

CIRCULAR DATED 10 FEBRUARY 2006

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If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional advisor immediately.

If you have sold all your shares in Lindeteves-Jacoberg Limited (the “**Company**”), please forward this Circular to the purchaser or banker, stockbroker or agent through whom you effected the sale for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. Approval by the SGX-ST for the issue of this Circular is not to be taken as an in-principle approval for the listing and quotation of the Subscription Shares and the Conversion Shares, or as an indication of the merits of the Company, its subsidiaries, its securities, the Proposed Investment and the Debt Restructuring Exercise (each as defined in the Circular).



**LINDETEVES-JACOBURG LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 194700172G)

**CIRCULAR TO SHAREHOLDERS**

in relation to the

- (1) PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO ATB AUSTRIA ANTRIEBSTECHNIK AG, REPRESENTING 29.99% OF THE ENLARGED ISSUED SHARE CAPITAL OF THE COMPANY, FOR AN AGGREGATE SUBSCRIPTION CONSIDERATION OF S\$24,668,010; AND**
- (2) PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY, REPRESENTING 12% OF THE ENLARGED ISSUED SHARE CAPITAL OF THE COMPANY, TO THE SCHEME CREDITORS (AS DEFINED BELOW) PURSUANT TO A CONVERSION OF DEBTS OWING BY THE COMPANY TO THE SCHEME CREDITORS IN ACCORDANCE WITH THE DEBT RESTRUCTURING EXERCISE (AS DEFINED BELOW).**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgment of Proxy Form	:	25 February 2006 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	27 February 2006 at 10.00 a.m.
Place of Extraordinary General Meeting	:	7 Temasek Boulevard, #11-01 Suntec Tower One, Singapore 038987

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## DEFINITIONS

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In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

***Definitions used throughout this Circular***

“Act”	:	Companies Act (Chapter 50) of Singapore as amended from time to time and any statutory modification or re-enactment thereof for the time being in force
“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“Advance Agreement”	:	The advance agreement dated 27 August 2005 between ATB and the Company, as amended by a supplemental agreement dated 21 December 2005 between ATB and the Company
“Advances”	:	The aggregate sum of S\$24,668,010 comprising the First Tranche Advance and the Second Tranche Advance
“Anti-Trust Approvals”	:	Has the meaning ascribed to it in Section 4.2.2 of this Circular
“Arisaig”	:	Arisaig ASEAN Fund Limited and Arisaig Partners (BVI) Ltd (fund manager)
“ATB”	:	ATB Austria Antriebstechnik AG
“ATB Group”	:	The subsidiaries and associated companies of ATB
“Board”	:	The board of Directors of the Company
“Business Day”	:	A day (excluding Saturday, Sunday and gazetted public holdings in Singapore, Germany and Austria) on which commercial banks are open for business in Singapore, Germany and Austria
“Call Option”	:	The Call Option granted by G15 to ATB under the Call Option Agreement
“Call Option Agreement”	:	The call option agreement dated 27 August 2005 between G15 and ATB, as amended by a supplemental agreement dated 21 December 2005 between G15 and ATB
“Call Option Shares”	:	An aggregate of 75,087,499 Shares that form the subject matter of the Call Option
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders
“Code”	:	The Singapore Code on Take-overs and Mergers
“Company”	:	Lindeteves-Jacoberg Limited
“Conditional Period”	:	Has the meaning ascribed to it in Section 4.2.2 of this Circular
“Contingent Claim”	:	Maybank’s claim against the Company in respect of the relevant Standby Letter of Credit, amounting to approximately S\$10,712,000

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## DEFINITIONS

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“Conversion Date”	:	The latest of (i) the date on which the Debt Restructuring Exercise takes effect, (ii) the date of Subscription Completion and (iii) the date on which Conversion Shares are issued pursuant to the Debt Restructuring Exercise
“Conversion Shares” or “Creditor Shares”	:	The new Shares to be issued to the Scheme Creditors pursuant to the Debt Restructuring Exercise
“Court”	:	The High Court of the Republic of Singapore
“Court Meeting”	:	The meeting of the Scheme Creditors convened on 27 October 2005 under the directions of the Court pursuant to the Company’s application under Section 210 of the Act for the purpose of approving (with or without modifications) the Debt Restructuring Exercise
“Creditors’ Call Option Agreement”	:	Has the meaning ascribed to it in Section 5.2.2 of this Circular
“Debt Restructuring Exercise”	:	The debt restructuring exercise entered into by the Company with the Scheme Creditors by way of a scheme of arrangement under Section 210 of the Act
“Depositor”	:	A person being a Depository Agent or a holder of a Securities Account maintained with CDP but does not include a holder of an account maintained with a Depository Agent
“Depository Agent”	:	An entity registered as a depository agent with CDP for the purpose of maintaining securities sub-accounts for its own account and for the account of others
“Depository Register”	:	A register maintained by CDP in respect of book-entry securities
“Directors”	:	The directors of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held at 7 Temasek Boulevard, #11-01 Suntec Tower One, Singapore 038987 on 27 February 2006 at 10.00 a.m., notice of which is set out on pages 41 and 42 of this Circular
“First Tranche Advance”	:	The first tranche of approximately S\$11,800,000 advanced by ATB to the Company pursuant to the Advance Agreement
“G15”	:	G15 Investment Holdings Pte Ltd
“Group”	:	The Company and its subsidiaries and “ <b>Group Company</b> ” means any of them
“Latest Practicable Date”	:	6 February 2006, being the latest practicable date prior to the printing of this Circular
“LIBOR”	:	London Interbank Offer Rate
“Listing Manual”	:	The Listing Manual of the SGX-ST
“LJ Germany”	:	Lindeteves-Jacoberg Holding GmbH, a wholly owned subsidiary of the Company

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## DEFINITIONS

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“LJE”	:	Lindeteves Engineering Pte Ltd, a wholly owned subsidiary of the Company
“Majority Creditors”	:	A majority in number of the Scheme Creditors representing three-fourths in the aggregate value of the indebtedness owing to the Scheme Creditors
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maturity Date”	:	The date falling 12 months after the date of remittance of the Second Tranche Advance, or if the Subscription Period has been extended by the Conditional Period pursuant to the terms of the Subscription Agreement (as described in Section 4.2.2 of this Circular), the Maturity Date shall also be extended by such period equivalent in duration to the Conditional Period
“NTA”	:	Net tangible assets
“Prescribed Completion Period”	:	Has the meaning ascribed to it in Section 4.1.3 of this Circular
“Proposed Investment”	:	The proposed investment by ATB in the Company pursuant to the terms of the Advance Agreement and Subscription Agreement
“Refinancing”	:	Has the meaning ascribed to it in Section 4.2.4 of this Circular
“Rights Issue Exercise”	:	Has the meaning ascribed to it in Section 4.2.4 of this Circular
“RMB”	:	Renminbi, the lawful currency of the People’s Republic of China
“S\$” and “cents”	:	Singapore dollars and cents respectively
“Scheme Creditors”	:	The bank creditors of the Company participating in the Debt Restructuring Exercise
“Scheme Document”	:	The document setting out the terms and conditions of the Debt Restructuring Exercise, and any amendments thereto or conditions as may be approved by the Court or the Scheme Creditors from time to time
“Schorch”	:	Schorch Elektrische Maschinen und Antriebe GmbH, a wholly owned subsidiary of the Company through LJ Germany
“Schorch Charge”	:	The share pledge duly executed by LJ Germany in favour of ATB over LJ Germany’s entire interest in any and all shares of Schorch, as security for the repayment by the Company to ATB of the Advances and all other monies owing under the Advance Agreement and the Schorch Charge
“Second Tranche Advance”	:	The second tranche of the Advances, being an amount of approximately S\$12,868,010
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

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## DEFINITIONS

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“Share(s)”	:	Ordinary shares in the share capital of the Company
“Shareholders”	:	Registered holders of the Shares, except that where the registered holder is CDP, the term “ <b>Shareholder(s)</b> ” shall, where the context admits, mean the Depositor(s) into whose Securities Account(s) are credited with the Shares
“SIBOR”	:	Singapore Interbank Offer Rate
“SIC”	:	Securities Industry Council
“SIC Confirmation”	:	The ruling from the SIC that (i) G15 and the Scheme Creditors will not be regarded by the SIC as having acted in concert with ATB by virtue of the transactions contemplated by the Advance Agreement and the execution of the Call Option Agreement and the execution of the Creditors’ Call Option Agreement and (ii) ATB would not be required to make a mandatory general offer under the Code upon the execution of the Advance Agreement, the Subscription Agreement, the Schorch Charge, the Call Option Agreement and the Creditors’ Call Option Agreement and upon the allotment and issue of the Subscription Shares, unless and until it and its concert parties acquire Shares which carry 30% or more of the voting rights of the Company, whether pursuant to the exercise of the call options granted pursuant to the Call Option Agreement, the Creditors’ Call Option Agreement or otherwise
“Subscription”	:	The subscription for, and the allotment and issue of, the Subscription Shares on the terms and subject to the conditions of the Subscription Agreement
“Subscription Agreement”	:	The subscription agreement dated 27 August 2005 between ATB and the Company, as amended by a supplemental agreement dated 21 December 2005 between ATB and the Company
“Subscription Completion”	:	The completion of the subscription for, and the allotment and issue of, the Subscription Shares on the terms and subject to the conditions of the Subscription Agreement
“Subscription Consideration”	:	The aggregate sum of S\$24,668,010 payable by ATB for the Subscription Shares
“Subscription Period”	:	Has the meaning ascribed to it in Section 4.2.2 of this Circular
“Subscription Shares”	:	The new Shares to be subscribed by ATB pursuant to the Subscription Agreement
“%”	:	Per centum or percentage

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## DEFINITIONS

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### ***Definitions used in Section 5 of this Circular***

“Accrued Normal Interest”	:	Any Normal Interest that has accrued up till the Commencement Date but remains unpaid as at the Commencement Date
“Approved Claims”	:	<ul style="list-style-type: none"><li>(i) At the Commencement Date, the Scheme Claim of a Scheme Creditor against the Company to the extent and for the amount admitted by the Scheme Manager; and</li><li>(ii) at any date subsequent to the Commencement Date, such amount of the Scheme Claim, as referred to in sub-paragraph (i) above, that still remains owing by the Company to that Scheme Creditor after taking into account the Quarterly Payments or other payments received by that Scheme Creditor under the terms of the Debt Restructuring Exercise</li></ul>
“ATB Commitment Period”	:	The period of sixty (60) months immediately following the Conversion Date
“ATB Recoverable Amounts”	:	<p>The amounts due and owing by the Company to ATB in respect of:</p> <ul style="list-style-type: none"><li>(i) the Advances;</li><li>(ii) interest accrued on the Advances; and</li><li>(iii) expenses relating to the enforcement of the Schorch Charge which the Company is legally obliged to pay (whether contractually or at law)</li></ul>
“BML”	:	Brook Motors Limited, a wholly owned subsidiary of the Company
“Commencement Date”	:	The date on which the Debt Restructuring Exercise takes effect, as declared by the Scheme Manager upon fulfilment of the conditions precedent under the Debt Restructuring Exercise, being 22 December 2005
“Conversion Date”	:	The Commencement Date, the Subscription Completion Date or the Creditor Share Placement Date, whichever is latest
“Conversion Debt”	:	40% of the amount of each Approved Claim (excluding any amounts attributable to the Uncrystallised Contingent Claim) as at the Conversion Date
“Corporate Guarantees”	:	<ul style="list-style-type: none"><li>(i) The corporate guarantees made on or around 8 November 2004 granted by the Company to DBS to secure the debt of BML due to DBS;</li><li>(ii) the corporate guarantee dated 12 December 2003 granted by the Company to HSBC to secure the debt of BML due to HSBC; and</li><li>(iii) the corporate guarantee dated 5 June 2000 granted by the Company to SCB(HK) to secure the debt of WEP due to SCB(HK)</li></ul>

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## DEFINITIONS

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“Corporate Guarantee Debts”	:	The DBS Corporate Guarantee Debt, the HSBC Corporate Guarantee Debt and the SCB Corporate Guarantee Debt
“Creditor Share Placement Date”	:	The date on which the Creditor Shares are allotted and issued to the Scheme Creditors and credited to the Share Escrow Account pursuant to the Debt Restructuring Exercise
“Crystallised Contingent Claim”	:	Any part of the Contingent Claim that has become due and payable by the Company in accordance with the terms of the Standby Letter of Credit at the relevant time
“DBS”	:	DBS Bank Ltd
“DBS Corporate Guarantee Debt”	:	The amount due from BML to DBS, as at the Commencement Date, the payment of which is guaranteed by the Company, less the DBS Retained Corporate Guarantee Debt
“DBS Retained Corporate Guarantee Debt”	:	The sum of £5,100,000 that is due from BML to DBS, the payment of which is guaranteed by the Company
“Default Interest”	:	All default and penalty interest (whether pecuniary or otherwise) payable by the Company to a Scheme Creditor (in addition to any Normal Interest) on any Facility, any Corporate Guarantee Debt and/or the Contingent Claim by virtue of the Company's default of the terms of any Facility, any Corporate Guarantee or issuance of the Standby Letter of Credit
“Direct Debt”	:	The principal indebtedness and all interest accruing on such indebtedness from time to time which are due from the Company to the Scheme Creditors under the Facilities granted by the Scheme Creditors to the Company; or under any arbitration award, judgment or order of Court that a Scheme Creditor may have against the Company
“Disputed Claim”	:	Any Scheme Claim stated in a proof of debt which is rejected or disputed by the Scheme Manager to be due or payable whether in whole or in part
“Escrow Account”	:	The escrow account(s) referred to in Section 5.2.2 of this Circular
“Facilities”	:	The banking and credit facilities granted by the Scheme Creditors to the Company
“Financial Indebtedness”	:	Any indebtedness in respect of: <ul style="list-style-type: none"> <li>(i) moneys borrowed;</li> <li>(ii) any debenture, bond, note, loan stock or other security;</li> <li>(iii) any acceptance or documentary credit issued by a bank or financial institution;</li> <li>(iv) receivables sold or discounted (otherwise than on a non-recourse basis);</li> <li>(v) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset;</li> </ul>

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## DEFINITIONS

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		(vi)	any lease entered into primarily as a method of raising finance or financing the acquisition of the asset leased;
		(vii)	any currency swap or interest swap, cap or collar arrangement or any other derivative instrument;
		(viii)	any amount raised under any other transaction having the commercial effect of a borrowing or raising of money; or
		(ix)	any guarantee, indemnity or similar assurance against financial loss of any person
"HSBC"	:		HSBC Bank Plc.
"HSBC Corporate Guarantee Debt"	:		The amount due from BML to HSBC, as at the Commencement Date, the payment of which is guaranteed by the Company, less the HSBC Retained Corporate Guarantee Debt
"HSBC Retained Corporate Guarantee Debt"	:		The sum of £400,000 that is due from BML to HSBC, the payment of which is guaranteed by the Company
"Material Adverse Effect"	:	(i)	A material adverse effect on the business or financial condition of any member of the Group or the Group as a whole; or
		(ii)	a material adverse effect on the ability of the Company, ATB or G15 to perform its obligations under any of the Restructuring Documents
"Material LJ Subsidiary"	:		At any time, a subsidiary of the Company (" <b>LJ Subsidiary</b> ") whose pre-tax profits (excluding intra-Group items) then equal or exceed 15% of the pre-tax profits of the Group.

For this purpose:

- (i) the pre-tax profits of a LJ Subsidiary will be determined from its financial statements (unconsolidated if it has subsidiaries) upon which the latest audited financial statements of the Group have been based;
- (ii) if a LJ Subsidiary becomes a member of the Group after the date on which the latest audited financial statements of the Group have been prepared, the pre-tax profits of that LJ Subsidiary will be determined from its latest financial statements;
- (iii) the pre-tax profits of the Group will be determined from its latest audited financial statements, adjusted (where appropriate) to reflect the pre-tax profits of any company or business subsequently acquired or disposed of; and
- (iv) if a Material LJ Subsidiary disposes of all or substantially all of its assets to another LJ Subsidiary, it will immediately cease to be a Material LJ Subsidiary and the other LJ Subsidiary (if not already) will immediately become a Material LJ Subsidiary; thereafter, the subsequent financial statements of those LJ Subsidiaries and the Group will be used to determine whether those LJ Subsidiaries are Material LJ Subsidiaries or not.

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		If there is any dispute as to whether or not a company is a Material LJ Subsidiary, a certificate of the auditors of the Company will be, in the absence of manifest error, conclusive
"Maybank"	:	Malayan Banking Berhad
"Normal Interest"	:	Interest payable by the Company to a Scheme Creditor on any sums due under: <ul style="list-style-type: none"> <li>(i) any Facility, any Corporate Guarantee Debt or the Crystallised Contingent Claim, disregarding any default of the terms of that Facility, Corporate Guarantee or the terms of issuance of the relevant Standby Letter of Credit (as the case may be); or</li> <li>(ii) any arbitration award, judgment or order of Court</li> </ul>
"Ordinary Resolution"	:	A resolution passed by Scheme Creditors holding at least a majority in number and value of the Total Scheme Debt (if prior to the Conversion Date) or the Restructured Debt (if subsequent to the Conversion Date) (as at the time of voting) either present and voting at a Scheme Creditors Meeting or voting by circulating resolution, in accordance with the terms of the Debt Restructuring Exercise
"Pre-Conversion Interest"	:	All Normal Interest and Default Interest in respect of the Total Scheme Debt (after deducting any payments received as referred to under Section 5.2.4(a) of this Circular) which shall accrue for the period between the Commencement Date and the Conversion Date (both dates inclusive) pursuant to Section 5.2.4(b) of this Circular
"Quarterly Payments"	:	Each of the repayment instalments of the Restructured Debt that the Company shall make to the Scheme Creditors on each Quarterly Payment Date in accordance with the terms of the Debt Restructuring Exercise
"Quarterly Payment Date"	:	The last day of each quarter during the period between the thirty-seventh (37 <sup>th</sup> ) month and the ninety-sixth (96 <sup>th</sup> ) month (both months inclusive) following the Commencement Date
"Restructured Debt"	:	<ul style="list-style-type: none"> <li>(a) At the Conversion Date, the amount of debt equivalent to 60% of each Approved Claim (excluding amounts attributable to any Uncrystallised Contingent Claim) (the <b>"Original Restructured Debt Amount"</b>); and</li> <li>(b) at any date subsequent to the Conversion Date, such portion of the aggregate of:               <ul style="list-style-type: none"> <li>(i) the Original Restructured Debt Amount; and</li> <li>(ii) 60% of all Crystallised Contingent Claim which becomes due and payable after the Conversion Date,</li> </ul> </li> </ul>

that still remains owing by the Company to the Scheme Creditors at that date, after reduction of the Restructured Debt pursuant to Quarterly Payments or other dividends or payments received under the terms of the Debt Restructuring Exercise

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## DEFINITIONS

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“Restructuring Documents”	:	Each of the following documents:  (i) the Scheme Document;  (ii) the Advance Agreement, Subscription Agreement and Call Option Agreement;  (iii) the deed poll executed by each of ATB and G15 in favour of the Scheme Creditors, undertaking to be bound by, and comply with, all terms applicable to it under the Debt Restructuring Exercise;  (iv) the Terms and Conditions of Share Escrow Agency;  (v) the Creditors’ Call Option Agreement; and  (vi) each other document contemplated by or executed in connection with any of the above
“SCB(HK)”	:	Standard Chartered Bank (Hongkong) Limited
“SCB Corporate Guarantee Debt”	:	The amount due from WEP to SCB(HK), as at the Commencement Date, the payment of which is guaranteed by the Company
“Scheme Claim”	:	A claim by a Scheme Creditor (in whatever currency) against the Company in respect of any Direct Debt, any Corporate Guarantee Debt and/or the Contingent Claim (as the case may be)
“Scheme Creditors Meeting”	:	Any meeting of Scheme Creditors convened and held pursuant to the terms of the Debt Restructuring Exercise
“Scheme Manager”	:	Mr Tam Chee Chong and Mr Andrew Grimmett (c/o Deloitte & Touche Financial Advisory Services Pte Ltd), or such other person(s) as may be appointed as the Scheme Manager pursuant to the Debt Restructuring Exercise
“Scheme Period”	:	The period commencing on the Commencement Date and terminating on the Termination Date (both dates inclusive)
“Scheme Interest Rate”	:	The applicable interest rates set out in Appendix B
“Share Escrow Account”	:	A depository account to be established by the Share Escrow Agent with the CDP to hold the Creditor Shares pending release to the Scheme Creditors (or their respective permitted assigns and transferees)
“Share Escrow Agent”	:	Has the meaning ascribed to it in Section 5.2.2 of this Circular
“Special Resolution”	:	A resolution passed by Scheme Creditors holding at least a majority in number and three-fourths (75%) in value of the Total Scheme Debt (if prior to the Conversion Date) or the Restructured Debt (if subsequent to the Conversion Date) (as at the time of voting) either present and voting at a Scheme Creditors Meeting or voting by circulating resolution, in accordance with the terms of the Debt Restructuring Exercise
“Standby Letter of Credit”	:	The standby letter of credit dated 29 December 2005 bearing transaction reference number 401BG300220 issued by Maybank in favour of ING Bank N.V.; and/or

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## DEFINITIONS

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		The standby letter of credit dated 29 December 2005 bearing transaction reference number 401BG400943 issued by Maybank in favour of ABN Amro Bank N.V.
"Subscription Completion Date"	:	The date on which the subscription for, and the allotment and issue of, the Subscription Shares is completed
"Termination Date"	:	The date on which the Debt Restructuring Exercise is terminated in accordance with Section 5.2.8(b) or 5.2.8(e) of this Circular, whichever is earlier
"Termination Event"	:	Any one of the events set out in Section 5.2.8(a) of this Circular
"Total Scheme Debt"	:	The aggregate of the principal amount of all Approved Claims at any relevant time
"Uncrystallised Contingent Claim"	:	Any part of the Contingent Claim that has become due and payable by the Company
"WEP"	:	Western Electric Pacific Limited, a wholly owned subsidiary of the Company
"£"	:	The lawful currency of the United Kingdom

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Act or the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Act or the Listing Manual or any modification thereof, unless otherwise provided.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

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## LETTER TO SHAREHOLDERS

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### LINDETEVES-JACOBURG LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 194700172G)

#### Directors:

Lim Say Hui (Chairman and Managing Director)  
Chan Lai King (Executive Director and Chief Operating Officer)  
Soong Tuck Cheong (Executive Director and Deputy Chief Operating Officer)  
Praful J Desai (Non-Executive Director)  
Heinz Grossmann (Non-Executive Director)  
Neil Stewardson (Non-Executive Director)  
Reggie Thein (Independent Director)  
Basil Chan (Independent Director)  
Herman Hofhuis (Independent Director)

#### Registered Office:

7 Temasek Boulevard,  
#11-01 Suntec Tower One,  
Singapore 038987

To: The Shareholders of Lindeteves-Jacoberg Limited

Dear Sir/Madam

- (1) **PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO ATB, REPRESENTING 29.99% OF THE ENLARGED ISSUED SHARE CAPITAL OF THE COMPANY, FOR AN AGGREGATE SUBSCRIPTION CONSIDERATION OF S\$24,668,010; AND**
- (2) **PROPOSED ISSUE OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY, REPRESENTING 12% OF THE ENLARGED ISSUED SHARE CAPITAL OF THE COMPANY, TO THE SCHEME CREDITORS PURSUANT TO A CONVERSION OF DEBTS OWING BY THE COMPANY TO THE SCHEME CREDITORS IN ACCORDANCE WITH THE DEBT RESTRUCTURING EXERCISE.**

#### 1. INTRODUCTION

##### 1.1 PROPOSED ISSUE OF NEW SHARES TO ATB PURSUANT TO THE PROPOSED INVESTMENT

On 27 August 2005, the Company had announced that it had entered into a conditional subscription agreement (the “**Subscription Agreement**”, as amended and supplemented from time to time) with ATB, pursuant to which the Company had agreed to allot and issue to ATB new Shares (the “**Subscription Shares**”) on the terms and subject to the conditions of the Subscription Agreement, pursuant to which ATB shall hold 29.99% of the enlarged issued and paid-up share capital of the Company.

The Company had in the announcement also disclosed that it had on 27 August 2005 also entered into a conditional advance agreement with ATB (the “**Advance Agreement**”, as amended and supplemented from time to time), pursuant to which ATB had agreed to disburse the principal sum of S\$24,668,010 comprising the First Tranche Advance and the Second Tranche Advance on the terms and conditions of the Advance Agreement.

As at the date hereof, both the First Tranche Advance and the Second Tranche Advance have been disbursed to the Company.

It is contemplated that the Advances shall on Subscription Completion be applied towards and set-off against the Subscription Consideration payable by ATB to the Company for the Subscription Shares.

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## LETTER TO SHAREHOLDERS

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### 1.2 PROPOSED ISSUE OF NEW SHARES TO THE SCHEME CREDITORS PURSUANT TO THE DEBT RESTRUCTURING EXERCISE

It was further announced by the Company on 27 August 2005 that as part of the proposed investment by ATB in the Company (the “**Proposed Investment**”), it was intended that the Company enter into a debt restructuring exercise with the Company’s creditor banks by way of a scheme of arrangement under Section 210 of the Act (the “**Debt Restructuring Exercise**”). As part of the Debt Restructuring Exercise, it is proposed that the Company shall convert part of the debts owed by it to the Scheme Creditors by issuing to the Scheme Creditors the Conversion Shares. Upon completion of the Proposed Investment and the Debt Restructuring Exercise, the Scheme Creditors shall hold Shares representing 12% of the enlarged issued and paid-up share capital of the Company.

Deloitte & Touche Corporate Finance Pte Ltd was appointed as financial advisors to the Company in connection with its initiatives to raise fresh equity capital and in respect of the Debt Restructuring Exercise.

### 1.3 PURPOSE OF CIRCULAR

The Company and ATB have since the announcement of 27 August 2005 made some amendments to the terms of the Proposed Investment (and the agreements relating thereto) and the proposed terms of the Debt Restructuring Exercise, and Shareholders should refer to the information set out in this Circular for the current arrangements relating to and details of the Proposed Investment and the Debt Restructuring Exercise.

The purpose of this Circular is to provide Shareholders with relevant and updated information pertaining to the Advances, the Subscription and the Debt Restructuring Exercise and to seek Shareholders’ approval for the allotment and issue of the Subscription Shares and the Conversion Shares pursuant to Section 161 of the Act.

Upon Subscription Completion, ATB would hold 29.99% of the enlarged issued share capital of the Company, and would for the purposes of the Listing Manual, hold a controlling interest in the Company. Accordingly, Shareholders’ approval is also being sought for the issuance of shares which transfers a controlling interest in the Company to ATB pursuant to Rule 803 of the Listing Manual.

The terms of the Proposed Investment contemplate that the Company would carry out the Debt Restructuring Exercise, and that it is a condition under the Advance Agreement that the Debt Restructuring Exercise be completed. Conversely, the terms of the Debt Restructuring Exercise contemplates the Proposed Investment by ATB in the Company. Accordingly, Shareholders’ approval for the allotment and issue of the Subscription Shares and the allotment and issue of the Conversion Shares will have to be inter-conditional.

### 1.4 APPROVAL BY THE SGX-ST

The listing and quotation of the Subscription Shares and the Conversion Shares on the SGX-ST are subject to, *inter alia*, approval in-principle being granted by the SGX-ST for the listing of and quotation for the Subscription Shares and the Conversion Shares on the Official List of the SGX-ST, and such approval not having been revoked or amended, and if the approval is granted subject to conditions, such conditions being satisfied or waived by the SGX-ST and the SGX-ST not having made any ruling the effect of which is to restrict or impede the listing and quotation of the Subscription Shares and the Conversion Shares.

Approval in-principle granted by the SGX-ST to the Company for, and the admission of the Subscription Shares and the Conversion Shares to and the listing and quotation of the same on the SGX-ST are in no way reflective of the merits of the Group, the Proposed Investment, the Debt Restructuring Exercise, or the Shares.

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## LETTER TO SHAREHOLDERS

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### 2. RATIONALE FOR THE PROPOSED INVESTMENT AND THE DEBT RESTRUCTURING EXERCISE

In the course of the past 15 months, the Company had in its several announcements stated that it faced a shortage of capital and that it was critical that this shortage be addressed as quickly as possible. The Company also stated that when this shortage has been addressed, the Group would be able to take advantage of its order book and the benefits of the restructuring programme that was largely completed in 2004.

The shortage of capital and the disruption caused by the restructuring programme that was largely completed in 2004 has resulted in the Group recording net losses of approximately S\$119.3 million over the past two financial years ended 31 December 2004. In view of the financial position of the Group and its high gearing level (the Group's total borrowings as at 30 September 2005 was approximately S\$241.3 million), the Board believes that an injection of fresh funds by a new investor together with a restructuring of its borrowings by way of a write-off of a portion of its borrowings coupled with an arrangement for the balance to be paid over a period of time at capped interest rates, would help improve the Company's balance sheet.

As such, the Board believes that the Proposed Investment by ATB, the Debt Restructuring Exercise with the Scheme Creditors and other fund-raising initiatives being contemplated by the Company will address the Group's capital shortage, improve the Company's financial position and place the Company in a position to take advantage of its operational restructuring which was largely completed at the end of 2004.

The Board believes that ATB's experience and knowledge of the European market will be beneficial to the Group since about 85% of the Group's motor business is concentrated in that market, and that the Group will also benefit from the knowledge and experience of ATB in the electric motor business.

### 3. INFORMATION ON ATB

ATB, headquartered in Spielberg, Austria, is listed on the Stock Exchange of Vienna, Austria. It is one of the world's leading manufacturers of electrical motors and drive systems for industrial applications and appliances, with over 80 years of experience in electric motor production.

Its principal manufacturing operations are located in Germany, Austria, the Czech Republic, France, United Kingdom and Serbia and Montenegro. It has plans to start up a production line for appliance motors near Shanghai, China in the near future to increase its overall production capacity.

ATB also has an extensive network of sales subsidiaries in Europe and in China. ATB currently has about 4,000 employees worldwide.

Its substantial shareholder is A-TEC Industries AG, a privately-owned Vienna-based international industrial group which manufactures electrical motors and machine tools. The group is also active in building power plants and waste incineration plants and in the recycling of copper.

### 4. DETAILS OF THE PROPOSED INVESTMENT

#### 4.1 ADVANCES MADE BY ATB

##### 4.1.1 The Advances

The Company and ATB had on 27 August 2005 entered into the Advance Agreement, and had subsequently on 21 December 2005 entered into a supplemental agreement to amend the terms of the Advance Agreement, pursuant to which ATB had agreed to disburse to the Company a principal sum of S\$24,668,010, which is equivalent to the Subscription Consideration, by way of two tranches, namely the First Tranche Advance and the Second Tranche Advance.

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## LETTER TO SHAREHOLDERS

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ATB had, upon satisfaction or waiver of certain conditions precedent, disbursed the First Tranche Advance of an aggregate amount of approximately S\$11,800,000 to the Company in separate payments on or around 19 September 2005, 21 October 2005, 27 October 2005 and 4 November 2005. The Second Tranche Advance of approximately S\$12,868,010 was disbursed on or around 22 December 2005.

The Advances were utilised by the Group as working capital.

### 4.1.2 Appointment of directors by ATB

Under the terms of the Advance Agreement, ATB shall be entitled to appoint at least two (2) and up to three (3) nominees as executive directors of the Company upon or after the advance of the Second Tranche Advance to the Company.

In connection therewith, Messrs Heinz Grossmann and Neil Stewardson were on 3 January 2006 appointed by the Board as new Non-Executive Directors. Upon their resignation from their respective positions as directors of various companies within the ATB group of companies (which shall be by no later than 31 March 2006), it is contemplated that they will become Executive Directors of the Company. Under the articles of association of the Company, Messrs Heinz Grossmann and Neil Stewardson shall hold office as Directors only until the next annual general meeting of the Company and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such annual general meeting.

### 4.1.3 Repayment of the Advances

The Advances are repayable in the following manner:

- (a) in the event that the Subscription Completion shall take place within five (5) months from the date of remittance of the Second Tranche Advance (the “**Prescribed Completion Period**”) (or if the Subscription Period has been extended by the Conditional Period pursuant to the terms of the Subscription Agreement (as described in Section 4.2.2 of this Circular), the Prescribed Completion Period shall also be extended by such period equivalent in duration to the Conditional Period), the entire amount of the Advances shall be applied towards and set off against the Subscription Consideration payable by ATB to the Company for the Subscription Shares, and the Advances shall thereupon be deemed to be fully repaid;
- (b) subject to the events set out in paragraph (c) below, if the Subscription Completion does not take place by the end of the Prescribed Completion Period, the Company shall, on expiry of the Prescribed Completion Period, forthwith repay without demand, the amount of the Advances and any applicable interest in full to ATB on the date falling 12 months after the date of remittance of the Second Tranche Advance (the “**Maturity Date**”) or if the Subscription Period has been extended by the Conditional Period pursuant to the terms of the Subscription Agreement (as described in Section 4.2.2 of this Circular), the Maturity Date shall also be extended by such period equivalent in duration to the Conditional Period.
- (c) The Advances (to the extent that they have been advanced to the Company) and interest thereon shall become immediately repayable upon written demand by ATB if any of the following events occurs:
  - (i) an order is made for the winding-up of the Company or for the appointment of a liquidator or judicial manager of the Company;
  - (ii) the Schorch Charge ceases to be in full force and effect; or
  - (iii) the Debt Restructuring Exercise is terminated for any reason.

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## LETTER TO SHAREHOLDERS

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The Company and the Scheme Creditors may refinance or repay the Advances together with any interest payable without prepayment fee or penalty at any time after the Advances have become repayable on demand pursuant to paragraph (c) above.

### 4.1.4 Interest on the Advances

Interest shall be payable on the Advances in the following circumstances:

- (a) if the Advances become repayable upon written demand by ATB pursuant to paragraph 4.1.3(c) of this Circular, interest shall accrue on the Advances (or any outstanding portion thereof) at the rate of 7% per annum for the period beginning on the date of the occurrence of the relevant event and ending on the date of its receipt in full by ATB. Such interest shall be payable on demand by ATB; or
- (b) if the Subscription Completion is not completed within the Prescribed Completion Period, interest shall accrue on the Advances (or any outstanding portion thereof) at a rate of 7% per annum for the period beginning on the date of expiry of the Prescribed Completion Period and ending on the date of its receipt in full by ATB. Such accrued interest shall not be payable until the Maturity Date.

### 4.1.5 Security for the Advances

As security for the repayment of the Advances by the Company to ATB, LJ Germany had executed a share pledge (the "**Schorch Charge**") in favour of ATB over LJ Germany's entire interest in any and all shares of Schorch, as security for the repayment by the Company to ATB of the Advances and all other moneys owing under the Advance Agreement and the Schorch Charge.

The Advance Agreement provides *inter alia* that where both the First Tranche Advance and the Second Tranche Advance are made, and the Advances and interest thereon are not fully repaid or settled on or before the Maturity Date, ATB may exercise its rights of enforcement under the Schorch Charge at any time after the Maturity Date.

ATB shall not in any circumstance other than as provided under the Advance Agreement exercise its rights of enforcement in respect of the Schorch shares under the Schorch Charge.

Under the terms of the Advance Agreement, ATB undertakes that it shall on full repayment or settlement of the Advances and all interest thereon take all such steps and do all such acts and things (at the cost and expense of the Company) as may be necessary to release and discharge the Schorch Charge.

### 4.1.6 Subscription Completion not effected within the Prescribed Completion Period

In the event the Subscription Completion is not completed within the Prescribed Completion Period, the Scheme Creditors shall be at liberty to take whatever action they deem fit to liquidate the assets of the Company and/or repay or refinance the Advances, provided always that ATB shall, for the one (1) month period following the expiry of the Prescribed Completion Period, be given a right of first refusal in respect of any offer made to the Company or the Scheme Creditors relating to an equity investment in the Company or relating to the Company's business or assets or relating to a liquidation of the assets (as the case may be) on the same terms.

## 4.2 THE SUBSCRIPTION AGREEMENT

The Company and ATB had on 27 August 2005 entered into the Subscription Agreement, and had subsequently on 21 December 2005 entered into a supplemental agreement to amend the terms of the Subscription Agreement. The principal terms of the Subscription Agreement (as so amended) are set out below.

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## LETTER TO SHAREHOLDERS

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### 4.2.1 Allotment and issue of the Subscription Shares

Under the Subscription Agreement, the Company shall allot and issue, and ATB shall subscribe for, 148,781,725 new Shares at an issue price of S\$0.1658 per Share (comprising an aggregate issue price of S\$24,668,010). Such Shares represent approximately 29.99% of the enlarged issued share capital of the Company.

The Subscription Agreement provides that the issue of such Subscription Shares to ATB shall be contemporaneous with the issue of an aggregate of 59,533,511 new Shares, representing 12% of the enlarged share capital of the Company, to the Scheme Creditors pursuant to the Debt Restructuring Exercise. (Please refer to Section 5 of this Circular for further details on the Debt Restructuring Exercise.)

As at the dates on which the Subscription Agreement and the supplemental agreement relating thereto were entered into, the Act provided that a company may not issue shares at a discount to its par value, unless it complies with the requirements set out in Section 68 of the Act (which required *inter alia* the authorisation of such issue of shares at a discount by a resolution passed in general meeting of the company and confirmed by an order of court). Recent amendments to the Act introduced by the Companies (Amendment) Act 2005 have with effect from 30 January 2006 *inter alia* abolished the concept of par value and the prohibition against a company issuing shares at a discount to its par value.

It was previously stated in the Company's announcements on 27 August 2005 and 15 December 2005 that the Company proposes to carry out a capital reduction exercise to, *inter alia*, allow for the Subscription Shares to be issued at a price of S\$0.1658 each. In light of the explanation above and as announced by the Company on 12 January 2006, the Company will not be carrying out a capital reduction exercise to reduce its par value.

### 4.2.2 Conditions Precedent to Subscription

#### Conditions Precedent

The obligations of ATB under the Subscription Agreement are conditional upon *inter alia* the following conditions having been satisfied or waived by the date falling five (5) months from the date falling three (3) Business Days before the remittance of the Second Tranche Advance (the "**Subscription Period**"), provided that if the condition set out in paragraph (b) below has not been fulfilled or waived by the end of the Subscription Period, the Subscription Period shall be extended for a further period of up to six (6) months, or such longer period as may be agreed by the Scheme Creditors (acting by special resolution under the terms of the Debt Restructuring Exercise), ATB and the Company (the "**Conditional Period**"), for the law to be amended such that the Company may issue the Subscription Shares at S\$0.1658 per Subscription Share, without undergoing the Capital Reduction (as defined below):

- (a) the receipt by ATB of a ruling from the SIC that (i) G15 and the Scheme Creditors will not be regarded by the SIC as having acted in concert with ATB by virtue of the transactions contemplated by the Advance Agreement and the execution of the Call Option Agreement and the execution of the Creditors' Call Option Agreement and (ii) ATB would not be required to make a mandatory general offer under the Code upon the execution of the Advance Agreement, the Subscription Agreement, the Schorch Charge, the Call Option Agreement and the Creditors' Call Option Agreement and upon the allotment and issue of the Subscription Shares, unless and until it and its concert parties acquire Shares which carry 30% or more of the voting rights of the Company, whether pursuant to the exercise of the call options granted pursuant to the Call Option Agreement, the Creditors' Call Option Agreement or otherwise (the "**SIC Confirmation**");
- (b) on or before the expiry of the Subscription Period or the Conditional Period, whichever is the later:

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## LETTER TO SHAREHOLDERS

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- (i) the Company having undergone a capital reduction exercise to allow for the Subscription Shares to be issued at S\$0.1658 per Subscription Share (the “**Capital Reduction**”); or
- (ii) the law otherwise allows the Company to issue the Subscription Shares at S\$0.1658 per Share;
- (c) ATB having disbursed the full amount of the Advances to the Company pursuant to the Advance Agreement;
- (d) approval in-principle being granted by the SGX-ST for the listing of and quotation for the Subscription Shares on the Official List of the SGX-ST, and such approval not having been revoked or amended, and if the approval is granted subject to conditions, such conditions being satisfied or waived by the SGX-ST and the SGX-ST not having made any ruling the effect of which is to restrict or impede the listing and quotation of the Subscription Shares;
- (e) the approval by Shareholders at an extraordinary general meeting for the allotment and issue of the Subscription Shares;
- (f) none of Company, LJ Germany, Schorch or G15 having gone into liquidation, no petition having been presented and which remains outstanding and no order having been made for the appointment of a judicial manager, receiver and/or manager of any of the Company or LJ Germany or Schorch or G15 or over the whole or any part of the assets or undertaking of any of the Company or LJ Germany or Schorch or G15;
- (g) ATB having obtained all relevant anti-trust approvals and clearances from relevant merger control authorities (the “**Anti-Trust Approvals**”); and
- (h) ATB having received a letter of undertaking executed by G15 in favour of ATB irrevocably undertaking to vote in favour of any proposed change of name of the Company.

### Satisfaction of conditions precedent

- (i) *Approval in-principle granted by SGX-ST*

On 25 January 2006, the SGX-ST granted its in-principle approval for the listing and quotation of the Subscription Shares and Conversion Shares, subject to, *inter alia*, shareholders’ approval being obtained.

In-principle approval from the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries, the Subscription Shares or the Conversion Shares.

- (ii) *SIC Confirmation and Anti-Trust Approvals*

On 1 December 2005, the SIC confirmed that:

- (a) G15 and/or the Scheme Creditors will not be regarded by the SIC as having acted in concert with ATB by virtue of the transactions contemplated by the Advance Agreement and the execution of the Call Option Agreement and the Creditors’ Call Option Agreement; and
- (b) ATB would not be required to make a mandatory general offer under the Code upon the execution of the Advance Agreement, the Subscription Agreement, the Schorch Charge, the Call Option Agreement and the Creditors’ Call Option Agreement and upon the allotment and issue of the Subscription Shares unless and until it and its concert parties acquire

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## LETTER TO SHAREHOLDERS

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Shares which carry 30% or more of the voting rights of the Company, whether pursuant to the exercise of the call options granted pursuant to the Call Option Agreement, the Creditors' Call Option Agreement or otherwise.

The SIC Confirmation is in no way reflective of the merits of the Group, the Subscription, the Debt Restructuring Exercise, or the Shares.

As at the Latest Practicable Date, the relevant Anti-Trust Approvals have been obtained by ATB or the requirement to obtain such approvals has been waived.

(iii) *Others*

With the implementation of the amendments to the Act introduced by the Companies (Amendment) Act 2005 on 30 January 2006, the Company is able to issue the Subscription Shares at a price of S\$0.1658 per Share without having to carry out a capital reduction exercise (please refer to Section 4.2.1 of this Circular for further details). Accordingly, the condition precedent set out in paragraph (b) has been satisfied.

In addition to the above, save for the condition set out in paragraph (e) above, the requisite approval of which is the subject of this Circular, the conditions precedent to the Subscription Agreement have as at the Latest Practicable Date been satisfied or have not been breached, as the case may be.

### 4.2.3 Moratorium on transfer by ATB

ATB shall not sell, transfer or dispose of the Shares acquired pursuant to the Subscription Agreement for a period ending on the earlier of (i) the date falling five (5) years from the Subscription Completion and (ii) the date on which the restructured debt owed by the Company following the Debt Restructuring Agreement is fully repaid or satisfied.

### 4.2.4 The Refinancing and Rights Issue Exercise

The Subscription Agreement also contemplates that subject to Subscription Completion taking place, the Company shall use its best endeavours to refinance the loans taken for its power generation business operated by LJE and Linberg Philippines Inc in the Philippines (the "**Philippines Loans**") by raising net proceeds of not less than S\$15 million within six (6) months from the Conversion Date (the "**Refinancing**"). In the event that the Company is unable to raise at least S\$15 million within six (6) months from the Conversion Date through the Refinancing, the Company shall use its best endeavours to undertake a rights issue exercise to raise an amount of at least S\$15 million (the "**Rights Issue Exercise**").

The Company had in December 2005 completed the Refinancing and in connection therewith, the Group had raised net proceeds of approximately S\$15.9 million. As such, the Company will not be required under the terms of the Subscription Agreement to carry out the Rights Issue Exercise.

## 4.3 CALL OPTION AGREEMENT

In connection with the Proposed Investment and as a show of support for the Company by G15, one of the Company's substantial shareholders, G15 and ATB had on 27 August 2005 entered into a call option agreement (the "**Call Option Agreement**"), and had subsequently on 21 December 2005 entered into a supplemental agreement to amend the terms of the Call Option Agreement. Further details on G15 and the principal terms of the Call Option Agreement (as so amended) are set out below.

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## LETTER TO SHAREHOLDERS

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### 4.3.1 About G15

G15 is a substantial shareholder of the Company holding as at the Latest Practicable Date an aggregate of 75,087,499 Shares, representing approximately 26.09% of the issued share capital of the Company.

G15 is a privately owned investment holding company. Directors of the Company, Mr Lim Say Hui, Mrs Low-Chan Lai King, Mr Soong Tuck Cheong and Mr Praful J Desai, are amongst the shareholders of G15 with respective interests of 44.0%, 15.0%, 6.2% and 10.9% in the issued share capital of G15. Mr Soong Tuck Cheong is also a director of G15. The other shareholders of G15 are the Company's substantial shareholder, Pacven Walden Ventures IV, L.P. and WIIG Global Ventures Pte Ltd, who hold an aggregate of 22.3% of the issued share capital of G15 and an employee of the Company, who holds the balance 1.6%.

### 4.3.2 Grant of Call Option

Under the Call Option Agreement, G15 had granted to ATB a call option pursuant to which ATB may require G15 to sell to ATB an aggregate of 75,087,499 Shares (the "**Call Option Shares**") (or any part thereof) on the terms and subject to the conditions of the Call Option Agreement, at a price of S\$0.15 per Call Option Share (the "**Call Option**").

The Call Option is exercisable by ATB at any one time during the three (3) month period commencing on the date falling six (6) months after the Subscription Completion (or such other period or date as G15 and ATB may agree).

As at the Latest Practicable Date, G15 and ATB are in discussions to bring forward the option period for the exercise of the Call Option. The Company will make an appropriate announcement in the event that the option period is changed.

G15 has as security for the performance of its obligations under the Call Option Agreement granted to ATB a charge over the Call Option Shares.

### 4.3.3 Take-over Obligations

It was noted in the Call Option Agreement that:

- (a) ATB shall be responsible for any obligation to make a General Offer under the Code arising from the transactions contemplated under the Call Option Agreement; and
- (b) there is no agreement, arrangement or understanding between the parties and that the Call Option Agreement does not constitute an agreement, arrangement or understanding between the parties, whether formal or informal, to co-operate to obtain or consolidate control of the Company.

## 5. DETAILS OF THE DEBT RESTRUCTURING EXERCISE AND THE PROPOSED ISSUE OF CREDITOR SHARES

### 5.1 ENTRY BY THE COMPANY INTO THE DEBT RESTRUCTURING EXERCISE

It was announced by the Company on 27 August 2005 that in connection with the Proposed Investment, the Company would enter into the Debt Restructuring Exercise with the Scheme Creditors by way of a scheme of arrangement under Section 210 of the Act. Since 27 August 2005, there have been some amendments to the principal terms of the Debt Restructuring Exercise previously announced by the Company. The principal terms of the Debt Restructuring Exercise (as so amended) are summarised in Section 5.2 below.

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## LETTER TO SHAREHOLDERS

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At the Court Meeting held on 27 October 2005, the requisite approval of the Scheme Creditors for the Debt Restructuring Exercise was obtained.

On 28 October 2005, the Court sanctioned the Debt Restructuring Exercise and on 7 November 2005, an office copy of the order of the Court sanctioning the Debt Restructuring Exercise was lodged with ACRA.

The Debt Restructuring Exercise became effective on 22 December 2005.

The Debt Restructuring Exercise is binding on the Scheme Creditors whether or not they were present in person or by proxy or voted to approve the Debt Restructuring Exercise at the Court Meeting. The Scheme Creditors shall accept the benefits under the Debt Restructuring Exercise in full satisfaction and complete discharge of all Scheme Claims.

The Debt Restructuring Exercise is to be administered by a Scheme Manager. Mr Tam Chee Chong and/or Mr Andrew Grimmett of Deloitte & Touche Financial Advisory Services Pte Ltd have been appointed as the Scheme Manager.

Based on proofs of debts lodged with and admitted by the Scheme Manager, the participating debts under the Debt Restructuring Exercise amount to approximately S\$203 million including the Contingent Claim.

A copy of the Scheme Document is available for inspection at the registered office of the Company at 7 Temasek Boulevard, #11-01 Suntec Tower One, Singapore 038987, during normal business hours on any weekday (public holidays excepted) up to and including the date of the EGM.

### 5.2 PRINCIPAL TERMS OF DEBT RESTRUCTURING EXERCISE

#### 5.2.1 Advances by ATB

Under the terms of the Debt Restructuring Exercise, ATB will extend to the Company the Advances. The First Tranche Advance was disbursed by ATB to the Company in separate payments on or around 19 September 2005, 21 October 2005, 27 October 2005 and 4 November 2005 respectively. The Second Tranche Advance was disbursed to the Company on or around 22 December 2005. Please refer to Section 4.1 of this Circular for further details on the Advances.

In addition, the terms of the Debt Restructuring Exercise provide *inter alia* that:

- (a) the Scheme Creditors agree that the ATB Recoverable Amounts shall (in the event of the Company's liquidation or otherwise) constitute obligations of the Company ranking in priority to any outstanding sums due from the Company to the Scheme Creditors in respect of any Scheme Claim. The priority conferred on the ATB Recoverable Amounts shall not affect (i) the right of any Scheme Creditor to receive payments in accordance with the terms of the Debt Restructuring Exercise for so long as no ATB Recoverable Amounts are due and unpaid or (ii) any indebtedness owed by any other member of the Group (whether as principal or surety) to any Scheme Creditor; and
- (b) ATB and the Company shall not without the prior consent of the Scheme Creditors given by Special Resolution (such consent not to be unreasonably withheld) (i) amend or waive any of the terms of the Advance Agreement or (ii) amend or waive any of the terms of the Subscription Agreement or Call Option Agreement in a manner which may prejudice the interests of any Scheme Creditor.

#### 5.2.2 Repayment of Restructured Debt

On the Commencement Date, various bank creditors holding corporate guarantees shall each be deemed to have demanded on their relevant Corporate Guarantees and the sums guaranteed by the Company under the Corporate Guarantees shall become due and payable and become part of the Total Scheme Debt.

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## LETTER TO SHAREHOLDERS

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On the Conversion Date:

- (a) 60% of the amount of each Approved Claim (excluding any amounts attributable to the Uncrystallised Contingent Claim) shall be restructured into the Restructured Debt between the Company and each Scheme Creditor on a *pari passu* and *pro rata* basis vis-à-vis the other Scheme Creditors;
- (b) Pre-Conversion Interest accrued up to and including the Conversion Date shall be written off;
- (c) all Default Interest accrued up to and including the Commencement Date remaining unpaid shall be written off; and
- (d) the Company shall fully discharge the Conversion Debt by allotting and issuing the Creditor Shares to the Scheme Creditors. The Creditor Shares shall be held by a share escrow agent (the “**Share Escrow Agent**”) in a share escrow account in trust for the Scheme Creditors. (Please refer to Section 4.2.1 of this Circular for further details on the allotment and issue of the Subscription Shares and Creditor Shares.)

### Entry into the Creditors’ Call Option Agreement

The Debt Restructuring Exercise contemplates that the Share Escrow Agent shall enter into a call option agreement with ATB (the “**Creditors’ Call Option Agreement**”) pursuant to which ATB shall be granted two call options, namely:

- (a) a first call option, exercisable during the period of twelve (12) months commencing on the date falling six (6) months after the Creditor Share Placement Date, to purchase such portion of the Creditor Shares as ATB may require to obtain a 51% shareholding in the Company; and
- (b) a second call option, exercisable during the period of three (3) years commencing on the third anniversary of the Creditor Share Placement Date, to purchase the balance Creditor Shares in a single tranche.

The Company and ATB are in discussions with the Scheme Creditors to bring forward the option period in respect of the first call option. The Company will make an appropriate announcement in the event that such option period is changed.

### Repayment of Restructured Debt

The Company shall repay the Restructured Debt to the Scheme Creditors by way of twenty (20) Quarterly Payments made over a period of five (5) years commencing from the fourth year following the Commencement Date in accordance with the terms of the Debt Restructuring Exercise.

The Company shall, on each Quarterly Payment Date, pay the relevant Quarterly Payment to the Scheme Creditors in reduction of the Restructured Debt owed by the Company to the Scheme Creditors. Each Quarterly Payment shall be divided amongst all the Scheme Creditors *pari passu* according to the Singapore dollar equivalent of their Approved Claims. Each Scheme Creditor’s portion of a Quarterly Payment shall be calculated in the following manner:

Each Scheme Creditor’s Approved Claim (in S\$)		
<hr/>	X	Quarterly Payment
Total Scheme Debt (in S\$)		

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## LETTER TO SHAREHOLDERS

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Whilst any part of the Contingent Claim has not been converted into a Crystallised Contingent Claim, the amount of cash to be received by Maybank out of each Quarterly Payment which is attributable to its Uncrystallised Contingent Claim shall be paid into the Escrow Account held by the Scheme Manager. The Scheme Manager shall only pay to Maybank such sums attributable to its Uncrystallised Contingent Claim (after taking into account a write-off of 40% of any Crystallised Contingent Claim where it becomes due and payable by the Company after the Conversion Date, in accordance with the terms of the Debt Restructuring Exercise) held in the Escrow Account at the next Quarterly Payment Date only after and to the extent that such portion of its Uncrystallised Contingent Claim has been converted into a Crystallised Contingent Claim.

If after the final Quarterly Payment has been made by the Company, there are sums remaining in the Escrow Account, the Scheme Manager shall distribute such sums amongst the Scheme Creditors *pro rata* according to the proportion that each Scheme Creditor's Approved Claim (excluding any amounts attributable to the Uncrystallised Contingent Claim) bears to the Restructured Debt as at the date of the final Quarterly Payment.

### 5.2.3 Refinancing and Rights Issue Exercise

The terms of the Debt Restructuring Exercise contemplate the Company carrying out the Refinancing and that if the Company is unable to raise an amount of at least S\$15 million in net proceeds within six (6) months from Subscription Completion by way of the Refinancing and/or selling the power generation business operated by LJE and Linberg Philippines Inc in the Philippines, the Company shall undertake and complete the Rights Issue Exercise. The Refinancing had been completed in December 2005 and the Company will not be required to carry out the Rights Issue Exercise. Please refer to Section 4.2.4 of this Circular for further details.

### 5.2.4 Interest

The Company shall repay all Accrued Normal Interest by way of thirty (30) equal monthly instalments. The first Accrued Normal Interest Repayment shall be made on the last day of the 1<sup>st</sup> calendar month following the date of remittance of the Second Tranche Advance.

For the period between the Commencement Date and the Conversion Date (both dates inclusive):

- (a) the Company will, on the last day of each quarter, the first of which commences on the Commencement Date, pay interest on a sum equivalent to 60% of each Approved Claim (excluding any Approved Claim in respect of the Uncrystallised Contingent Claim) at the applicable Scheme Interest Rate; and
- (b) all Pre-Conversion Interest in respect of the Total Scheme Debt shall continue to accrue but shall be suspended and shall not be paid to the Scheme Creditors until the Conversion Date or the termination of the Debt Restructuring Exercise, whichever is earlier.

Between the Conversion Date and the Termination Date, the Restructured Debt (less any Uncrystallised Contingent Claim) shall bear interest at the applicable Scheme Interest Rate. Such interest shall continue to accrue and be paid to the Scheme Creditors quarterly in arrears in accordance with the provisions of the Debt Restructuring Exercise.

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## LETTER TO SHAREHOLDERS

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### 5.2.5 Moratorium

During the Scheme Period, no Scheme Creditor shall *inter alia*:

- (a) take any step, whether directly or indirectly, to initiate, commence or continue any legal or other proceedings against the Company and/or any Group Company, in respect of its Scheme Claim; and
- (b) be paid any amount owing by the Company in respect of any Scheme Claim except in accordance with the terms of the Debt Restructuring Exercise; and
- (c) exercise any right of appropriation, amalgamation of accounts or counterclaim or set-off against the Company or any other Group Company in relation to such amount.

### 5.2.6 Undertakings by the Company

The Company has given various undertakings under the Debt Restructuring Exercise, including the following referred to below.

The Company undertakes *inter alia* that in the event of any privatisation of the Company by ATB, ATB and the Company shall ensure that:

- (a) the Company shall comply with all standards, principles and practices of corporate governance applicable to public-listed companies in Singapore (including but not limited to those prescribed by the SGX-ST from time to time); and
- (b) such privatisation is carried out in a manner consistent with the principles and provisions of the Debt Restructuring Exercise and all agreements entered into with the Scheme Creditors.

Save for circumstances and events beyond the control of ATB and/or the Company:

- (i) ATB shall not do any act (save for a privatisation exercise or a take-over offer for the shares of the Company) that will result in the de-listing of the shares of the Company from the official list of SGX-ST without obtaining the prior approval of the Scheme Creditors by Ordinary Resolution; and
- (ii) the Company shall comply with the requirements of the Listing Manual and the directions of the SGX-ST in order for the Company's shares to remain listed; and
- (iii) ATB and the Company shall not carry out any act which they are aware or should be aware will result in the trading of the Company's shares being suspended for a continuous period of more than one (1) month without obtaining the prior approval of the Scheme Creditors by Ordinary Resolution.

The Company also undertakes *inter alia* that save for the purposes of or in connection with the implementation of the Debt Restructuring Exercise:

- (1) it shall not and shall use its best endeavours to ensure that each of the other members of the Group do not, during the Scheme Period, except with the prior approval of the Scheme Creditors by Ordinary Resolution or except as permitted by the Debt Restructuring Exercise:
  - (aa) until the first Quarterly Payment has been received by the Scheme Creditors, declare or pay any dividend or make any other distribution in respect of any of its shares or repay or redeem any of its share capital except as permitted below; and

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## LETTER TO SHAREHOLDERS

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- (bb) for the remainder of the Scheme Period, declare or pay any dividend or make any other distribution in respect of any of its shares or repay or redeem any of its share capital amounting to more than 30% of the Company's distributable profits for each year; and
- (2) it shall not, in any financial year issue further shares in excess of 10% of the then enlarged share capital of the Company or alter any rights attaching to its issued shares as at the date of the Debt Restructuring Exercise, without the prior consent of the Scheme Creditors holding at least a majority in number and value of the Total Scheme Debt (if prior to Conversion Date) or the Restructured Debt (if subsequent to Conversion Date). Save as aforesaid, it shall not make or permit any changes to its authorised, issued or paid-up share capital, unless required by law.

### 5.2.7 Conditions Precedent

The Debt Restructuring Exercise is conditional upon *inter alia*:

- (a) receipt of the SIC Confirmation;
- (b) approval in-principle having been granted by the SGX-ST (the "**Approval In-Principle**") pursuant to the additional listing application by the Company (the "**Additional Listing Application**") for the listing of and quotation for the Subscription Shares on the Official List of the SGX-ST, and such approval not having been revoked or amended, and if the approval is granted subject to conditions, such conditions being satisfied or waived by the SGX-ST and the SGX-ST not having made any ruling the effect of which is to restrict or impede the listing and quotation of the Subscription Shares;
- (c) ATB having obtained all relevant Anti-Trust Approvals;
- (d) ATB having received a letter of undertaking (in form and substance satisfactory to ATB) duly executed by each of:
  - (i) G15 to vote in favour of (i) the allotment and issue of the Subscription Shares to ATB and the Creditor Shares to the Scheme Creditors and (ii) any change of name of the Company as may be proposed by ATB, at the extraordinary general meeting of the shareholders of the Company to be convened; and
  - (ii) Arisaig to vote in favour of the allotment and issue of the Subscription Shares to ATB and the Creditor Shares to the Scheme Creditors;
- (e) approval by shareholders of the Company at an extraordinary general meeting to be convened in relation to the allotment and issue of the Subscription Shares and the Creditor Shares; and
- (f) there being no Termination Event in existence immediately following the Commencement Date.

### 5.2.8 Termination Events and Termination of Scheme

- (a) The following are Termination Events in respect of the Debt Restructuring Exercise (whether or not caused by any reason whatsoever outside the control of the Company or any other person):
  - (i) (aa) the Company or ATB does not pay on the due date any amount payable by it under the Debt Restructuring Exercise in the manner required thereunder;

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## LETTER TO SHAREHOLDERS

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- (bb) the Company or ATB does not pay on the due date any amount payable by it under any other Restructuring Document in the manner required under that Restructuring Document, unless such non-payment is remedied within seven (7) days of the due date;
- (ii) the Company or ATB does not comply with any of its obligations under the Debt Restructuring Exercise, unless such non-compliance is capable of remedy and is remedied to the satisfaction of the Scheme Creditors within seven (7) days of the earlier of (i) the Scheme Creditors notifying the Company or ATB of the non-compliance, and (ii) the Company or ATB becoming aware of the same;
- (iii) any of the following occurs in respect of the Company or any Material LJ Subsidiary, unless such event is capable of remedy and is remedied to the satisfaction of the Scheme Creditors within twenty-one (21) days of the earlier of (i) the Scheme Creditors notifying the Company or ATB of the non-compliance, and (ii) the Company or ATB becoming aware of the same:
  - (aa) any of its Financial Indebtedness is not paid when due unless the aggregate amount of all Financial Indebtedness due and unpaid is less than S\$1,000,000 or its equivalent;
  - (bb) an event of default howsoever described (or any event which with the giving of notice, lapse of time, determination of materiality or fulfillment of any other applicable condition or any combination of the foregoing would constitute such an event of default) occurs under any document relating to its Financial Indebtedness and the relevant creditor takes any step to improve its position to the detriment of the Company and/or the Scheme Creditors;
  - (cc) any of its Financial Indebtedness becomes prematurely due and payable or is placed on demand as a result of an event of default (howsoever described) under the document relating to that Financial Indebtedness unless the aggregate amount of all such Financial Indebtedness is less than S\$1,000,000 or its equivalent;
  - (dd) any commitment for, or underwriting of, any Financial Indebtedness is cancelled or suspended as a result of an event of default (howsoever described) under the document relating to that Financial Indebtedness unless the aggregate amount of all such Financial Indebtedness is less than S\$1,000,000 or its equivalent;
  - (ee) any security interest securing Financial Indebtedness over any of its asset(s) becomes enforceable and any step is taken to enforce such security interest;
  - (ff) it is, or is deemed for the purposes of any law to be, unable to pay its debts as they fall due or insolvent;
  - (gg) it admits inability to pay its debts as they fall due;
  - (hh) it suspends making payments on all or of its or any class of its debts or announces an intention to do so;
- (ii) a moratorium is declared in respect of any of its indebtedness; or

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## LETTER TO SHAREHOLDERS

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- (jj) by reason of actual or anticipated financial difficulties, it begins negotiations with one or more of its creditors with a view to the readjustment or rescheduling of any of its indebtedness;
- (kk) any step (including petition, proposal or convening a meeting) is taken with a view to a composition, assignment or arrangement with any of its creditors;
- (ll) a meeting is convened for the purpose of considering any resolution for (or to petition for) its winding up, bankruptcy, judicial management or dissolution or any such resolution is passed;
- (mm) any person presents a petition for its judicial management, winding up, dissolution or bankruptcy;
- (nn) an order for its winding up, judicial management, dissolution or bankruptcy is made;
- (oo) any liquidator, judicial manager, receiver and/or manager, administrator, official assignee or similar officer is appointed in respect of it or any of its assets;
- (pp) its directors request the appointment of a liquidator, judicial manager, receiver and/or manager, administrator or similar officer;
- (qq) any other step (including petition, proposal or convening a meeting) is taken with a view to its rehabilitation, judicial management, liquidation, bankruptcy, winding up or dissolution or any other insolvency proceedings involving it; or
- (rr) any other analogous step or procedure is taken in any jurisdiction,

except that the above shall not apply to events occurring prior to the Commencement Date, the full details of which have been provided to the Scheme Manager and circulated to the Scheme Creditors in writing prior to the date of the Court Meeting;

- (iv) any attachment, sequestration, distress execution or analogous event affects any asset(s) of the Company or any Material LJ Subsidiary, having an aggregate value of at least S\$1,000,000 and is not discharged within twenty-one (21) days, unless it is being contested in good faith with due diligence and the Company or the relevant Material LJ Subsidiary has sufficient funds available to meet any related liability;
- (v) the Company, a Material LJ Subsidiary or ATB is declared to be a declared company under the provisions of Part IX of the Act;
- (vi) it is or becomes unlawful for the Company or ATB to perform any of its obligations under the Restructuring Documents;
- (vii) ATB ceases to beneficially own and control at least 29.99% of the entire issued share capital of the Company at any time during the ATB Commitment Period;
- (viii) the Subscription Shares are not allotted and issued within the Prescribed Completion Period;

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## LETTER TO SHAREHOLDERS

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- (ix) any event or series of events occurs which is likely to have a Material Adverse Effect; or
- (x) the occurrence of any event of default (by whatever name called) under any Restructuring Document (other than acts of default committed by counterparties other than the Company or ATB) which, in the opinion of the Scheme Creditors (confirmed by an Ordinary Resolution), is likely to have a Material Adverse Effect.

Paragraphs 5.2.8(a)(iii)(aa) to (ee) and paragraph 5.2.8(a)(ix) above shall not apply prior to the date on which the subscription for and allotment and issue of the Subscription Shares is completed.

- (b) If a Termination Event is continuing, the Scheme Creditors may by Special Resolution:
  - (i) where the Conversion Date has not occurred yet, terminate the Debt Restructuring Exercise with immediate effect whereupon all parties shall revert to the position as if the Debt Restructuring Exercise had not been effected and their respective rights and obligations shall be governed by the existing facilities documents (including but not limited to the Corporate Guarantees and the documents relating to the issuance of the Standby Letter of Credit); or
  - (ii) where the Conversion Date has occurred:
    - (aa) terminate the Debt Restructuring Exercise with immediate effect; and
    - (bb) (1) declare all or part of the Restructured Debt together with accrued interest and all other amounts accrued under the Debt Restructuring Exercise in respect thereof be immediately due and payable, whereupon they shall become immediately due and payable; and/or
    - (2) declare that all or part of the Restructured Debt be payable on demand, whereupon it shall immediately become payable on demand.
- (c) The termination of the Debt Restructuring Exercise pursuant to paragraph 5.2.8(b) above shall not affect the validity of any payments made under the Debt Restructuring Exercise prior to the date of such termination; or the discharge of the Conversion Debt. The Conversion Debt shall not be reinstated upon the termination of the Debt Restructuring Exercise.
- (d) In the event that the Debt Restructuring Exercise is terminated under this paragraph prior to the Conversion Date, ATB shall not be obliged to proceed with the completion of the Subscription.
- (e) The Debt Restructuring Exercise shall automatically terminate when the Restructured Debt, interest thereon and all other amounts payable to the Scheme Creditors thereunder have been irrevocably paid in full.

## LETTER TO SHAREHOLDERS

### 6. FINANCIAL EFFECTS

#### 6.1 FINANCIAL EFFECTS BASED ON THE AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2004

For illustrative purposes only, and based on the audited financial statements of the Group for the year ended 31 December 2004 (assuming that the Contingent Claim has not become due and payable), the proforma financial effects of the Proposed Investment and the Debt Restructuring Exercise are set out below.

##### 6.1.1 Issued share capital

Assuming that the Proposed Investment and the Debt Restructuring Exercise were completed on 31 December 2004, the proforma financial effect on the share capital of the Company as at 31 December 2004 will be as follows:

	Audited 31 December 2004 No. of Shares	Proforma after Proposed Investment and Debt Restructuring Exercise No. of Shares
Issued and fully paid-up ordinary share capital	287,797,353	287,797,353
Shares issued under the Proposed Investment <sup>(1)</sup>		148,781,725
Shares issued under the Debt Restructuring Exercise <sup>(1)</sup>		59,533,511
Total number of Shares	287,797,353	496,112,589
Issued and fully paid-up share capital (\$'000) <sup>(1)</sup>	57,559,471	91,098,137

##### 6.1.2 Earnings

Assuming that the Proposed Investment and the Debt Restructuring Exercise were completed on 1 January 2004, the proforma financial effect on the earnings of the Group for the year ended 31 December 2004 will be as follows:

	Audited 31 December 2004 S\$'000	Proforma after Proposed Investment and Debt Restructuring Exercise S\$'000
Loss after tax	(91,777)	(91,777)
Gain on Debt Restructuring <sup>(2)</sup>		76,928
Interest saved <sup>(3)</sup>		3,604
Loss after tax	(91,777)	(11,245)
Weighted average of issued and paid-up shares for year ended 31 December 2004 ('000)	287,797	496,113
Loss per Share (cent)	(31.9)	(2.3)

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### 6.1.3 Net tangible assets

Assuming that the Proposed Investment and the Debt Restructuring Exercise were completed on 31 December 2004, the proforma financial effect on the NTA of the Group and the NTA per Share as at 31 December 2004 will be as follows:

	Audited 31 December 2004 S\$'000	Proforma after Proposed Investment and Debt Restructuring Exercise S\$'000
NTA	59,732	59,732
Gain on Debt Restructuring <sup>(2) (3)</sup>		74,640
Shares issued under the Debt Restructuring Exercise <sup>(1)</sup>		9,871
Net proceeds on shares issued under the Proposed Investment <sup>(1)</sup>		23,668
NTA	59,732	167,911
Number of issued and paid-up Shares ('000)	287,797	496,113
NTA per Share (cent)	20.8	33.8

### 6.1.4 Gearing

Assuming that the Proposed Investment and the Debt Restructuring Exercise were completed on 31 December 2004, the proforma financial effect on the net gearing of the Group as at 31 December 2004 will be as follows:

	Audited 31 December 2004 S\$'000	Proforma after Proposed Investment and Debt Restructuring Exercise S\$'000
Net borrowings <sup>(4)</sup>	271,567	191,578
Shareholders' funds <sup>(5)</sup>	64,680	172,859
Net gearing (times)	4.2	1.1

The Group's net borrowings were not reduced by proceeds from the Advances under the Proposed Investment as the net proceeds were deployed to meet funding requirements of the Group's manufacturing activities.

#### Notes:

- (1) Fair value of the Shares issued is assumed to be \$0.1658, the price at which ATB and Scheme Creditors subscribed for shares in the Company. Cost of equity transaction is estimated to be S\$1,000,000.
- (2) For the purpose of determining the proforma financial effects on the earnings of the Group, Conversion Debt written off is arrived at based on Total Scheme Debt outstanding as at 1 January 2004. For the purpose of determining the proforma financial effect on NTA, Conversion Debt written off is arrived at based on Total Scheme Debt outstanding as at 31 December 2004. The actual Conversion Debt to be written off will be based on the proofs of debts as at 30 September 2005 as admitted under the Debt Restructuring Exercise. Fair value of the Restructured Debt is arrived at by discounting the expected future cash flows for the Restructured Debt at the rate of 5.308% per annum which is the sum of the applicable Scheme Interest Rate for S\$ borrowings of 3.308% per annum and interest margin of 2.0% per annum. It is assumed that there will be no tax payable on the principal amount of debt written off.

## LETTER TO SHAREHOLDERS

- (3) Interest saved is calculated by assuming that the interest incurred on the bank debts subjected to the Debt Restructuring Exercise and based on contractual interest rates were replaced by the Scheme Interest Rate for year one on the Restructured Debt. The Scheme Interest Rate applied for year one is 3.308% per annum which is the arithmetic mean of the cost of funds for S\$ quoted by United Overseas Bank Limited, Maybank and Arab Bank PLC and assumes that all of the Restructured Debts have been converted to S\$.
- (4) Net borrowings means the aggregate amount of bank borrowings of the Group net of bank and cash balances.
- (5) Shareholders' funds mean the aggregate of the issued and paid-up share capital, share premium, foreign exchange translation reserves and revenue reserves.

### 6.2 FINANCIAL EFFECTS BASED ON THE UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2005

For further illustrative purposes, and based on the unaudited financial statements of the Group for the nine months ended 30 September 2005, and on the assumption that the Conversion Debt written off is based on the proofs of debts as at 30 September 2005 as admitted under the Debt Restructuring Exercise, amounting to S\$191,851,000 (assuming that the Contingent Claim has not become due and payable), the proforma financial effects of the Proposed Investment and the Debt Restructuring Exercise are set out below.

#### 6.2.1 Issued share capital

Assuming that the Proposed Investment and the Debt Restructuring Exercise were completed on 30 September 2005, the proforma financial effect on the share capital of the Company as at 30 September 2005 will be as follows:

	Unaudited 30 September 2005 No. of Shares	Proforma after Proposed Investment and Debt Restructuring Exercise No. of Shares
Issued and fully paid-up ordinary share capital	287,797,353	287,797,353
Shares issued under the Proposed Investment <sup>(1)</sup>		148,781,725
Shares issued under the Debt Restructuring Exercise <sup>(1)</sup>		59,533,511
Total number of Shares	287,797,353	496,112,589
Issued and fully paid-up share capital (\$'000) <sup>(1)</sup>	57,559,471	91,098,137

## LETTER TO SHAREHOLDERS

### 6.2.2 Earnings

Assuming that the Proposed Investment and the Debt Restructuring Exercise were completed on 1 January 2005, the proforma financial effect on the earnings of the Group for the nine months ended 30 September 2005 will be as follows:

	Unaudited 30 September 2005 S\$'000	Proforma after Proposed Investment and Debt Restructuring Exercise S\$'000
Loss after tax	(76,719)	(76,719)
Gain on Debt Restructuring <sup>(2)</sup>		70,154
Interest saved <sup>(3)</sup>		4,231
Loss after tax	(76,719)	(2,334)
Weighted average of issued and paid-up shares for nine months ended 30 September 2005 ('000)	287,797	496,113
Loss per Share (cent)	(26.7)	(0.5)

### 6.2.3 Net tangible assets

Assuming that the Proposed Investment and the Debt Restructuring Exercise were completed on 30 September 2005, the proforma financial effect on the NTA of the Group and the NTA per Share as at 30 September 2005 will be as follows:

	Unaudited 30 September 2005 S\$'000	Proforma after Proposed Investment and Debt Restructuring Exercise S\$'000
NTA	(16,140)	(16,140)
Gain on Debt Restructuring		74,692
Shares issued under the Debt Restructuring Exercise <sup>(1)</sup>		9,871
Net proceeds on shares issued under the Proposed Investment <sup>(1)</sup>		23,668
NTA	(16,140)	92,091
Number of issued and paid-up Shares ('000)	287,797	496,113
NTA per Share (cent)	(5.6)	18.6

## LETTER TO SHAREHOLDERS

### 6.2.4 Gearing

Assuming that the Proposed Investment and the Debt Restructuring Exercise were completed on 30 September 2005, the proforma financial effect on the net gearing of the Group as at 30 September 2005 will be as follows:

	Unaudited 30 September 2005 S\$'000	Proforma after Proposed Investment and Debt Restructuring Exercise S\$'000
Net borrowings <sup>(4)</sup>	241,323	161,298
Shareholders' funds <sup>(5)</sup>	(10,327)	97,904
Net gearing (times)	not meaningful	1.6

The Group's net borrowings were not reduced by proceeds from the Advances under the Proposed Investment as the proceeds were deployed to meet funding requirements of the Group's manufacturing activities.

**Notes:**

- (1) Fair value of the Shares issued is assumed to be \$0.1658, the price at which ATB and Scheme Creditors subscribed for shares in the Company. Cost of equity transaction is estimated to be S\$1,000,000.
- (2) The Conversion Debt to be written off is based on the proofs of debts as at 30 September 2005 as admitted under the Debt Restructuring Exercise. Fair value of the Restructured Debt is arrived at by discounting the expected future cash flows for the Restructured Debt at the rate of 5.308% per annum which is the sum of the applicable Scheme Interest Rate for S\$ borrowings of 3.308% per annum and interest margin of 2.0% per annum. It is assumed that there will be no tax payable on the principal amount of debt written off.
- (3) Interest saved is calculated by assuming that the interest incurred on the bank debts subjected to the Debt Restructuring Exercise and based on contractual interest rates were replaced by the Scheme Interest Rate for year one on the Restructured Debt. The Scheme Interest Rate applied for year one is 3.308% per annum which is the arithmetic mean of the cost of funds for S\$ quoted by United Overseas Bank Limited, Maybank and Arab Bank PLC and assumes that all of the Restructured Debts have been converted to S\$.
- (4) Net borrowings means the aggregate amount of bank borrowings of the Group net of bank and cash balances.
- (5) Shareholders' funds mean the aggregate of the issued and paid-up share capital, share premium, foreign exchange translation reserves and revenue reserves.

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## LETTER TO SHAREHOLDERS

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### 7. CHANGES TO THE SHAREHOLDING OF THE COMPANY FOLLOWING THE ISSUE OF THE SUBSCRIPTION SHARES AND THE CONVERSION SHARES

For illustration purposes, the following table sets out the changes to the percentage shareholding of the Company following the issue of the Subscription Shares and the Conversion Shares:

Shareholders	As at the Latest Practicable Date (%)	Immediately after the issuance of the Subscription Shares and Conversion Shares (assuming no other changes to the share capital of the Company) (%)
G15	26.09	15.14
Arisaig	15.17	8.80
Lim Say Hui <sup>(1)(2)</sup>	0.97	0.56
ATB	–	29.99
Scheme Creditors	–	12.00
Others <sup>(2)</sup>	57.77	33.51
Total	100.00	100.00

**Notes:**

- (1) Lim Say Hui has a deemed interest in the Shares held by G15.
- (2) Please refer to Appendix A for details of the interests of Directors and substantial shareholders in the Shares.

### 8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Details of the interests of Directors and substantial shareholders of the Company in the Shares as at the Latest Practicable Date are set out in section 1 of Appendix A of this Circular.

As described in Section 4.3.1 of this Circular, one of the substantial shareholders of the Company, G15, has entered into the Call Option Agreement with ATB.

Substantial shareholders of the Company, Pacven Walden Ventures IV, L.P. and WIIG Global Ventures Pte Ltd and Mr Lim Say Hui are amongst the shareholders of G15 with respective interests of 22.3% and 44.0% in the issued share capital of G15. Mr Lim is also the Chairman and Managing Director of the Company.

In addition to Mr Lim Say Hui, Directors of the Company, Mrs Low-Chan Lai King, Mr Soong Tuck Cheong and Mr Praful J Desai, are also amongst the shareholders of G15 with respective interests of 15.0%, 6.2% and 10.9% in the issued share capital of G15. Mr Soong Tuck Cheong is also a director of G15.

Save as disclosed above, none of the Directors or substantial shareholders has any interest, direct or indirect, in the outcome of the resolutions to be passed at the EGM.

### 9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 41 and 42 of this Circular, will be held at 7 Temasek Boulevard, #11-01 Suntec Tower One, Singapore 038987 on 27 February 2006 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the Ordinary Resolutions (with or without modifications) as set out in the Notice of EGM.

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## LETTER TO SHAREHOLDERS

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### 10. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 7 Temasek Boulevard, #11-01 Suntec Tower One, Singapore 038987 not later than 25 February 2006 at 10.00 a.m.. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

### 11. DIRECTORS' RECOMMENDATION

The Directors are of the view that the Proposed Investment and the Debt Restructuring Exercise, in particular, the issue of Subscription Shares and the Conversion Shares, are in the interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the resolutions to be proposed at the EGM as set out in the Notice of EGM.

Shareholders should note that the passing of Resolutions 1 and 2 as set out in the Notice of EGM are contingent upon one another. As such, in the event any of the said resolutions is not approved at the EGM, the issue of the Subscription Shares and the Conversion Shares will NOT take place.

### 12. SHAREHOLDERS' UNDERTAKINGS TO VOTE

Pursuant to the terms of the Advance Agreement, each of G15 and Arisaig have as conditions precedent to the disbursement of the Second Tranche Advance given irrevocable undertakings to ATB to vote in favour of the allotment and issue of the Subscription Shares to ATB at the EGM. Please refer to Section 4.1 of this Circular for further details.

### 13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material aspects as at the Latest Practicable Date and that there are no material facts the omission of which would make any statement in this Circular misleading.

Where information contained in this Circular has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources.

### 14. ADDITIONAL INFORMATION

The attention of Shareholders is drawn to the additional information set out in Appendix A to this Circular.

Yours faithfully,

Lim Say Hui  
Chairman and Managing Director  
Lindeteves-Jacoberg Limited

## APPENDIX A: GENERAL INFORMATION

### 1. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

#### (a) Directors' Interests

As at the Latest Practicable Date, the Directors' interests in the Shares based on the information recorded in the Register of Directors' Shareholdings were as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lim Say Hui <sup>(1)</sup>	2,795,000	0.97	75,087,499	26.09	77,882,499	27.06
Chan Lai King	1,245,500	0.43	—	—	1,245,500	0.43
Soong Tuck Cheong	—	—	—	—	—	—
Praful J Desai	184,500	0.06	—	—	184,500	0.06
Heinz Grossmann	—	—	—	—	—	—
Neil Stewardson	—	—	—	—	—	—
Reggie Thein	—	—	—	—	—	—
Basil Chan	—	—	—	—	—	—
Herman Hofhuis	—	—	—	—	—	—

**Note:**

(1) Lim Say Hui has a deemed interest in the 75,087,499 Shares held by G15 Investment Holdings Pte Ltd.

#### (b) Substantial Shareholders' Interests

As at the Latest Practicable Date, the substantial shareholders' interests in the Shares based on the information recorded in the Register of Substantial Shareholders maintained pursuant to Section 88 of the Companies Act were as follows:

Name	Number of Shares			
	Shareholdings registered in the name of the Substantial Shareholders or their nominees	%	Shareholdings in which Substantial Shareholders are deemed to have an interest	%
G15 Investment Holdings Pte Ltd <sup>(1)</sup>	75,087,499	26.09	—	—
Arisaig Partners (BVI) Ltd – Arisaig ASEAN Fund	43,646,000	15.17	—	—
Lim Say Hui	2,795,000	0.97	75,087,499	26.09
Pacven Walden Ventures IV, L.P. and WIIG Global Ventures Pte Ltd <sup>(2)</sup>	—	—	75,087,499	26.09

**Notes:**

(1) Lim Say Hui has a deemed interest in the 75,087,499 Shares held by G15 Investment Holdings Pte Ltd.

(2) Pacven Walden Ventures IV, L.P. and WIIG Global Ventures Pte Ltd have a deemed interest in the 75,087,499 Shares held by G15 Investment Holdings Pte Ltd.

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## APPENDIX A: GENERAL INFORMATION

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### 2. MATERIAL LITIGATION

There are no legal or arbitration proceedings pending or known by the Directors to be contemplated against the Company and its subsidiaries which, in the opinion of the Directors, may have or have had in the last 12 months preceding the date of this Circular a material effect on the financial position or profitability of the Group.

For completeness, it was disclosed in the Company's annual report for the financial year ended 31 December 2004 that:

- (a) Certain trade receivables of the Group of amounts totalling S\$1,585,000 due from a former distributor and its related corporations to two subsidiaries of the Group are the subject of legal action commenced in Singapore, Malaysia and Thailand. The former distributor has made a claim for damages against the two subsidiaries in the Singapore Courts amounting to approximately S\$1,000,000. Based on consultations with legal counsel in Singapore, the Group has valid claims and the outcome of the claims by the distributor will depend on whether the allegations can be supported. Accordingly, no provision for the distributor's claims had been made in the consolidated financial statements for the financial year ended 31 December 2004; and
- (b) Certain trade receivables of the Group of an amount of US\$303,000 (approximately S\$496,000) due from a former distributor of a subsidiary is the subject of a suit filed in the Greek Courts against the distributor in which the distributor also made a claim for damages against a subsidiary of the Group amounting to 344,000 Euros (approximately S\$563,000). Based on consultation with the Group's legal counsel in Greece, the subsidiary's position is sustainable and the former distributor's claims are without merit. Accordingly, no provision for claims by the distributor had been made in the consolidated financial statements for the financial year ended 31 December 2004.

### 3. MATERIAL CONTRACTS

The dates of, parties to and general nature of the material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries during the 2 years preceding the date of this Circular, and the amount of any consideration received or paid by the Company or any of its subsidiaries, are as follows:

- (a) Agreement for the sale of the Company's 59.5% share held in the Chinese joint venture company Dalian Brook Crompton Motors Co. Ltd to Dalian Jinli Engines Co. Ltd for a total consideration of RMB54,697,000 (approximately S\$11,344,000);
- (b) Agreement for the sale of land and buildings occupied by the Company's subsidiary BCW Electric Motors Corporation Limited to Dalian Rightway Real Estate Development Co. Ltd Dalian Yuan Dong Real Estate Development Co. Ltd and Dalian Power Creation Co. Ltd for a total consideration of RMB150 million (approximately S\$30.1 million);
- (c) Advance Agreement dated 27 August 2005 between ATB and the Company (as amended by a supplemental agreement dated 21 December 2005 between ATB and the Company) whereby ATB advanced to the Company an aggregate amount of S\$24,668,010 in two tranches (please refer to Section 4.1 of this Circular for further details);
- (d) Subscription Agreement dated 27 August 2005 between ATB and the Company (as amended by a supplemental agreement dated 21 December 2005 between ATB and the Company) whereby ATB agreed to subscribe for the Subscription Shares (please refer to Section 4.2 of this Circular for further details); and

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## APPENDIX A: GENERAL INFORMATION

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- (e) (i) Subscription Agreement dated 11 November 2005 between LJE, Linberg Philippines, Inc. ("**LPI**"), Citicorp Investment Bank (Singapore) Ltd, the Funding Parties named therein and Citicorp International Limited ("**Citicorp**"); (ii) Debenture dated 11 November 2005 between LJE and Citicorp; (iii) Agency Agreement dated 11 November 2005 between LJE, LPI, and Citicorp; (iv) Ominbus Security Agreement dated 16 November 2005 between the Company, LJE, LPI and Citicorp; (v) Intercompany Loan Agreement dated 15 November 2005 between the Company and LJE; (vi) Share Charge dated 11 November 2005 between the Company and Citicorp; and (vii) Trust Deed dated 11 November 2005 between LJE, LPI. and Citicorp, in relation to an issue of an aggregate principal amount of US\$25 million floating rate term notes by LJE.

### 4. CONSENTS

Deloitte & Touche Corporate Finance Pte Ltd, the financial advisor to the Company in connection with its initiatives to raise fresh equity capital and in respect of the Debt Restructuring Exercise, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto in the form and context in which they appear in this Circular.

### 5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 7 Temasek Boulevard, #11-01 Suntec Tower One, Singapore 038987, during normal business hours on any weekday (public holidays excepted) up to and including the date of the EGM:

- (a) Memorandum and Articles of Association of the Company;
- (b) the Advance Agreement (and the supplemental agreement thereto);
- (c) the Subscription Agreement (and the supplemental agreement thereto);
- (d) the Call Option Agreement (and the supplemental agreement thereto); and
- (e) the Scheme Document.

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## APPENDIX B: THE SCHEME INTEREST RATE

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### A. SCHEME INTEREST RATE

The Scheme Interest Rate shall be:

- (1) in relation to claims denominated in Singapore dollars, the arithmetic mean of the cost of funds (for the relevant term) for Singapore dollars quoted by United Overseas Bank Limited, Malayan Banking Berhad and Arab Bank at or about 11 a.m. on the Rate Fixing Date;
- (2) in relation to claims denominated in Pounds Sterling, the London Interbank Offer Rate (LIBOR) (for the relevant term) for Pounds Sterling displayed on the appropriate page of the Telerate Screen at or about 11 a.m. on the Rate Fixing Date; and
- (3) in relation to claims denominated in any other currency, the Singapore Interbank Offer Rate (SIBOR) for the relevant currency and term displayed on the appropriate page of the Telerate Screen at or about 11 a.m. on the Rate Fixing Date.

### B. INTEREST RATE ON RESTRUTURED DEBT

- |     |           |   |   |
|-----|-----------|---|---|
| (1) | Year 1    | – | applicable Scheme Interest Rate         |
| (2) | Year 2-3  | – | applicable Scheme Interest Rate + 100bp |
| (3) | Years 4-8 | – | applicable Scheme Interest Rate + 200bp |

For the purposes of this Appendix, “Rate Fixing Date” means:

- (a) the first day of each quarter following the Commencement Date for Approved Claims denominated in Singapore dollars; and
- (b) the second day before the first day of each quarter following the Commencement Date for Approved Claims denominated in any other currency.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### LINDETEVES-JACOBBERG LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 194700172G)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) will be held at 7 Temasek Boulevard, #11-01 Suntec Tower One, Singapore 038987 on 27 February 2006 at 10.00 a.m. for the purpose of considering and, if thought fit, approving with or without amendments, the following resolutions:-

AS ORDINARY RESOLUTIONS:-

#### **Resolution 1: Allotment and issue of the Subscription Shares**

That contingent upon the passing of Resolution 2:

- (a) the Directors of the Company be and are hereby authorised to allot and issue such number of new ordinary shares in the capital of the Company (the “**Subscription Shares**”) to ATB Austria Antriebstechnik AG (“**ATB**”) in accordance with the terms and conditions of the subscription agreement dated 27 August 2005 (as amended by a supplemental agreement dated 21 December 2005 between ATB and the Company and as otherwise amended, supplemented or modified from time to time) and the other terms of the Proposed Investment (as defined in the Company’s circular to shareholders dated 10 February 2006 (the “**Circular**”)) (as such may from time to time be amended, supplemented or modified);
- (b) pursuant to Rule 803 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby granted for the allotment and issue by the Company of the Subscription Shares which transfers a controlling interest in the Company to ATB; and
- (c) approval be and is hereby given to the Directors of the Company to complete and do all such acts and things, including without limitation, to execute all such documents and to approve any amendments, alterations or modifications to any documents as they may consider desirable, expedient or necessary to give effect to this Resolution.

#### **Resolution 2: Allotment and issue of the Conversion Shares**

That contingent upon the passing of Resolution 1:

- (a) the Directors of the Company be and are hereby authorised to allot and issue such number of new ordinary shares in the capital of the Company to the Scheme Creditors (as defined in the Circular) or their nominee(s) or as they may direct, in accordance with the terms and conditions of the Debt Restructuring Exercise (as defined in the Circular) (as such Debt Restructuring Exercise may be amended, supplemented or modified from time to time); and
- (b) approval be and is hereby given to the Directors of the Company to complete and do all such acts and things, including without limitation, to execute all such documents and to approve any amendments, alterations or modifications to any documents as they may consider desirable, expedient or necessary to give effect to this Resolution.

By Order of the Board

Lathika Devi Amma d/o K R Pillay  
Lotus Isabella Lim Mei Hua  
Company Secretaries

Singapore, 10 February 2006

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**Notes:**

1. A Shareholder may appoint not more than two proxies to attend and vote at the EGM.
2. A proxy need not be a shareholder of the Company.
3. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 7 Temasek Boulevard, #11-01 Suntec Tower One, Singapore 038987 not later than 48 hours before the time appointed for the meeting.

## PROXY FORM

### LINDETEVES-JACOBURG LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 194700172G)

#### IMPORTANT

1. For investors who have used their CPF monies to buy Shares, this Notice of EGM is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

I/We, \_\_\_\_\_

Of \_\_\_\_\_

being a shareholder/shareholders of **Lindeteves-Jacoburg Limited** (the “**Company**”), hereby appoint

Name	Address	NRIC/Passport Number	Proportion of Shareholdings represented by proxy (%)
and/or failing him*			

as my/our\* proxy/proxies\* to attend and to vote for me/us\* on my/our\* behalf and, if necessary, to demand a poll, at the extraordinary general meeting (“**EGM**”) of the Company to be held at 7 Temasek Boulevard, #11-01 Suntec Tower One, Singapore 038987 on 27 February 2006 at 10.00 a.m. and at any adjournment thereof.

I/we\* direct my/our\* proxy/proxies\* to vote for or against the ordinary resolutions to be proposed at the EGM as indicated with an “X” in the spaces provided hereunder. If no specific directions as to voting are given, the proxy/proxies\* will vote or abstain from voting at his/her\* discretion.

No.	Ordinary Resolution	For	Against
1.	Approval of the proposed allotment and issue of the Subscription Shares		
2.	Approval of the proposed allotment and issue of the Conversion Shares		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2006

Total number of Shares:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of shareholder(s) or Common Seal

\* Delete accordingly

**IMPORTANT:** Please read notes



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## PROXY FORM

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**Notes:**

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore .
5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 7 Temasek Boulevard, #11-01 Suntec Tower One, Singapore 038987 not later than 48 hours before the time set for the EGM.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the EGM.

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