

LINDETEVES-JACOBURG LIMITED

Co. Reg. No. 194700172G

PROPOSED SUBSCRIPTION OF 148,781,725 NEW SHARES IN LINDETEVES-JACOBURG LIMITED BY ATB AUSTRIA ANTRIEBSTECHNIK AG

I. INTRODUCTION

The board of directors (the "**Board**") of Lindeteves-Jacoburg Limited (the "**Company**") refers to its previous announcements in relation to the proposed subscription of 148,781,725 new shares in the Company (the "**Subscription Shares**") by ATB Austria Antriebstechnik AG ("**ATB**").

The Board would like to announce that it has on 21 December 2005 entered into supplemental agreements in respect of the following: (a) the conditional advance agreement dated 27 August 2005 entered into between the Company and ATB (the "**Advance Agreement**"); and (b) the subscription agreement dated 27 August 2005 entered into between the Company and ATB (the "**Subscription Agreement**"). In connection therewith, G15 Investment Holdings Pte Ltd ("**G15**") and ATB have on 21 December 2005 entered into a supplemental agreement in respect of the call option agreement dated 27 August 2005 entered into between G15 and ATB (the "**Call Option Agreement**"). Details of key terms of the supplemental agreements are set out below in paragraph III.

II. DISBURSEMENT OF SECOND TRANCHE UNDER ADVANCE AGREEMENT

Further to the announcements on 27 August 2005 and 20 September 2005 in relation to the advances amounting to approximately S\$24.7 million in aggregate intended to be made by ATB to the Company (the "**Advances**"), ATB has to date advanced to the Company approximately S\$11.8 million. Accordingly, a balance amount of approximately S\$12.9 million is to be advanced under the second tranche (the "**Second Tranche**") pursuant to the terms of the Advance Agreement and the abovementioned supplemental agreement to the Advance Agreement dated 21 December 2005.

The Board is pleased to announce that the conditions precedent to the disbursement of the Second Tranche have been satisfied or waived. Accordingly, ATB has on 21 December 2005 disbursed the Second Tranche (the "**Second Remittance Date**") to the Company.

III. KEY TERMS OF THE SUPPLEMENTAL AGREEMENTS

A summary of the key terms of the respective supplemental agreements are set out below.

1. Advance Agreement

Pursuant to the supplemental agreement to the Advance Agreement, certain amendments have been made to the conditions precedent to the disbursement of the Second Tranche and the repayment terms with respect to the Advances.

Conditions Precedent

ATB has agreed not to require a letter of undertaking from a substantial shareholder of the Company (other than G15) to subscribe for its full entitlement under the proposed rights issue exercise (if any) of the Company. ATB has *inter alia*, received a letter of undertaking from G15 pursuant to which G15 irrevocably undertakes to subscribe for its full entitlement or, if G15 does not hold at least 12% of the share capital of the Company at the time when the

proposed rights issue exercise of the Company is undertaken or is otherwise not entitled to participate in the rights issue exercise, to accept and subscribe for any rights entitlement which are renounced by any other shareholder of the Company in favour of G15, which together with its rights entitlement based on its shareholding in the Company at the time of determination of rights entitlement under the rights issue exercise, comprises up to 12% of the entire rights entitlement, under the proposed rights issue exercise (if any) of the Company.

Repayment

The parties have agreed that the Advances shall be repaid on the date falling 12 months after the Second Remittance Date subject to the terms and conditions of the Advance Agreement and its supplemental agreement or upon written demand made by ATB upon the occurrences of certain events (as previously disclosed), whichever is the earlier.

The period for the completion of the subscription, allotment and issue of the Subscription Shares ("**Subscription Completion**") to take place has been revised to 5 months (from 6 months previously) commencing on the day immediately following the Second Remittance Date (the "**Subscription Period**") or within such extended period as may be provided for in the Advance Agreement and its supplemental agreement (the "**Conditional Period**"). In the event Subscription Completion takes place during the Subscription Period or the Conditional Period, as the case may be, the entire amount of the Advances shall be applied towards and set-off against the consideration payable for the Subscription Shares.

2. Subscription Agreement

The parties have agreed to an additional condition precedent, that on or before the expiry of the Subscription Period or the Conditional Period, whichever is the later, the Company would have undergone a capital reduction exercise to allow for the Subscription Shares to be issued at S\$0.1658 per Subscription Share, or the law otherwise allows the Company to issue the Subscription Shares at S\$0.1658 per Subscription Share.

In relation to the refinancing of the loans taken for its power generation business in the Philippines, the Company has completed the refinancing in December 2005.

3. Call Option Agreement

As disclosed previously, G15 has granted ATB a call option under which ATB may require G15 to sell to ATB an aggregate of 75,087,499 ordinary shares of S\$0.20 each in the capital of the Company ("**Option Shares**") pursuant to the terms and conditions of the Call Option Agreement.

Option Period

The option period for the exercise of the Option Shares has been amended to a period of 3 months commencing on the date falling 6 months after Subscription Completion (or such other date as the parties may agree).

Exercise Price

The exercise price of the Option Shares shall be S\$0.15 per Option Share.

Further details of the Advance Agreement, the Subscription Agreement and the Call Option Agreement as amended by their respective supplemental agreements will be set out in the circular to shareholders to be issued by the Company in due course.

Submitted by Lathika Devi Amma d/o KR Pillay, to the SGX-ST on 22 December 2005.