting in concert with it to make a general offer following the Investor's acquisition of the Newco Consideration Shares pursuant to the Acquisition subject to the following conditions:

- (i) the Investor, parties acting in concert with it and parties not independent of it abstain from voting on the Schemes;
- (ii) the Investor and its concert parties did not purchase and are not to purchase, as the case may be, any shares in the Company or instruments convertible into, rights to subscribe for and options in respect of shares in the Company:
  - 1. during the period between the announcement of the Acquisition and the date shareholders'/creditors' approval is obtained for the Schemes; and
  - 2. in the 6 months prior to the announcement of the Acquisition, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Acquisition;
- (iii) the Company appoints an independent financial adviser to advise its independent shareholders on the Schemes;
- (iv) the Company sets out clearly in the documents on the Schemes:
  - (1) details of the Acquisition;
  - (2) the dilution effect to holders of Newco shares upon the completion of the Acquisition;
  - (3) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of shares in the Company held by the Investor and its concert parties as at the latest practicable date;
  - (4) specific and prominent reference to the fact that the Acquisition could result in the Investor holding shares carrying over 49% of the voting rights of Newco based on its enlarged issued share capital, and that the Investor will be free to acquire further Newco shares without incurring any obligation under Rule 14 to make a general offer for Newco; and
  - (5) that shareholders and/or creditors, by voting for the Schemes, are waiving their rights to a general offer from the Investor at the highest price paid by the Investor and parties acting in concert with it for Newco in the past 6 months preceding the commencement of the offer;
- (v) the documents on the Schemes state that the waiver (the "Waiver") granted by the SIC to the Investor and parties acting in concert with it from the requirement to make a general offer under Rule 14 is subject to the conditions stated at sub-paragraphs (1) to (5) above; and

- (vi) the Company obtains the SIC's approval in advance for those parts of the documents on the Schemes that refer to the Waiver.

Disclaimer

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

Submitted by Ong Yew Huat, Judicial Managers of Alliance Technology and Development Limited (In Judicial Management) on 24 April 2003.