

VOLUNTARY CONDITIONAL OFFER

by



DBS BANK LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196800306E)

for and on behalf of

FRENCKEN GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199905084D)

to acquire all the issued and paid up ordinary shares in the capital of

JUKEN TECHNOLOGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199200539Z)

other than those already owned, controlled or agreed to be acquired by the Offeror

1. INTRODUCTION

On 16 May 2012 (the "**Pre-Conditional Offer Announcement Date**"), DBS Bank Ltd. ("**DBS Bank**") announced (the "**Pre-Conditional Offer Announcement**"), for and on behalf of Frencken Group Limited (the "**Offeror**"), that, subject to the satisfaction or waiver of the Pre-Condition (as referred to in paragraph 2.1 of this Announcement), the Offeror intends to make a voluntary conditional offer (the "**Offer**") for all the issued and paid up ordinary shares in the capital of Juken Technology Limited ("**Juken**") (excluding issued and paid up ordinary shares held by Juken as treasury shares) (the "**Juken Shares**"), other than those already owned, controlled or agreed to be acquired by the Offeror in accordance with Rule 15 of the Singapore Code on Takeovers and Mergers (the "**Code**").

As announced in the Pre-Conditional Offer Announcement, the Offeror also intends to make an offer (the "**Warrants Offer**") to holders (the "**Warrantholders**") of outstanding warrants issued by Juken pursuant to the Offer Information Statement dated 28 January 2010 (the "**Warrants**") in accordance with Rule 19 of the Code, and a proposal (the "**Options Proposal**") to holders (the "**Optionholders**") of outstanding options granted by Juken pursuant to the Juken Share Option Scheme ("**Juken SOS**"), approved and adopted by Juken at the extraordinary general meeting of Juken held on 8 April 2004 (the "**Juken Options**").

2. PRE-CONDITION TO THE MAKING OF THE OFFER

- 2.1 As stated in the Pre-Conditional Offer Announcement, the making of the Offer would constitute a major transaction under Chapter 10 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") listing manual (the "**Listing Manual**"). Accordingly, the making of the Offer, the Warrants Offer, the Options Proposal, and the posting of the formal offer

document containing the terms and conditions of the Offer (the "**Offer Document**") to the shareholders of Juken (the "**Juken Shareholders**") will not be made unless and until the following pre-condition has been satisfied or waived (the "**Pre-Condition**"):

All resolutions as may be necessary or incidental to approve, implement and effect the Offer, the Warrants Offer and the Options Proposal, and the acquisition of any Juken Shares other than those Juken Shares already owned, controlled or agreed to be acquired by the Offeror (the "**Acquisition**") having been passed at a general meeting of the shareholders of the Offeror (the "**Frencken Shareholders**") (or any adjournment thereof) (the "**Frencken EGM**").

2.2 In connection with the above, it should be noted that the Offeror has sought the approval of the Frencken Shareholders at the Frencken EGM on 23 August 2012 for:

- (a) the Acquisition;
- (b) the Offer, the Warrants Offer and the Options Proposal to be made on the terms set out in paragraph 3 below; and
- (c) approval in relation to the allotment and issue of new ordinary shares in the share capital of the Offeror (the "**New Offeror Shares**") for the purpose of satisfaction of the Shares Consideration (as defined below),

(collectively, the "**Chapter 10 Resolution**").

2.3 The Offeror announced today that the approval of the Frencken Shareholders for the Chapter 10 Resolution has been obtained at the Frencken EGM. Accordingly, the Pre-Condition has been satisfied as at the date of this Announcement. Pursuant to the satisfaction of the Pre-Condition, DBS Bank wishes to announce, for and on behalf of the Offeror, the Offeror's firm intention to make the Offer.

3. THE OFFER, WARRANTS OFFER AND OPTIONS PROPOSAL

3.1 **Offer Terms.** The Offeror will make the Offer subject to and upon the following principal terms and conditions:

- (a) The Offer will be made for the Juken Shares in accordance with Rule 15 of the Code and subject to the terms and conditions set out in this Announcement and the Offer Document to be issued by DBS Bank, for and on behalf of the Offeror, in connection with the Offer.
- (b) The Offer will be made on the following basis:

For each Juken Share:

EITHER

\$S\$0.18 in cash (the "Cash Consideration**")**

OR

Subject to the Cap (as defined and set out below), 1 New Offeror Share for every 1.8 Juken Shares (the "Shares Consideration**").**

Juken Shareholders who accept the Offer shall have in relation to all their Juken Shares tendered in acceptance of the Offer, the right to elect to receive either (i) the Cash Consideration, (ii) Shares Consideration, or (iii) a combination of both.

The Offeror does not intend to revise the Cash Consideration and Shares Consideration, except that the Offeror reserves the right to do so in a competitive situation.

The consideration to be paid to Juken Shareholders for their Juken Shares pursuant to the Offer shall be subject to the Cap on the New Offeror Shares to be issued pursuant to the Offer, as follows:

- (A) S\$0.18 per Juken Share; and/or
- (B) New Offeror Shares at an exchange ratio of 1.8 Juken Shares (held by each relevant Juken Shareholder as at the close of the Offer (the "**Closing Date**") for the purposes of determining entitlement of a Juken Shareholder to the Offer) for 1 New Offeror Share, based on an issue price of S\$0.324 per New Offeror Share.

If Juken Shareholders fail to elect their preferred mode of consideration, they will be deemed to have chosen to receive the Cash Consideration in respect of all of their Juken Shares.

- (c) The Shares Consideration will be capped at 27,734,113 New Offeror Shares (the "**Cap**") at the conversion ratio of 1.8 Juken Shares : 1 New Offeror Share (i.e. only a maximum of 49,921,403¹ Juken Shares will be converted into New Offeror Shares in respect of accepting Juken Shareholders who elect to receive the Shares Consideration). In the event of excess elections for the Shares Consideration, the Shares Consideration to all Juken Shareholders (including the Juken Undertaking Shareholders (as defined in paragraph 6.1 below) electing for New Offeror Shares will be scaled back on a *pro-rata* basis (the "**Scale-back**") and as a result of the Scale-back, Juken Shareholders will receive Cash Consideration in respect of the balance Juken Shares tendered for acceptance for which they have not received New Offeror Shares as consideration.
- (d) The actual number of New Offeror Shares to be received by each Juken Shareholder who elects for the Shares Consideration will be calculated such that any resultant fraction of a New Offeror Share will be rounded downwards to the nearest whole number and accordingly, no fraction of a New Offeror Share shall be allotted or issued to any Juken Shareholder. A Juken Shareholder shall receive cash for such fraction of a New Offeror Share not allotted or issued. Further details of the settlement of the Cash Consideration and Shares Consideration are set out in paragraph 3.1(g) below and further details of the New Offeror Shares are set out in paragraph 3.3 below.

By way of illustration, a Juken Shareholder who accepts the Offer and who elects to receive the **Cash Consideration** will receive, for every 1,000 Juken Shares tendered in acceptance of the Offer, S\$180 in cash.

¹ This represents approximately 20% of the issued share capital of Juken of 249,607,017 Juken Shares (excluding issued and paid up ordinary shares held by Juken as treasury shares) as at 31 December 2011 based on the 2011 Juken Audited Financial Statements (as defined below).

By way of illustration, assuming that there is no Scale-back, a Juken Shareholder who accepts the Offer and who elects to receive the **Shares Consideration** will receive the following:

No. of Juken Shares held by a Juken Shareholder	Juken Shareholder who elects to receive the Shares Consideration	
	No. of New Offeror Shares to be allotted	Cash to be received
1,000	555	S\$0.18
1,500	833	S\$0.11
5,000	2,777	S\$0.25
8,000	4,444	S\$0.14
10,000	5,555	S\$0.18

(e) Pursuant to the Offer, the Juken Shares are to be transferred by the Juken Shareholders to the Offeror:

- (i) fully paid;
- (ii) free from any lien, equity, mortgage, charge, encumbrance, easement, right of pre-emption, security, title retention, preferential right, trust arrangement or other security interest or other third party right and interest of any nature whatsoever ("**Encumbrance**"); and
- (iii) together with all rights, benefits and entitlements as of the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by Juken on or after the Pre-Conditional Offer Announcement Date.

If any dividend, other distribution or return of capital is declared, paid or made by Juken on or after the Pre-Conditional Offer Announcement Date, the Offeror reserves the right to reduce the Cash Consideration and Shares Consideration by the amount of such dividend, other distribution or return of capital.

(f) The Offer will also be extended, on the same terms and conditions, to all new Juken Shares unconditionally issued or to be issued pursuant to the valid exercise prior to the close of the Offer of any Juken Options or Warrants. For the purpose of the Offer, the expression "Juken Shares" shall include such new Juken Shares.

(g) **Settlement of Cash Consideration and Shares Consideration.**

In the case of Juken Shareholders who wish to accept the Offer in full or in part and who elect to receive:

- (i) **only Cash Consideration** in respect of all their Juken Shares tendered for acceptance, such Juken Shareholders will receive the Cash Consideration:

- (A) in respect of valid acceptances received on or before the Offer becomes or is declared unconditional in all respects, **within 10 days after the Offer becomes or is declared unconditional in all respects**; and
 - (B) in respect of valid acceptances received after the date on which the Offer becomes or is declared unconditional in all respects and before the Offer closes, **within 10 days after the Offeror's receipt of valid acceptances**; or
- (ii) **only Shares Consideration** in respect of all their Juken Shares tendered for acceptance, such Juken Shareholders will receive:
 - (A) the Shares Consideration (subject to the Scale-back);
 - (B) Cash Consideration in respect of the balance Juken Shares tendered for acceptance not received in New Offeror Shares as consideration, as a result of the Scale-back; and/or
 - (C) cash for any fraction of New Offeror Shares not allotted or issued, in respect of valid acceptances received before the Offer closes, **within 10 days after the close of the Offer**; or
- (iii) a **combination** of both **Cash Consideration** and **Shares Consideration** in respect of their Juken Shares tendered for acceptance, such Juken Shareholders will receive:
 - (A) in respect of the Juken Shares for which Cash Consideration was elected, the Cash Consideration; and
 - (B) in respect of the Juken Shares for which Shares Consideration was elected, (1) Shares Consideration (subject to the Scale-back); (2) Cash Consideration in respect of the balance Juken Shares tendered for acceptance not received in New Offeror Shares as consideration, as a result of the Scale-back; and/or (3) cash for any fraction of New Offeror Shares not allotted or issued, in respect of valid acceptances received before the Offer closes, **within 10 days after the close of the Offer**.

3.2 **Conditional Offer.** The Offer, the Warrants Offer and the Options Proposal, will be conditional upon the Offeror having received, by the Closing Date, valid acceptances in respect of such number of Juken Shares which, together with the Juken Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it either before or during the Offer and pursuant to the Offer or otherwise, will result in the Offeror and the parties acting in concert with it holding such number of Juken Shares carrying more than 50% of the voting rights attributable to the issued share capital of Juken as at the Closing Date (including any voting rights attributable to the Juken Shares issued or to be issued pursuant to the valid exercise of the Warrants and/or Juken Options on or prior to the Closing Date) (the "**Minimum Acceptance Condition**").

Accordingly, the Offer will not become or be capable of being declared to be unconditional as to acceptances unless at any time prior to the Closing Date, the Offeror has received valid acceptances in respect of such number of Juken Shares which, when taken together with the Juken Shares owned, controlled or agreed to be acquired during the Offer, by or on behalf of the Offeror, and parties acting in concert with the Offeror, will result in the Offeror and parties acting in concert with the Offeror holding such number of Juken Shares representing more than 50% of the maximum potential issued share capital of Juken. For this purpose, "maximum potential issued share capital of Juken" means the total number of Juken Shares which would be in issue had all the Warrants and Juken Options been validly exercised as of the date of such declaration, excluding any Juken Shares held in treasury.

Further information on the Offer and the terms and conditions upon which the Offer will be made will be set out in the Offer Document.

- 3.3 **New Offeror Shares.** On 27 July 2012, SGX-ST has granted its in-principle approval for the dealing in and quotation of up to 27,734,113 New Offeror Shares (i.e. the Cap) on the Official List of the SGX-ST.

The New Offeror Shares shall:

- (a) be credited as fully paid;
- (b) be free from any Encumbrance;
- (c) rank *pari passu* in all respects with one another as well as with all other issued and paid up ordinary shares in the capital of Frencken (the "**Frencken Shares**") as at the date of issue of the New Offeror Shares; and
- (d) have the same rights, privileges and entitlements as all other issued Frencken Shares as at the date of issue of the New Offeror Shares.

The Offeror will be applying to the SGX-ST to set up a temporary counter for the trading of smaller board lots of Frencken Shares after the date of issue of the New Offeror Shares, for the convenience of the Juken Shareholders who receive odd lots of New Offeror Shares pursuant to the Offer and who wish to trade such odd lots on the SGX-ST. Further details will be set out in the Offer Document.

- 3.4 **Warrants Offer.** As obtained from Juken, as at the date of this Announcement, there are 18,577,194 outstanding Warrants. The Offeror intends to make the Warrants Offer on the following terms.

In consideration of a Warrantholder transferring his Warrants to the Offeror, fully paid, free from all Encumbrances and together with all rights, benefits and entitlements as of the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, such Warrantholder will receive a cash amount of S\$0.14 for each Warrant, computed on a "see-through" basis, being the amount by which the Cash Consideration is in excess of the exercise price of S\$0.04 for each Warrant.

The Warrants Offer is subject to the (a) Minimum Acceptance Condition being met and the Offer becoming or being declared unconditional in all respects, and (b) such Warrants continuing, as at the date of the Warrants Offer, to be exercisable into new Juken Shares.

For the avoidance of doubt, whilst the Warrants Offer is conditional upon the Offer becoming or being declared unconditional, the Offer will not be conditional upon acceptances received in relation to the Warrants Offer. The Offer and the Warrants Offer are separate and are

mutually exclusive. The Warrants Offer does not form part of the Offer, and *vice versa*. Without prejudice to the foregoing, if a Warrantholder exercises his Warrants in order to accept the Offer in respect of the new Juken Shares to be issued pursuant to such exercise, he may not accept the Warrants Offer in respect of such Warrants. Conversely, if a Warrantholder wishes to accept the Warrants Offer in respect of his Warrants, he may not exercise those Warrants in order to accept the Offer in respect of the new Juken Shares to be issued pursuant to such exercise.

The Warrants acquired by the Offeror pursuant to the Warrants Offer will be surrendered for cancellation.

Details of the Warrants Offer will be despatched to Warrantholders not later than the date of despatch of the Offer Document.

- 3.5 **Options Proposal.** As obtained from Juken, as at the date of this Announcement, there are 22,794,000 outstanding Juken Options. Under the rules of the Juken SOS, the Juken Options are not transferable by the Optionholders. In view of this restriction, the Offeror will not make an offer to acquire the Juken Options. Instead, the Offeror intends to make the Options Proposal on the following terms.

In consideration of an Optionholder agreeing:

- (a) not to exercise the Juken Options held by him into new Juken Shares; and
- (b) not to exercise any of his rights as a holder of the Juken Options,

in each case from the date of his acceptance of the Options Proposal to the respective dates of expiry of the relevant Juken Options and to surrender his Juken Options for cancellation if the Offer becomes or is declared to be unconditional in all respects, such Optionholder will receive the cash amount of S\$0.1129 in respect of each Juken Option, computed on the "see-through" basis, being the amount by which the Cash Consideration is in excess of the exercise price of S\$0.0671 for each Juken Option.

The Options Proposal is subject to the (i) Minimum Acceptance Condition being met and the Offer becoming or being declared unconditional in all respects, and (ii) such Juken Options, continuing, as at the date of the Options Proposal, to be exercisable into new Juken Shares.

Details of the Options Proposal will be despatched to Optionholders not later than the date of despatch of the Offer Document.

4. **INFORMATION ON THE OFFEROR AND JUKEN**

- 4.1 **The Offeror.** The Offeror was incorporated in Singapore on 27 August 1999 and was listed on the Main Board of the SGX-ST as ElectroTech Investments Limited in May 2005. The name of its trading counter was subsequently changed to "Frencken Group Limited" on 21 July 2009. As at the date of this Announcement, the issued share capital of the Offeror is S\$90,551,765.92 comprising 368,563,325 issued and paid up ordinary shares (excluding issued and paid up ordinary shares held by the Offeror as treasury shares).

The Offeror, together with its subsidiaries (the "**Frencken Group**"), is a global high-tech capital and consumer equipment service provider that offers integrated outsourcing solutions. The Frencken Group serves the capital equipment and consumer industries through its mechatronics and electronics manufacturing services divisions respectively.

With operations based in the Netherlands, United States of America, Singapore, Malaysia and the People's Republic of China, the Frencken Group provides a spectrum of contract manufacturing services, spanning product design and development, engineering, prototyping, tooling design and manufacture, plastics and metal components manufacture and the final test and assembly of complex modules, box build products, machines and equipment.

- 4.2 **Juken.** Juken was incorporated in Singapore on 29 January 1992 and is currently listed on the Main Board of the SGX-ST. As obtained from Juken, as at the date of this Announcement, the issued share capital of Juken is S\$24,185,182.48, comprising 250,515,017 Juken Shares (including 299,000 issued and paid up ordinary shares held by Juken as treasury shares).

Juken, together with its subsidiaries (the "**Juken Group**"), specialises in manufacturing a wide variety of precision moulded plastic components that require a high degree of accuracy and durability which are used in automotive, cameras, office equipment, household/industrial appliances, data storage and medical equipments.

In addition, Juken has in-house capabilities for designing and fabricating precision plastic injection moulds. The Juken Group enjoys access to the advanced technology of its major shareholder, Juken Kogyo Co., Ltd ("**JK**"), a specialist precision plastic component designer and manufacturer in Japan. In March 2010, the Juken Group acquired stepper motors and car clocks manufacturing assets previously held by The Swatch Group of Switzerland, enhancing Juken's production of stepper motors and car clocks found in the instrumental cluster of cars.

5. RATIONALE FOR THE ACQUISITION AND OFFEROR'S INTENTIONS FOR JUKEN

5.1 Rationale

- (a) The Offeror believes that there is a strategic and operational fit between the Offeror's EMS Division and Juken, and that the Acquisition will create a compelling manufacturing partnership for the merged EMS group in the following manner:
- (i) The Acquisition will accelerate the geographical expansion of the Offeror's EMS Division's integrated manufacturing services to strategic growth regions like China and India, leveraging on Juken's established manufacturing bases in these regions.
 - (ii) The Acquisition will enable the Offeror to capitalise on Juken's advanced micro-moulding technology, and design and manufacturing capabilities to enhance and expand the service offerings of the merged group's integrated manufacturing services model.
 - (iii) With little overlap in customer base, there will be significant opportunities for cross-marketing to the merged group's expanded customer base, in particular, its automotive customers.
 - (iv) Leveraging on the integrated manufacturing capabilities of the Offeror's EMS Division, the existing Juken manufacturing sites can potentially scale the value chain from its current component manufacturing capabilities towards full-fledged integrated manufacturing capabilities.

- (v) Apart from the expansion of the merged group's customer base, the addition of Juken's stepper motor and car clock design and manufacturing assets will further enhance and expand the merged group's service offerings, particularly in the automotive sector.
- (b) For Juken Shareholders who elect to receive Cash Consideration, the Offer presents the Juken Shareholders with an opportunity to realise their investment in the Juken Shares at a premium of approximately 28.6% over the last transacted price per Juken Share on 13 September 2011 ("**Last Trading Day**") (being the last full day of trading in the Juken Shares on the SGX-ST immediately prior to the joint announcement on 14 September 2011 in relation to the entry into an indicative term sheet relating to proposed acquisition by Frencken of Juken (the "**Joint Announcement Date**")), a premium of approximately 26.8% over the one (1)-month volume weighted average price ("**VWAP**") per Juken Share on the SGX-ST of S\$0.142, and a premium of approximately 24.1% over the three (3)-month VWAP per Juken Share on the SGX-ST of S\$0.145, for the period up to and including the Last Trading Day.
- (c) For Juken Shareholders who elect to receive Shares Consideration, the Offer presents the Juken Shareholders with an opportunity to continue to participate in the future prospects of the combined group, post-Acquisition.

5.2 Offeror's Intentions in relation to Juken

Subject to normal business considerations, the Offeror does not intend to make changes to the management team of Juken. In the event that the Offeror obtains control of Juken, the Offeror would wish to participate in the board meetings and the management of Juken in undertaking a strategic and operational review of Juken's business with a view to realising synergies and growth potential.

The Offeror currently has no intentions to introduce any major changes to the existing business of Juken, employment of the employees of the Juken Group, or to re-deploy any of the fixed assets of Juken, other than in the ordinary course of business.

Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which it regards to be in the interests of the Offeror.

Following the Closing Date, the Offeror will undertake a comprehensive review of the businesses and fixed assets of the Juken Group, which will help the Offeror determine the optimal business strategy for Juken.

6. IRREVOCABLE UNDERTAKINGS

6.1 Juken Irrevocable Undertakings

As stated in the Pre-Conditional Offer Announcement, certain Juken Shareholders, namely Mr. Wong Keng Yin, David ("**DW**"), Mr. Wong Lai Huat, William ("**WW**") and JK (collectively, the "**Juken Undertaking Shareholders**"), have each provided an irrevocable undertaking (collectively, the "**Juken Irrevocable Undertakings**" and each, a "**Juken Irrevocable Undertaking**") to the Offeror on 16 May 2012, *inter alia*, subject to the fiduciary duties of each of the Juken Undertaking Shareholders in his capacity as director of Juken (where applicable, in the case of DW and WW only):

- (a) not to accept any other offer from any other party other than the Offeror or a party approved in writing by the Offeror, for all or any of (i) the Juken Shares held, controlled or which he may acquire and control (directly or indirectly) (the "**Relevant Juken Shares**"), (ii) the Warrants held, controlled or which he may acquire and control (directly or indirectly) (the "**Relevant Warrants**") and (iii) the Juken Options held, controlled or which he may acquire and control (directly or indirectly) (the "**Relevant Options**") whether or not such other offer is on more favourable terms than under the Offer, Warrants Offer and Options Proposal respectively;
- (b) not to approve, endorse, recommend, vote or agree to vote for (where applicable) any Competing Proposal;
- (c) not to offer, sell, transfer or otherwise dispose of (other than in accordance with the Juken Irrevocable Undertaking or with the prior written consent of the Offeror), grant any option, right or warrant to purchase in respect of, charge, mortgage, pledge or otherwise create or allow an Encumbrance over; or enter into any arrangement that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of ownership of all or any of the respective Relevant Juken Shares, Relevant Warrants or Relevant Options, or any interest in the Relevant Juken Shares (or enter into any agreement with a view to effecting any of the foregoing), to, with and/or in favour of (as the case may be) any person other than the Offeror or a party approved in writing by the Offeror;
- (d) to accept the Offer in respect of the Relevant Juken Shares (including any revised or improved offer by or on behalf of the Offeror);
- (e)
 - (i) in the case of DW and WW only, to elect to receive the Shares Consideration in respect of at least 50% of their respective Relevant Juken Shares and accept the Offer in respect of their respective remaining Relevant Juken Shares; and
 - (ii) in the case of JK only, to elect to receive the Shares Consideration in respect of 100% of its Relevant Juken Shares;
- (f) in the case of DW and WW only, subject to their fiduciary duties in their capacity as directors of Juken, to use their best endeavours to procure that Juken publicly announces the occurrence of any of the following events (each, an "**MAE Event**"):
 - (i) a 15% or more diminution in the Latest Juken NAV from the 2011 Juken NAV; or
 - (ii) the loss of any Juken Major Customer or where any Juken Major Customer has given written notice of its intention to cease to be a customer of the Juken Group;
- (g) in the case of DW only, subject to the Offer being unconditional in all respects:
 - (i) for as long as there are sums outstanding under the facility agreement between the Offeror and DBS Bank in relation to the Offer (the "**Facility Agreement**") or such other subsequent agreements between the Offeror and DBS Bank in connection therewith, not to:

- (A) during a period of two (2) years commencing from the date of the Closing Date (the "**1st Two Years**"), sell, transfer or otherwise dispose of any of the New Offeror Shares received by him pursuant to the Offer; and
- (B) during a period of one (1) year commencing from the end of the 1st Two Years (the "**3rd Year**"), sell, transfer or otherwise dispose of more than 50% of any of the New Offeror Shares received by him pursuant to the Offer.

For the avoidance of doubt, DW shall be allowed to sell, transfer or otherwise dispose of any of the New Offeror Shares received by him pursuant to the Offer at any time after the end of the 3rd Year, even where there are sums outstanding under the Facility Agreement; and

- (ii) where the loan under the Facility Agreement has been repaid in full by the Offeror at any time before the end of the period of one (1) year commencing from the Closing Date (the "**1st Year**"), not to, during the 1st Year, sell, transfer or otherwise dispose of any of the New Offeror Shares received by him pursuant to the Offer.

For the avoidance of doubt, where the loan under the Facility Agreement has been repaid in full by the Offeror at any time after the end of the 1st Year, DW, shall be allowed to sell, transfer or otherwise dispose of any of the New Offeror Shares received by DW pursuant to the Offer.

For purposes of the Juken Irrevocable Undertakings and this Announcement:

- (1) "**2011 Juken Audited Financial Statements**" means the audited consolidated balance sheet of the Juken Group as at 31 December 2011, the consolidated profit and loss account and the consolidated cash flow statement of the Juken Group for the year ended 31 December 2011, and the notes thereto;
- (2) "**2011 Juken NAV**" means, in relation to Juken, the net asset value as at 31 December 2011 as reflected in the 2011 Juken Audited Financial Statements;
- (3) "**Competing Proposal**" means an expression of interest, offer or proposal by any person other than the Offeror and its affiliates to acquire or become the holder of, or otherwise have an economic interest in all or any substantial part of the assets of the Juken Group or any substantial part (being 5% or more) of the share capital of Juken and/or its subsidiaries or otherwise acquire control of or merge with Juken (whether by way of making a general offer for shares in Juken, scheme of arrangement or amalgamation, control of the board of directors of Juken, joint venture, dual listed company structure or otherwise);
- (4) "**Juken Major Customer**" means a customer or group of customers belonging to the same group of companies which contributed more than 5% of the revenue of the Juken Group for the half year period ended 30 June 2011; and
- (5) "**Latest Juken NAV**" means, in relation to Juken, the net asset value as reflected in (aa) the latest consolidated unaudited financial statements of Juken prepared by the management of Juken which have been publicly announced; or (bb) the latest consolidated audited financial statements of Juken (when publicly announced by Juken and other than the 2011 Juken Audited Financial Statements), prepared on a basis consistent with the 2011 Juken Audited Financial Statements.

Details of the holdings of the Juken Undertaking Shareholders of the Frencken Shares, Juken Shares, Warrants and Juken Options as at the date of this Announcement are set out in Schedule 1 to this Announcement.

6.2 Frencken Irrevocable Undertakings

As stated in the Pre-Conditional Offer Announcement, certain Frencken Shareholders, namely Mr. Gooi Soon Hock and Dato' Larry Low Hock Peng (together, the "**Frencken Undertaking Shareholders**"), have each provided an irrevocable undertaking (collectively, the "**Frencken Irrevocable Undertakings**" and each a "**Frencken Irrevocable Undertaking**") to the Juken Undertaking Shareholders on 16 May 2012, *inter alia*:

- (a) not to offer, sell, transfer, give or otherwise dispose of (other than with the prior written consent of the Juken Undertaking Shareholders); grant any option, right or warrant to purchase in respect of; charge, mortgage, pledge or otherwise create an Encumbrance over; or enter into any swap or other arrangement that transfers to another, in whole or in part, any legal, beneficial or economic consequences of ownership of, all or any of their respective Frencken Shares held, controlled or which he may acquire or control (directly or indirectly) (the "**Relevant Frencken Shares**"), or any interest in any of their Relevant Frencken Shares (or enter into any agreement with a view to effecting any of the foregoing), to, with and/or in favour of (as the case may be) any person other than a party approved in writing by the Juken Undertaking Shareholders; and
- (b) to vote and/or procure the voting of all of their respective Relevant Frencken Shares to approve the Offer, the Chapter 10 Resolution, and any other matter necessary or proposed to implement the Offer at the Frencken EGM.

At the Frencken EGM on 23 August 2012, the Frencken Undertaking Shareholders have each voted all of their respective Frencken Shares held, controlled or which they may acquire or control (directly or indirectly) in favour of the Chapter 10 Resolution. As stated in paragraph 2.3 of this Announcement, the Chapter 10 Resolution was successfully passed at the Frencken EGM by the Frencken Shareholders.

Details of the holdings of the Frencken Undertaking Shareholders of the Frencken Shares as at the date of this Announcement are set out in Schedule 2 to this Announcement.

6.3 Duration of the Juken Irrevocable Undertakings and Frencken Irrevocable Undertakings

- (a) According to the terms of the Juken Irrevocable Undertakings, the Juken Irrevocable Undertakings shall lapse when the Offer is withdrawn or lapses.
- (b) According to the terms of the Frencken Irrevocable Undertakings, the Frencken Irrevocable Undertakings has lapsed as at the close of the Frencken EGM.

Save for the Juken Irrevocable Undertakings, as at the date of this Announcement, neither the Offeror nor any party acting in concert with the Offeror has received any irrevocable undertakings from any other party to accept or reject the Offer.

7. FINANCIAL EVALUATION OF THE OFFER

The Cash Consideration represents the following premia over the historical transacted prices of the Juken Shares on the SGX-ST:

Description	Juken Share Price (S\$) ⁽¹⁾	Premium over Juken Share Price ⁽²⁾
Last transacted price per Juken Share on the Last Trading Day	0.140	28.6%
The VWAP per Juken Share for the one (1)-month period up to and including the Last Trading Day	0.142	26.8%
VWAP per Juken Share for the three (3)-month period up to and including the Last Trading Day	0.145	24.1%
VWAP per Juken Share for the six (6)-month period up to and including the Last Trading Day	0.153	17.6%
VWAP per Juken Share for the 12-month period up to and including the Last Trading Day	0.164	9.8%
Last transacted price per Juken Share on 22 August 2012 (being the last full day of trading in the Juken Shares on the SGX-ST immediately prior to the date of this Announcement)	0.175	2.9%

Notes:

(1) Source: Bloomberg L.P.

(2) Computed based on the Juken Share prices which were rounded to the nearest three decimal places.

8. LISTING STATUS AND COMPULSORY ACQUISITION

8.1 Listing Status

Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued Juken Shares (excluding any Juken Shares held by Juken as treasury shares), the SGX-ST may suspend the trading of the Juken Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Juken Shares (excluding any Juken Shares held by Juken as treasury shares) are held by at least 500 Juken Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Juken

Shares (excluding any Juken Shares held by Juken as treasury shares), thus causing the percentage of the total number of issued Juken Shares (excluding any Juken Shares held by Juken as treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Juken Shares only at the Closing Date.

Under Rule 724(1) of the Listing Manual, if the percentage of the Juken Shares held in public hands falls below 10%, Juken must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Juken Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow Juken a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Juken Shares held in public hands to at least 10%, failing which Juken may be delisted.

8.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**"), in the event that the Offeror acquires not less than 90% of the total number of issued Juken Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Juken Shares held by Juken as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Juken Shares of Juken Shareholders who have not accepted the Offer. In this regard, those Juken Shareholders whose Juken Shares are acquired by the Offeror pursuant to its right of compulsory acquisition shall not have an option to elect whether to receive the Cash Consideration or the Shares Consideration, but shall only receive the Cash Consideration.

8.3 Offeror's Intentions

As stated in the Pre-Conditional Offer Announcement, the Offeror intends to make Juken its wholly-owned subsidiary and does not intend to preserve the listing status of Juken. **Accordingly, the Offeror when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for any trading suspension of the Juken Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Juken Shares (excluding any Juken Shares held by Juken as treasury shares) are held in public hands.** In addition, the Offeror also reserves the right to seek a voluntary delisting of Juken from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

9. CONFIRMATION OF FINANCIAL RESOURCES

DBS Bank, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to finance the Cash Consideration.

10. OFFER DOCUMENT

Full details of the Offer will be contained in the Offer Document (containing the terms and conditions of the Offer and enclosing the relevant acceptance forms) to be despatched to the Juken Shareholders not earlier than 14 days and not later than 21 days from the date of this Announcement.

In the meantime, Juken Shareholders are advised to exercise caution when trading in their Juken Shares, pending receipt of the Offer Document.

11. DISCLOSURES

11.1 As at the date of this Announcement and save as disclosed in this Announcement (including Schedule 3 to this Announcement), none of the Offeror and its concert parties (including the directors of the Offeror):

(a) owns, controls or has agreed (other than pursuant to the Juken Irrevocable Undertakings) to acquire any:

(i) Juken Shares;

(ii) Warrants;

(iii) securities which carry voting rights in Juken; or

(iv) convertible securities, warrants, options (including Juken Options) and derivatives in respect of Juken Shares or securities which carry voting rights in Juken,

(collectively, the "**Relevant Juken Securities**");

(b) has received any irrevocable undertaking to accept or reject the Offer, save for the Juken Irrevocable Undertakings;

(c) has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or Juken which might be material to the Offer, save for the Juken Irrevocable Undertakings and the Frencken Irrevocable Undertakings; and

(d) has, in respect of any Relevant Juken Securities:

(i) granted any security interest to another person, whether through a charge, pledge or otherwise;

(ii) borrowed from another person (excluding borrowed securities which have been on-lent or sold); or

(iii) lent to another person.

All references to "derivative" shall mean any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities which causes the holder to have a long economic exposure to the underlying securities.

11.2 All associates (as defined under the Code, and which includes all substantial shareholders) of Juken and the Offeror are hereby reminded to disclose their dealings in any securities of Juken and the Offeror in accordance with Rule 12 of the Code.

12. OVERSEAS SHAREHOLDERS

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. **For the avoidance of doubt, the Offer is open to all Juken Shareholders holding Juken Shares, including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.**

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The ability of Juken Shareholders who are not resident in Singapore to accept the Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Offeror (including any director who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement (other than those relating to Juken) are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from Juken, the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The directors of the Offeror jointly and severally accept responsibility accordingly.

Issued by
DBS Bank Ltd.
For and on behalf of
Frencken Group Limited
23 August 2012

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor DBS Bank undertakes any obligation to update publicly or revise any forward-looking statements.

Any enquiries relating to this Announcement or the Offer should be directed during office hours to:

Keng Kok Sing
Senior Vice President

Law Seng Keat
Vice President

Telephone: (65) 6878 8658

SCHEDULE 1

JUKEN UNDERTAKING SHAREHOLDERS

Name of Juken Undertaking Shareholder	Number of Frencken Shares	Number of Juken Shares	Number of Warrants	Number of Juken Options
DW	Nil	36,951,842	6,328,596	4,000,000
WW	Nil	12,627,608	2,367,676	3,520,000
JK	Nil	23,467,341	Nil	Nil

SCHEDULE 2

FRENCKEN UNDERTAKING SHAREHOLDERS

Name of Frencken Undertaking Shareholder	Number of Frencken Shares	Percentage of Frencken Shares (excluding treasury shares)
Dato' Larry Low Hock Peng	41,376,794	11.2%
Mr. Gooi Soon Hock	104,612,194	28.4%

SCHEDULE 3

DISCLOSURE OF INTERESTS AND DEALINGS BY THE OFFEROR AND ITS CONCERT PARTIES IN RELEVANT JUKEN SECURITIES

1. Interests in Juken Shares

Name	Direct interest	Deemed interest	Total interest	%⁽¹⁾
Mr. Ho Chin Pang ⁽²⁾	50,000	-	50,000	0.02

Notes:

- (1) Based on the issued share capital of 250,216,017 Juken Shares (excluding issued and paid up ordinary shares held by Juken as treasury shares) as at the date of this Announcement.
- (2) Mr. Ho Chin Pang is a director of the Offeror's subsidiary, ETLA Technology (Wuxi) Co., Ltd.

2. Dealings in Juken Shares

Name	Date of Transaction	Nature of Transaction	Transaction Price (S\$) per Juken Share	Number of Juken Shares Acquired, Sold or Transferred
Mr. Ho Chin Pang	12 August 2011	Buy	0.147	50,000