

**Frencken Group Limited**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199905084D)

**Juken Technology Limited**

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

**JOINT HOLDING ANNOUNCEMENT**

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**TERM SHEET RELATING TO THE PROPOSED ACQUISITION BY FRENCKEN GROUP LIMITED OF JUKEN TECHNOLOGY LIMITED BY WAY OF A SCHEME OF ARRANGEMENT**

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**1. TERM SHEET**

The respective directors of Frencken Group Limited ("**Frencken**") and Juken Technology Limited ("**Juken**") (collectively, the "**Companies**" and each a "**Company**") wish to announce that the Companies have today entered into an indicative term sheet (the "**Term Sheet**") relating to the proposed acquisition by Frencken of all the issued and paid up ordinary shares (excluding issued and paid up ordinary shares held by Juken as treasury shares) (the "**Shares**") in the capital of Juken by way of a scheme of arrangement (the "**Proposed Scheme**") in accordance with Section 210 of the Companies Act (Chapter 50 of Singapore) and the Singapore Code on Take-overs and Mergers (the "**Code**").

It is intended by the Companies that the parameters of the Proposed Scheme will involve, *inter alia*, the following:

- (a) the consideration for the Proposed Scheme will be, at the election of shareholders of Juken, cash consideration and/or new ordinary shares in Frencken;
- (b) a proposed appropriate offer for the outstanding warrants issued by Juken pursuant to the Offer Information Statement dated 28 January 2010 in accordance with Rule 19 of the Code; and
- (c) a proposal in respect of options granted pursuant to the Juken Share Option Scheme approved by shareholders of Juken at an extraordinary general meeting of Juken on 8 April 2004.

Pursuant to the Term Sheet, subject to any laws and regulations (including the Code), the Companies shall, for the period commencing from the date of the Term Sheet and falling six (6) months thereafter (both dates inclusive), unless otherwise agreed between the parties, negotiate exclusively with each other and shall not (whether directly or indirectly through its directors, employees, agents or representatives) negotiate or engage in discussions with, solicit or entertain offer from, provide any information to or enter into any agreement or arrangement with any other person or entity, in relation to any expression of interest, offer or proposal by any person other than Frencken and its affiliates to:

- (i) (whether directly or indirectly) acquire or become the holder of, or otherwise have an economic interest in:
  - (A) all or any substantial part of the assets, businesses, revenues and undertakings of Juken and/or its subsidiaries; or

- (B) any substantial part of the share capital of Juken and/or its subsidiaries (it being acknowledged that 5% of the issued Shares or, as the case may be, the issued share capital of the relevant subsidiary of Juken, would constitute a substantial part of its share capital); or
- (ii) otherwise acquire control of or merge with Juken (whether by way of making a general offer for the Shares, scheme of arrangement or amalgamation, control of the board of directors of Juken, joint venture, dual listed company structure or otherwise).

## **2. NO DEFINITIVE AGREEMENTS ENTERED INTO AT THIS STAGE**

The Companies wish to advise that the Term Sheet does not create any legally binding obligations on the Companies to carry out the Proposed Scheme, and the implementation of the Proposed Scheme is conditional upon a number of conditions precedent, including, but not limited to, satisfactory completion of due diligence on Juken by Frencken and the execution of definitive agreements (the "**Definitive Agreements**", which shall include without limitation an implementation agreement) between the Companies.

Although the Companies are working expeditiously and in good faith to negotiate and agree upon the terms and conditions of the Definitive Agreements and the Proposed Scheme, there is, however, no certainty that the Definitive Agreements will be entered into, or that the Proposed Scheme will be effected.

The Companies will make an appropriate announcement in the event there are any material developments or if Definitive Agreements are entered into between the Companies.

In the meantime, shareholders of both Companies are advised to exercise caution in their dealings in their respective shares held in the Companies and to refrain from taking any action in relation to their shares which may be prejudicial to their interests. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

## **3. FINANCIAL ADVISER**

Frencken has appointed DBS Bank Ltd as its financial adviser in respect of the Proposed Scheme.

## **4. RESPONSIBILITY STATEMENTS**

### **4.1 Frencken**

The directors of Frencken (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 where appropriate, no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading, and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or otherwise publicly available sources, the sole responsibility of the directors of Frencken for such information has been to ensure, through reasonable enquiries, that such information has been correctly and accurately taken from such sources or, as the case may be, reflected or reproduced in this

Announcement. The directors of Frencken do not accept any responsibility for any information relating to or opinions expressed by Juken.

#### 4.2 **Juken**

The directors of Juken (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 Frencken) are fair and accurate and, that where appropriate, no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading, and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or otherwise publicly available sources, the sole responsibility of the directors of Juken for such information has been to ensure, through reasonable enquiries, that such information has been correctly and accurately taken from such sources or, as the case may be, reflected or reproduced in this Announcement. The directors of Juken do not accept any responsibility for any information relating to or opinions expressed by Frencken.

14 September 2011

**BY ORDER OF THE BOARD OF  
FRENCKEN GROUP LIMITED**

**BY ORDER OF THE BOARD OF  
JUKEN TECHNOLOGY LIMITED**