



FRENCKEN GROUP LIMITED
(Company Registration No. 199905084D)

Announcement

**Disposal of Shares in NTZ Micro Filtration USA Inc., NTZ Micro Filtration, LLC and
NTZ Manufacturing USA, LLC**

1. INTRODUCTION

- 1.1 The Board of Directors of Frencken Group Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Group’s wholly-owned subsidiary NTZ International Holding B.V. (“**NTZ International**”) has on 14 February 2017 entered into a sale and purchase agreement (“**SPA**”) with Mr C.G.M. Hendriks and Mr P.G.W. Nieuwland for the disposal of NTZ International’s entire equity interests in the issued share capital of wholly-owned subsidiaries NTZ Micro Filtration USA Inc., and NTZ Micro Filtration LLC., as well as an associated company NTZ Manufacturing USA, LLC. (collectively referred to as the “**American Entities**”) (the “**Disposal**”).
- 1.2 Upon completion of the Disposal, the American Entities will cease to be subsidiaries or associated company of the Group. This announcement is made pursuant to Rule 704(18)(c) of the listing manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”).

2. INFORMATION ON THE AMERICAN ENTITIES

- 2.1 NTZ International holds 100% equity interests in NTZ Micro Filtration USA Inc. and NTZ Micro Filtration LLC, as well as a 33⅓% stake in NTZ Manufacturing USA, LLC.
- 2.2 NTZ Micro Filtration USA Inc. is an investment holding company which owns NTZ Micro Filtration LLC. NTZ Micro Filtration LLC is principally engaged in the design, engineering and sale of filters. The associated company NTZ Manufacturing USA, LLC manufactures and sells filters.

3. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

- 3.1 As the relative figures computed on the bases set out in Rule 1006 amount to 5% or less, the Disposal constitutes a Non-Discloseable Transaction as defined in Chapter 10 of the Listing Manual.
- 3.2 The consideration for the Disposal is EUR10,000. This was arrived at after arm’s length negotiations on a “willing-buyer, willing-seller” basis, and after taking into account, inter alia, the net asset value and financial performance of the American Entities. No valuation was commissioned on the American Entities for the purpose of the Disposal.
- 3.3 The aggregate net asset value attributable to the shares in the American Entities as at 31 December 2016 was EUR29,000.

4. RATIONALE FOR THE DISPOSAL

The American Entities, which are located in the USA, are not core subsidiaries of NTZ International. Following the Disposal, the Group will focus its resources and efforts on NTZ International's core business in the Netherlands which is operated through its wholly-owned subsidiary NTZ Nederland B.V. ("**NTZ Nederland**"). NTZ Nederland designs and manufactures filters for the automotive industry.

5. FINANCIAL IMPACT

Based on the balance sheet as at 31 December 2016, the Disposal is expected to result in an exceptional loss of approximately EUR547,000 to NTZ International, of which EUR528,000 was due to the reclassification of foreign currency translation reserve from equity to income statement arising from the disposal of the American Entities.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and the controlling shareholders of the Company have any interest or are deemed to be interested in the Disposal other than their respective shareholdings in the Company.

On behalf of the Board,

Mohamad Anwar Au
Executive Director

15 February 2017

About Frencken Group Limited

Frencken Group is a Global Integrated Technology Solutions Company that serves world-class multinational companies in the automotive, healthcare, industrial, life sciences and semiconductor industries.

Frencken Group operates on a worldwide scale through its established local presence of 16 operating sites and 4,500 employees across Asia, Europe and the USA. Working in partnership with its growing base of global customers, the Group unites the strengths of its strategically located businesses to create value for a wide variety of end-user markets.

Leveraging on its advanced technological and manufacturing capabilities, Frencken Group provides comprehensive Original Equipment and Diversified Integrated Manufacturing solutions. The Group's extensive solutions span from product conceptualization, integrated design, prototyping, new product introductions, supply chain design and management, value and volume manufacturing services to logistics solutions.

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