



FRENCKEN GROUP LIMITED

(Registration No. 199905084D)

Unaudited Full Year Financial Statements And Dividend Announcement

PART 1- INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	6 months ended			12 months ended			
	31/12/20 \$'000	31/12/19 \$'000	% Change	31/12/20 \$'000	31/12/19 \$'000	% Change	
Revenue	328,108	335,726	-2.3%	620,616	659,151	-5.8%	
Cost of sales	(268,107)	(277,407)	-3.4%	(515,177)	(547,702)	-5.9%	
Gross profit	60,001	58,319	2.9%	105,439	111,449	-5.4%	
Other income (Note 1)	4,116	4,261	-3.4%	10,593	6,078	74.3%	
Selling and distribution expenses	(4,915)	(5,229)	-6.0%	(9,551)	(11,805)	-19.1%	
Administrative and general expenses	(21,968)	(22,129)	-0.7%	(43,160)	(43,586)	-1.0%	
Other operating expenses (Note 1)	(2,390)	(1,964)	21.7%	(4,392)	(2,783)	57.8%	
Interest income	575	807	-28.7%	1,573	1,612	-2.4%	
Finance costs	(1,139)	(1,337)	-14.8%	(2,411)	(2,905)	-17.0%	
Exceptional items (Note 2)	(6,221)	(4,160)	49.5%	(6,221)	(4,160)	49.5%	
Profit before income tax	28,059	28,568	-1.8%	51,870	53,900	-3.8%	
Income tax expense	(3,654)	(5,813)	-37.1%	(8,824)	(11,302)	-21.9%	
Profit for the year	24,405	22,755	7.3%	43,046	42,598	1.1%	
Profit attributable to:							
Equity holders of the Company	23,835	22,665	5.2%	42,571	42,372	0.5%	
Non-controlling interests	570	90	533.3%	475	226	110.2%	
	24,405	22,755	7.3%	43,046	42,598	1.1%	
<u>Note 1 - Other income/(Other operating expenses)</u>							
Other income	4,116	4,261	-3.4%	10,593	6,078	74.3%	
Other operating expenses	(2,390)	(1,964)	21.7%	(4,392)	(2,783)	57.8%	
	1,726	2,297	-24.9%	6,201	3,295	88.2%	
<u>Included in Other income/(Other operating expenses):</u>							
Gain/(Loss) on disposal of property, plant and equipment, net	64	942	-93.2%	179	990	-81.9%	
Property, plant and equipment written off	(115)	(144)	-20.1%	(182)	(144)	26.4%	
Government grants	2,513	926	171.4%	5,269	1,691	211.6%	
Foreign exchange (loss)/gain, net	(1,799)	(908)	98.1%	(784)	(1,536)	-49.0%	
Scrap sales	338	310	9.0%	616	614	0.3%	
Project income	-	880	N.M.	-	1,018	N.M.	
Other income	732	351	108.5%	1,121	724	54.8%	
Other expenses	(7)	(60)	-88.3%	(18)	(62)	-71.0%	
	1,726	2,297	-24.9%	6,201	3,295	88.2%	
<u>Note 2 - Exceptional items comprise:-</u>							
Impairment loss of deferred development costs	(i)	(6,221)	(1,531)	306.3%	(6,221)	(1,531)	306.3%
Impairment loss of property, plant and equipment	(ii)	-	(2,629)	N.M.	-	(2,629)	N.M.
		(6,221)	(4,160)	N.M.	(6,221)	(4,160)	N.M.

Note

- (i) This is in respect of impairment loss of deferred development costs in Frencken Europe B.V., an operating unit within Mechatronics division.
(ii) This was in respect of impairment loss of property, plant and equipment in Juken (Zhuhai) Co., Ltd, an operating unit within IMS division.

N.M. : Not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

	Group			Group		
	6 months ended			12 months ended		
	31/12/20	31/12/19	%	31/12/20	31/12/19	%
	\$'000	\$'000	Change	\$'000	\$'000	Change
Profit for the period/year is arrived at after charging/(crediting) :-						
Investment income	-	-	N.M.	-	-	N.M.
Other income including interest income	(4,691)	(5,068)	-7%	(12,166)	(7,690)	58%
Interest on borrowings	1,139	1,337	-15%	2,411	2,905	-17%
Depreciation of property, plant and equipment	7,850	7,726	2%	15,563	15,548	0%
Depreciation of right-of-use assets	2,829	2,509	13%	5,518	5,007	10%
Depreciation of investment properties	33	33	N.M.	65	65	N.M.
Amortisation of intangible assets	295	219	35%	529	504	5%
(Write back)/Allowance for doubtful debts and bad debts written off	(34)	60	N.M.	158	78	103%
(Write back)/Allowance for inventory obsolescence	251	(481)	N.M.	844	40	2010%
Impairment in value of investments	-	-	N.M.	-	-	N.M.
Foreign exchange loss/(gain), net	1,799	908	98%	784	1,536	-49%
Adjustments for under/(over) provision of tax in respect of prior years	(961)	(490)	96%	(905)	(572)	58%
(Gain)/Loss on disposal of property, plant and equipment, net	(64)	(942)	-93%	(179)	(990)	-82%
Property, plant and equipment written off	115	144	-20%	182	144	26%
Exceptional items:-						
Impairment loss of deferred development costs	6,221	1,531	306%	6,221	1,531	306%
Impairment loss of property, plant and equipment	-	2,629	N.M.	-	2,629	N.M.

N.M. : Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/20	31/12/19	31/12/20	31/12/19
	\$'000	\$'000	\$'000	\$'000
NON-CURRENT ASSETS				
Property, plant and equipment	99,810	90,357	-	-
Right-of-use assets	16,753	16,821	-	-
Investment properties	1,572	1,636	-	-
Subsidiaries	-	-	128,025	128,025
Financial asset at fair value through other comprehensive income	3,235	3,235	3,235	3,235
Intangible assets	11,712	17,505	-	-
Deferred income tax assets	1,437	1,456	-	-
Other receivables, deposits and prepayments	-	360	-	-
Total non-current assets	134,519	131,370	131,260	131,260
CURRENT ASSETS				
Inventories	143,200	140,679	-	-
Trade receivables	98,662	97,647	-	-
Receivable from subsidiaries	-	-	7	5,812
Dividends receivable from subsidiaries	-	-	8,114	3,569
Other receivables, deposits and prepayments	12,691	13,791	25	51
Tax recoverable	267	327	-	-
Cash and cash equivalents	174,454	122,382	12,772	12,321
Total current assets	429,274	374,826	20,918	21,753
Total assets	563,793	506,196	152,178	153,013
CURRENT LIABILITIES				
Trade payables	80,096	87,809	-	-
Payable to a subsidiary	-	-	555	561
Other payables, accruals and provisions	49,513	38,780	935	931
Borrowings	67,344	53,053	-	3,110
Lease Liabilities	4,913	4,486	-	-
Income tax payable	9,811	6,242	-	27
Total current liabilities	211,677	190,370	1,490	4,629
NON-CURRENT LIABILITIES				
Borrowings	-	169	-	-
Lease liabilities	9,724	11,045	-	-
Retirement benefit obligations	2,657	2,347	-	-
Deferred income tax liabilities	3,452	4,114	-	-
Total non-current liabilities	15,833	17,675	-	-
Total liabilities	227,510	208,045	1,490	4,629
NET ASSETS	336,283	298,151	150,688	148,384
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	104,329	103,486	104,329	103,486
Foreign currency translation reserve	6,793	(1,934)	-	-
Merger reserve	2,345	2,345	-	-
Capital reserve	1,914	1,990	2,495	1,990
Statutory reserve fund	4,428	3,834	-	-
Share option reserve	357	882	357	882
Fair value reserve	(3,165)	(3,165)	(3,165)	(3,165)
Other reserve	(1,828)	(1,630)	-	-
Retained profits	218,782	189,565	46,672	45,191
	333,955	295,373	150,688	148,384
Non-controlling interests	2,328	2,778	-	-
TOTAL EQUITY	336,283	298,151	150,688	148,384

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/20	
Secured	Unsecured
\$'000	\$'000
26,733	40,611

As at 31/12/19	
Secured	Unsecured
\$'000	\$'000
18,183	34,870

Amount repayable after one year

As at 31/12/20	
Secured	Unsecured
\$'000	\$'000
-	-

As at 31/12/19	
Secured	Unsecured
\$'000	\$'000
169	-

Details of any collateral

Details of the borrowings of the Group and its securities as at 31 December 2020 are as follows:

	<u>Note</u>	Secured	Unsecured	Total
		\$'000	\$'000	\$'000
Bank overdrafts	(i)	23,100	5	23,105
Other short-term borrowings	(ii)	3,443	40,139	43,582
Term Loans	(iii)	190	467	657
		<u>26,733</u>	<u>40,611</u>	<u>67,344</u>

(i) bank overdrafts of :-

- (a) \$22,019,000 is secured by mortgage over properties, pledged on machineries, other fixed assets and inventories and certain trade receivables of certain subsidiaries of the Company in The Netherlands; and
(b) \$1,081,000 is secured by exclusive charged on the entire present and future current and fixed assets of a subsidiary in India.

(ii) other short-term borrowings is pledged on the trade receivables of certain subsidiaries in China.

(iii) term loans are secured by exclusive charged on the entire present and future current and fixed assets of a subsidiary in India and machinery of a subsidiary in China.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	6 months ended		12 months ended	
	31/12/20	31/12/19	31/12/20	31/12/19
	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit after tax	24,405	22,755	43,046	42,598
Adjustments for:				
Income tax expense	3,654	5,813	8,824	11,302
Exchange differences	(122)	102	(613)	351
Employee share option expense	-	162	-	359
Gain arising from forfeited share options	(20)	-	(20)	-
Depreciation of property, plant and equipment	7,850	7,726	15,563	15,548
Depreciation of right-of-use assets	2,829	2,509	5,518	5,007
Depreciation of investment properties	33	33	65	65
Loss on disposal of club membership	-	-	2	-
(Gain)/Loss on disposal of property, plant and equipment, net	(64)	(942)	(179)	(990)
Property, plant and equipment written off	115	144	182	144
Interest income	(575)	(807)	(1,573)	(1,612)
Interest expense	1,139	1,337	2,411	2,905
Amortisation of intangible assets	295	219	529	504
Impairment loss of club membership	-	34	-	34
Impairment loss of deferred development costs	6,221	1,531	6,221	1,531
Impairment loss of property, plant and equipment	-	2,629	-	2,629
Operating cash flow before working capital changes	45,760	43,245	79,976	80,375
Changes in operating assets and liabilities :				
Inventories	15,165	11,560	3,792	1,352
Receivables	(4,630)	12,578	3,636	13,881
Payables	9,600	19,743	647	10,815
Cash flows generated from operations	65,895	87,126	88,051	106,423
Tax paid	(3,334)	(4,440)	(6,005)	(8,645)
Interest paid	(1,139)	(1,337)	(2,411)	(2,905)
NET CASH GENERATED FROM OPERATING ACTIVITIES	61,422	81,349	79,635	94,873
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	575	807	1,573	1,612
Additions of intangible assets	(118)	(268)	(118)	(285)
Purchase of property, plant and equipment (Note 1)	(11,223)	(8,651)	(23,664)	(15,224)
Proceeds from intangible assets	-	-	7	-
Proceeds from disposal of property, plant and equipment	354	1,710	562	1,833
Repayment of loan from a third party	240	180	360	330
Acquisition of non-controlling interests without a change in control (Note 2)	-	-	(1,478)	-
NET CASH USED IN INVESTING ACTIVITIES	(10,172)	(6,222)	(22,758)	(11,734)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital	563	204	843	594
Repayment of lease liabilities	(3,852)	(2,301)	(6,334)	(4,571)
Repayment of short term bank borrowings	(65,115)	(63,214)	(124,604)	(119,476)
Repayment of term loans	(280)	(1,285)	(611)	(1,554)
Proceeds from short term bank borrowings	67,003	62,212	128,573	114,969
Dividend paid to shareholders	(12,760)	-	(12,760)	(9,063)
Withdrawal of deposits pledged as securities	(71)	(2)	(71)	(31)
NET CASH USED IN FINANCING ACTIVITIES	(14,512)	(4,386)	(14,964)	(19,132)
Net increase in cash and cash equivalents	36,738	70,741	41,913	64,007
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	114,224	38,533	109,599	45,060
Effect of exchange rate changes on cash and cash equivalents	170	325	(380)	532
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	151,132	109,599	151,132	109,599

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 6 months ended		Group 12 months ended	
	31/12/20	31/12/19	31/12/20	31/12/19
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents at end of the financial period comprise:				
Short term funds placed with Malaysian financial institutions	44,929	45,643	44,929	45,643
Deposits with licensed banks	12,417	11,551	12,417	11,551
Cash and bank balances	117,108	65,188	117,108	65,188
Bank overdrafts	(23,105)	(12,632)	(23,105)	(12,632)
	151,349	109,750	151,349	109,750
Less: Deposits pledged as securities	(217)	(151)	(217)	(151)
	151,132	109,599	151,132	109,599

Note 1 :

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$22,592,000 (31.12.2019: \$15,258,000) of which \$203,000 (31.12.2019: \$1,629,000) was included in other payables at balance sheet date. Cash payments of \$23,664,000 (31.12.2019: \$15,224,000) includes an amount of \$1,275,000 (31.12.2019: \$1,595,000) for payment from other payables to purchase property, plant and equipment incurred in previous financial year.

Note 2 :

On 31 March 2020, the Group acquired the remaining 20% interest in its indirect subsidiary, Frencken America Inc. ("FAM"). Accordingly, FAM is now a wholly-owned subsidiary of the Group. The carrying amount of FAM's net assets in the Group's consolidated financial statements at the date of the acquisition was \$4,485,000.

	FAM \$'000
Carrying amount of non-controlling interests ("NCI") acquired (\$4,485,000 x 20%)	897
Consideration paid to NCI	1,478
Decrease in equity attributable to owners of the Company	(581)

1(d) Consolidated statement of comprehensive income

	6 months ended		12 months ended	
	31/12/20	31/12/19	31/12/20	31/12/19
	\$'000	\$'000	\$'000	\$'000
<u>Statement of Comprehensive Income</u>				
Profit for the period/year	24,405	22,755	43,046	42,598
<i>Item that will not be reclassified subsequently to income statement :</i>				
- Remeasurement of defined benefit obligation	(31)	(592)	(31)	(592)
<i>Item that may be reclassified subsequently to income statement :</i>				
- Currency translation differences arising from consolidation	5,417	(2,978)	6,738	(3,264)
Total comprehensive income for the period/year	29,791	19,185	49,753	38,742
Attributable to:				
Equity holders of the Company	29,254	19,273	51,100	38,591
Non-controlling interests	537	(88)	(1,347)	151
Total comprehensive income for the period/year	29,791	19,185	49,753	38,742

1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(a) Statement of changes in equity for the six months ended 31 December 2020 and 31 December 2019

	Attributable to equity holders of the Company											
	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Merger Reserve \$'000	Capital Reserve \$'000	Statutory Reserve Fund \$'000	Share Option Reserve \$'000	Fair Value Reserve \$'000	Other Reserve \$'000	Retained Profits \$'000	Total \$'000	Non-Controlling Interests \$'000	Total Equity \$'000
The Group												
At 1 July 2020	103,766	1,248	2,345	1,579	4,097	712	(3,165)	(1,702)	208,038	316,918	1,791	318,709
Profit for the period	-	-	-	-	-	-	-	-	23,835	23,835	570	24,405
Other comprehensive income/(loss):												
Remeasurement of define benefit obligation	-	-	-	-	-	-	-	(31)	-	(31)	-	(31)
Currency translation differences arising from consolidation	-	5,545	-	-	-	-	-	(95)	-	5,450	(33)	5,417
Total comprehensive income/(loss) for the period	-	5,545	-	-	-	-	-	(126)	23,835	29,254	537	29,791
<i>Transactions with owners recognised directly in equity</i>												
Transfer to statutory reserve fund	-	-	-	-	331	-	-	-	(331)	-	-	-
Employee share option scheme - Issue of share capital	563	-	-	335	-	(335)	-	-	-	563	-	563
- Gain arising from forfeited share options	-	-	-	-	-	(20)	-	-	-	(20)	-	(20)
Dividend Paid	-	-	-	-	-	-	-	-	(12,760)	(12,760)	-	(12,760)
	563	-	-	335	331	(355)	-	-	(13,091)	(12,217)	-	(12,217)
At 31 December 2020	104,329	6,793	2,345	1,914	4,428	357	(3,165)	(1,828)	218,782	333,955	2,328	336,283
At 1 July 2019	103,282	791	2,345	1,873	3,635	837	(3,165)	(963)	167,099	275,734	2,866	278,600
Profit for the period	-	-	-	-	-	-	-	-	22,665	22,665	90	22,755
Other comprehensive income/(loss):												
Remeasurement of define benefit obligation	-	-	-	-	-	-	-	(592)	-	(592)	-	(592)
Currency translation differences arising from consolidation	-	(2,725)	-	-	-	-	-	(75)	-	(2,800)	(178)	(2,978)
Total comprehensive income/(loss) for the period	-	(2,725)	-	-	-	-	-	(667)	22,665	19,273	(88)	19,185
<i>Transactions with owners recognised directly in equity</i>												
Transfer to statutory reserve fund	-	-	-	-	199	-	-	-	(199)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	162	-	-	-	162	-	162
- Issue of share capital	204	-	-	117	-	(117)	-	-	-	204	-	204
	204	-	-	117	199	45	-	-	(199)	366	-	366
At 31 December 2019	103,486	(1,934)	2,345	1,990	3,834	882	(3,165)	(1,630)	189,565	295,373	2,778	298,151

Attributable to equity holders of the Company

	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Merger Reserve \$'000	Capital Reserve \$'000	Statutory Reserve Fund \$'000	Share Option Reserve \$'000	Fair Value Reserve \$'000	Retained Profits \$'000	Total \$'000
The Company									
At 1 July 2020	103,766	-	-	2,160	-	712	(3,165)	45,178	148,651
Total comprehensive income for the period	-	-	-	-	-	-	-	14,254	14,254
<i>Transactions with owners recognised directly in equity</i>									
Employee share option scheme									
- Issue of share capital	563	-	-	335	-	(335)	-	-	563
- Gain arising from forfeited share options	-	-	-	-	-	(20)	-	-	(20)
Dividend paid	-	-	-	-	-	-	-	(12,760)	(12,760)
	563	-	-	335	-	(355)	-	(12,760)	(12,217)
At 31 December 2020	104,329	-	-	2,495	-	357	(3,165)	46,672	150,688
At 1 July 2019	103,282	-	-	1,873	-	837	(3,165)	35,937	138,764
Total comprehensive income for the period	-	-	-	-	-	-	-	9,254	9,254
<i>Transactions with owners recognised directly in equity</i>									
Employee share option scheme									
- Value of employee services	-	-	-	-	-	162	-	-	162
- Issue of share capital	204	-	-	117	-	(117)	-	-	204
	204	-	-	117	-	45	-	-	366
At 31 December 2019	103,486	-	-	1,990	-	882	(3,165)	45,191	148,384

(b) Statement of changes in equity for the twelve months ended 31 December 2020 and 31 December 2019

	Attributable to equity holders of the Company											
	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Merger Reserve \$'000	Capital Reserve \$'000	Statutory Reserve Fund \$'000	Share Option Reserve \$'000	Fair Value Reserve \$'000	Other Reserve \$'000	Retained Profits \$'000	Total \$'000	Non-Controlling Interests \$'000	Total Equity \$'000
The Group												
At 1 January 2020	103,486	(1,934)	2,345	1,990	3,834	882	(3,165)	(1,630)	189,565	295,373	2,778	298,151
Profit for the year	-	-	-	-	-	-	-	-	42,571	42,571	475	43,046
Other comprehensive income/(loss):												
Remeasurement of define benefit obligation	-	-	-	-	-	-	-	(31)	-	(31)	-	(31)
Currency translation differences arising from consolidation	-	8,727	-	-	-	-	-	(167)	-	8,560	(1,822)	6,738
Total comprehensive income/(loss) for the year	-	8,727	-	-	-	-	-	(198)	42,571	51,100	(1,347)	49,753
Transactions with owners recognised directly in equity												
Transfer to statutory reserve fund	-	-	-	-	594	-	-	-	(594)	-	-	-
Employee share option scheme - Issue of share capital	843	-	-	505	-	(505)	-	-	-	843	-	843
- Gain arising from forfeited share options	-	-	-	-	-	(20)	-	-	-	(20)	-	(20)
Acquisition of non-controlling interests without a change in control	-	-	-	(581)	-	-	-	-	-	(581)	897	316
Dividend Paid	-	-	-	-	-	-	-	-	(12,760)	(12,760)	-	(12,760)
	843	-	-	(76)	594	(525)	-	-	(13,354)	(12,518)	897	(11,621)
At 31 December 2020	104,329	6,793	2,345	1,914	4,428	357	(3,165)	(1,828)	218,782	333,955	2,328	336,283
At 1 January 2019	102,892	1,184	2,345	1,682	3,483	831	(3,165)	(967)	156,607	264,892	2,627	267,519
Profit for the year	-	-	-	-	-	-	-	-	42,372	42,372	226	42,598
Other comprehensive income/(loss):												
Remeasurement of define benefit obligation	-	-	-	-	-	-	-	(592)	-	(592)	-	(592)
Currency translation differences arising from consolidation	-	(3,118)	-	-	-	-	-	(71)	-	(3,189)	(75)	(3,264)
Total comprehensive income/(loss) for the year	-	(3,118)	-	-	-	-	-	(663)	42,372	38,591	151	38,742
Transactions with owners recognised directly in equity												
Transfer to/(from) statutory reserve fund	-	-	-	-	351	-	-	-	(351)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	359	-	-	-	359	-	359
- Issue of share capital	594	-	-	308	-	(308)	-	-	-	594	-	594
Dividend Paid	-	-	-	-	-	-	-	-	(9,063)	(9,063)	-	(9,063)
	594	-	-	308	351	51	-	-	(9,414)	(8,110)	-	(8,110)
At 31 December 2019	103,486	(1,934)	2,345	1,990	3,834	882	(3,165)	(1,630)	189,565	295,373	2,778	298,151

Attributable to equity holders of the Company

	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Merger Reserve \$'000	Capital Reserve \$'000	Statutory Reserve Fund \$'000	Share Option Reserve \$'000	Fair Value Reserve \$'000	Retained Profits \$'000	Total \$'000
The Company									
At 1 January 2020	103,486	-	-	1,990	-	882	(3,165)	45,191	148,384
Total comprehensive income for the year	-	-	-	-	-	-	-	14,241	14,241
<i>Transactions with owners recognised directly in equity</i>									
Employee share option scheme									
- Issue of share capital	843	-	-	505	-	(505)	-	-	843
- Gain arising from forfeited share options	-	-	-	-	-	(20)	-	-	(20)
Dividend paid	-	-	-	-	-	-	-	(12,760)	(12,760)
	843	-	-	505	-	(525)	-	(12,760)	(11,937)
At 31 December 2020	104,329	-	-	2,495	-	357	(3,165)	46,672	150,688
At 1 January 2019	102,892	-	-	1,682	-	831	(3,165)	45,370	147,610
Total comprehensive income for the year	-	-	-	-	-	-	-	8,884	8,884
<i>Transactions with owners recognised directly in equity</i>									
Employee share option scheme									
- Value of employee services	-	-	-	-	-	359	-	-	359
- Issue of share capital	594	-	-	308	-	(308)	-	-	594
Dividend paid	-	-	-	-	-	-	-	(9,063)	(9,063)
	594	-	-	308	-	51	-	(9,063)	(8,110)
At 31 December 2019	103,486	-	-	1,990	-	882	(3,165)	45,191	148,384

1(e)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued and paid up capital

During the period, the Company issued 515,000 and 1,035,000 new ordinary shares pursuant to the Company's employee share option scheme at the exercise price of \$0.224 and \$0.432 each respectively. There are no treasury shares held as at the end of the current period.

	Total number of issued shares as at	
	31/12/20	31/12/19
Number of issued shares	426,472,409	424,272,409
Number of treasury shares	-	-
Total number of issued shares excluding treasury shares	426,472,409	424,272,409

Share options

The movement of share options of the Company during the period from 1 July 2020 to 31 December 2020 is as follows:

Date of grant	Number of ordinary shares under option					Exercise price	Exercise period
	As at 1.7.2020	Granted during the period	Forfeited during the period	Exercised during the period	As at 31.12.2020		
1.12.2010 (2010 Option)	675,000	0	(160,000)	(515,000)	0	\$0.224	1.12.2012 - 30.11.2020
1.4.2016 (2016 Option)	500,000	0	0	0	500,000	\$0.184	1.4.2018 - 31.3.2026
6.12.2017 (2017 Option)	2,200,000	0	0	(1,035,000)	1,165,000	\$0.432	6.12.2019 - 5.12.2027
	3,375,000	0	(160,000)	(1,550,000)	1,665,000		

	Total number of shares as at	
	31/12/20	31/12/19
Total number of shares that may be issued on exercise of share options outstanding	1,665,000	4,025,000

1(e)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at	
	31/12/20	31/12/19
Total number of issued shares excluding treasury shares	426,472,409	424,272,409

1(e)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(e)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the independent auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recent audited financial statements as well as all the applicable new/revised Financial Reporting Standards (FRS) and FRS interpretations which became effective for the financial years beginning on or after 1 January 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the new/revised FRS and FRS interpretations did not result in any substantial change to the Group's accounting policies nor any material impact on the Group's financial results.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group 6 months ended		Group 12 months ended	
	31/12/20	31/12/19	31/12/20	31/12/19
Earnings per ordinary share of the Group based on net profit attributable to the shareholders of the Company:				
(i) Based on weighted average number of shares (in cents)	5.59	5.35	10.01	10.01
- Weighted average number of shares (in thousand)	426,053	423,826	425,394	423,166
(ii) On a fully diluted basis (in cents)	5.58	5.32	9.98	9.97
- Adjusted weighted average number of shares (in thousand)	427,120	425,868	426,394	424,919

Basic earnings per share for the period is calculated based on the weighted average number of ordinary shares in issue.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	31/12/20	31/12/19	31/12/20	31/12/19
Net asset value per ordinary share based on issued share capital at the end of financial period/year (cents)	78.31	69.62	35.33	34.97

Net asset value per ordinary shares is calculated based on the Group's net asset value divided by the number of ordinary shares at 31.12.2020 of 426,472,409 (31.12.2019 : 424,272,409).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

a. any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

b. any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Frencken Group is a Global Integrated Technology Solutions Company that provides comprehensive Original Design, Original Equipment and Diversified Integrated Manufacturing solutions for world-class multinational companies in the automotive, healthcare, industrial, life sciences and semiconductor industries.

The Group has capabilities to offer end-to-end solutions across the entire customer value chain - from product conceptualisation, integrated design, prototyping and new product introductions, to supply chain design and management, state-of-the-art value and volume manufacturing and logistics services.

With 3,400 employees located in 17 operating sites across Asia, Europe and the USA, the Group offers its growing base of customers a global reach backed by local expertise. Working in partnership with its global customers, the Group unites the strengths of its strategically located businesses to create value for its customers.

Income Statement

Group Revenue

	1H	2H	Full Year
FY2020 (S\$'000)	292,508	328,108	620,616
FY2019 (S\$'000)	323,425	335,726	659,151
yoy (%)	(9.6)	(2.3)	(5.8)

For the 12 months ended 31 December 2020 ("FY2020"), the Group's revenue eased 5.8% year-on-year (yoy) to S\$620.6 million due to lower sales contributions from both the Mechatronics and IMS Divisions. With the exception of semiconductor segment, the Group's other business segments recorded lower sales due to business disruptions and slower economic conditions caused by the COVID-19 pandemic.

For the six months ended 31 December 2020 ("2H20"), the Group's revenue softened 2.3% to S\$328.1 million from S\$335.7 million in 2H19. On a half-on-half (hoh) basis however, Group revenue increased 12.2% to S\$328.1 million in 2H20 from S\$292.5 million in 1H20 on the back of a gradual recovery in business conditions.

Revenue breakdown by Business Segment

Sales	2H20	2H19	yoy	1H20	hoh	FY2020	FY2019	yoy
	S\$'000	S\$'000	%	S\$'000	%	S\$'000	S\$'000	%
MECHATRONICS DIVISION								
Semiconductor	98,417	65,344	50.6	87,931	11.9	186,348	115,986	60.7
Medical	41,078	44,670	(8.0)	43,973	(6.6)	85,051	86,884	(2.1)
Analytical	61,344	61,450	(0.2)	54,482	12.6	115,826	133,014	(12.9)
Industrial Automation	60,802	98,302	(38.1)	58,066	4.7	118,868	186,374	(36.2)
Others	7,915	8,791	(10.0)	6,451	22.7	14,366	17,307	(17.0)
Mechatronics Total	269,556	278,557	(3.2)	250,903	7.4	520,459	539,565	(3.5)
IMS DIVISION								
Automotive	46,126	44,420	3.8	30,899	49.3	77,025	93,708	(17.8)
Consumer & Industrial								
Electronics	8,442	8,869	(4.8)	8,082	4.5	16,524	18,252	(9.5)
Others	1,400	2,417	(42.1)	1,763	(20.6)	3,163	4,746	(33.4)
Tooling	2,674	2,124	25.9	1,554	72.1	4,228	4,297	(1.6)
IMS Total	58,642	57,830	1.4	42,298	38.6	100,940	121,003	(16.6)

Note: The above does not include revenue derived from investment holding & management services segment, other segment and also before eliminations of inter-segment sales.

Revenue at the Mechatronics Division softened 3.5% to S\$520.5 million in FY2020 from S\$539.6 million in FY2019. Lower sales of the industrial automation and analytical segments were largely offsetted by higher sales of the semiconductor segment.

The semiconductor segment's sales grew 60.7% yoy to S\$186.3 million in FY2020. The Group recorded higher orders for both front-end and back-end semiconductor equipment from customers in Europe and Asia, reflecting the strength of the global semiconductor industry amid the COVID-19 pandemic.

Sales of the medical segment softened 2.1% yoy to S\$85.1 million in FY2020, attributable mainly to slower order flows from a key customer in Europe during 2H20.

The analytical segment's sales declined 12.9% yoy to S\$115.8 million in FY2020 due primarily to lower demand from customers in Europe.

Sales of the industrial automation segment fell 36.2% yoy to S\$118.9 million in FY2020 due to lower shipments of storage drive production equipment to a key multinational customer. Sales of this segment are typically lumpy in nature and dependent on the capital expenditure requirements of key customers.

Revenue at the IMS Division decreased 16.6% yoy to S\$100.9 million in FY2020 attributable primarily to a 17.8% reduction in the automotive segment's sales to S\$77.0 million. The automotive segment experienced a significant sales decrease during 1H20 as orders from customers in the Group's main automotive markets were affected by government restrictions to contain the spread of COVID-19 as well as an overall slowdown in end-user demand. In 2H20, the automotive segment's sales recovered to S\$46.1 million, up 49.3% hoh from S\$30.9 million in 1H20, as orders from customers gradually improved.

Gross Profit Margin

As a result of lower revenue, the Group's gross profit decreased 5.4% yoy to S\$105.4 million in FY2020. Gross profit margin improved marginally to 17.0% in FY2020 compared to 16.9% in FY2019.

Other Income/Other operating expenses (refer to Note 1, Part 1 of Income Statement)

Other income, net of other operating expenses, increased to S\$6.2 million in FY2020 from S\$3.3 million in FY2019. This was due mainly to grants from the job support scheme of the Singapore government and grants from various other governments to alleviate the impact of COVID-19 outbreak, as well as an investment incentive subsidy for the Group's plant in Chuzhou, China. Lower net foreign exchange loss was also recorded in FY2020 when compared against FY2019.

Selling and Administrative Expenses

Selling and distribution expenses decreased 19.1% yoy to S\$9.6 million in FY2020 due primarily to lower travelling expenses and reduction in premium freight charges at the IMS Division.

Administrative and general expenses were relatively stable at S\$43.2 million in FY2020 compared to S\$43.6 million in FY2019.

Finance Costs

Finance costs decreased 17.0% yoy to S\$2.4 million in FY2020 due to lower interest expenses.

Exceptional Items (refer to Note 2, Part 1 of Income Statement)

The Group recorded an exceptional loss of S\$6.2 million in FY2020. This was in respect of an impairment loss of deferred development costs in Frencken Europe B.V., which is an operating unit within the Mechatronics Division. For further information, please refer to the Company's announcement dated 21 December 2020.

In FY2019, the Group recorded an exceptional loss amounting to S\$4.1 million. This was in respect of an impairment loss of deferred development costs of S\$1.5 million incurred by Frencken Europe B.V. and an impairment loss of property, plant and equipment of S\$2.6 million incurred by Juken (Zhuhai) Co., Ltd which is an operating unit of the IMS Division.

Group Profit before Income Tax

After accounting for the above items, the Group reported profit before income tax of S\$51.9 million in FY2020, a decrease of 3.8% from S\$53.9 million in FY2019. Excluding the exceptional items reported for FY2019 and FY2020, the Group's profit before income tax would have been S\$58.1 million for both financial years.

Group Net Profit Attributable to Equity Holders of the Company ("PATMI")

Reported PATMI including exceptional items

	1H	2H	Full Year
FY2020 (S\$'000)	18,736	23,835 *	42,571
FY2019 (S\$'000)	19,707	22,665 ^	42,372
yoy (%)	(4.9)	5.2	0.5

* including impairment loss of deferred development costs of S\$6.2 million

^ including impairment loss of deferred development costs of S\$1.5 million and impairment loss of property, plant and equipment of S\$2.6 million

After accounting for income tax of S\$8.8 million, the Group reported stable net profit attributable to equity holders ("PATMI") of S\$42.6 million in FY2020 compared to S\$42.4 million in FY2019.

For 2H20, the Group recorded PATMI of S\$23.8 million which was a yoy increase of 5.2% from S\$22.7 million in 2H19, and hoh increase of 27.2% from S\$18.7 million in 1H20.

PATMI excluding exceptional items

	1H	2H	Full Year
FY2020 (S\$'000)	18,736	30,056	48,792
FY2019 (S\$'000)	19,707	26,825	46,532
yoy (%)	(4.9)	12.0	4.9

Excluding the exceptional items, the Group's PATMI would have increased 4.9% to S\$48.8 million in FY2020 from S\$46.5 million in FY2019.

Group PATMI for 2H20 would have also recorded increases of 12% yoy to S\$30.1 million from S\$26.8 million in 2H19, and 60.4% hoh from S\$18.7 million in 1H20.

Dividend

In line with its longstanding practice of rewarding shareholders for their continuous support, the Group is recommending the payment of a first and final tax exempt (one-tier) dividend of 3.0 cents per share in respect of FY2020 which is the same as the dividend for FY2019. Since listing on the Singapore Exchange in 2005, the Group has consistently paid dividends representing at least 30% of its earnings every year.

Balance Sheet

As at 31 December 2020, the Group had shareholders' equity of S\$334.0 million, equivalent to net asset value of 78.31 cents per share based on the total number of issued shares of 426.5 million shares.

Total assets increased to S\$563.8 million as at 31 December 2020 from S\$506.2 million as at 31 December 2019.

Property, plant and equipment increased to S\$99.8 million from S\$90.4 million as at 31 December 2019. As at 31 December 2020, the Group's right-of-use assets stood at S\$16.8 million.

As at 31 December 2020, the Group's cash and cash equivalents increased to S\$174.5 million from S\$122.4 million as at 31 December 2019. Inventories increased to S\$143.2 million compared to S\$140.7 million as at 31 December 2019, to meet the fulfilment of orders to customers. Trade receivables were relatively stable at S\$98.7 million compared to S\$97.6 million as at 31 December 2019.

Trade payables decreased to S\$80.1 million as at 31 December 2020 from S\$87.8 million as at 31 December 2019. The Group's lease liabilities stood at S\$14.6 million as at 31 December 2020.

Total borrowings increased to S\$67.3 million as at 31 December 2020 from S\$53.2 million as at 31 December 2019.

As at 31 December 2020, the Group recorded an increase in net cash to S\$107.1 million as compared to S\$69.2 million as at 31 December 2019. Total debt-to-equity ratio stood at 20.2%, compared to 18.0% at the end of December 2019.

Cash Flow Analysis

The Group generated net cash of S\$79.6 million from operating activities in FY2020. Net cash used in investing activities amounted to S\$22.7 million in FY2020 due mainly to capital expenditure and acquisition of the remaining 20% interest in an indirect subsidiary in the USA, which was offset partially by interest received and proceeds from disposal of property, plant and equipment.

Net cash used in financing activities amounted to S\$15.0 million in FY2020 due primarily to payment of dividends to shareholders and repayment of lease liabilities.

As a result of the above, the Group recorded a net increase in cash and cash equivalents of S\$41.9 million during FY2020. When added to its opening cash and cash equivalents of S\$109.6 million at the beginning of FY2020 and after accounting for the negative effect of foreign currency movements of S\$0.4 million on its opening cash and cash equivalents, the Group had a cash balance of S\$151.1 million as at 31 December 2020.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's financial performance in 2H20 is generally in line with the guidance provided in its business update for 3Q20 which was posted on the SGX website on 12 November 2020.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

INDUSTRY CONDITIONS AND GROUP'S STRATEGIES

Frencken reported a decline in revenue for FY2020 as the COVID-19 pandemic resulted in disruptions to the business operations of the Group and its customers, particularly during the first half of the year. Despite lower revenue and exceptional items, the Group still delivered an increase in its PATMI for FY2020.

To reward shareholders for their continuous support, the Board has recommended maintaining a dividend of 3.0 cents per share in respect of FY2020.

Looking ahead, the uncertainties surrounding the COVID-19 trajectory continue to weigh on the outlook of the global economy. A resurgence of new COVID-19 infections and variants may pose challenges to the recovery in global business conditions.

The Group remains in strict compliance with COVID-19 measures imposed by the authorities in their respective jurisdictions. The Group also ensures that all necessary safety measures are in place at its global operating sites for the health and welfare of employees and the continuation of day-to-day operations. Presently, the Group's manufacturing sites in Asia, Europe and the USA are operating at normal levels. As part of Frencken's Corporate Social Responsibility efforts, the Group actively engages in programs to support and assist communities at its various locations worldwide.

Frencken's strategy to serve broad and diverse business segments and geographical regions, together with its sound balance sheet, will help to provide resilience and stability to the Group amid a difficult business landscape.

The Group will continue to execute business strategies at the Mechatronics and IMS Divisions to raise operational excellence, enhance core competencies, strengthen global capabilities and pursue best-in-class quality. The Group is also working to move up the value chain and expand its market share with both existing and new customers.

BUSINESS SEGMENT OUTLOOK

Based on current indicators, and barring any unforeseen circumstances and further deterioration in the business environment arising from the COVID-19 pandemic, the Group anticipates its revenue in 1H21 will increase half on half as compared to 2H20, driven by higher expected sales from the majority of its key business segments.

The anticipated revenue performances of the Group's key business segments in 1H21 on half on half basis are outlined below:

The semiconductor segment is expected to continue posting revenue growth in 1H21 as compared to 2H20, on the back of strong global demand for semiconductor equipment.

Revenue of the medical segment is anticipated to increase in 1H21 as compared to 2H20.

The analytical segment is expected to record modest revenue growth in 1H21 as compared to 2H20.

Revenue of the industrial automation segment, which is typically lumpy, is expected to soften in 1H21 as compared to 2H20.

The automotive segment is expected to record revenue that is in-line with 2H20. However, there may be scope for some potential upside estimated from the customers' programs.

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared (recommended) for the current financial period reported on?

Yes

The Directors are pleased to recommend a first and final exempt (one-tier) dividend in respect of the financial year ended 31 December 2020 of 3.00 cents per ordinary share for approval by shareholders at the forthcoming Annual General Meeting to be convened on 29 April 2021.

Name of Dividend	Ordinary Tax Exempt
Dividend Type	Cash
Dividend amount per share (in cents)	3.00 cents per ordinary share
Par value of shares	Not applicable
Tax Rate	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

The Directors recommended a first and final exempt (one-tier) dividend of 3.00 cents per ordinary share in respect of the financial year ended 31 December 2019 which was approved by shareholders at the Annual General Meeting convened on 29 June 2020.

Name of Dividend	Ordinary Tax Exempt
Dividend Type	Cash
Dividend amount per share (in cents)	3.00 cents per ordinary share
Par value of shares	Not applicable
Tax Rate	Not applicable

(c) Date Payable

The proposed dividend, if approved at the Annual General Meeting, will be paid on 19 May 2021.

(d) Books closure date

Notice is also hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on Monday, 10 May 2021 for the purpose of determining the entitlement of Shareholders to the Final Dividend.

Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898, up to the close of business at 5.00 p.m. on Friday, 7 May 2021 will be registered to determine Shareholder's entitlements to the Final Dividend.

12. If no dividend has been declared/ recommended, a statement to that effect and reason(s) for the decision.

Not applicable

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000)	
	31/12/20	31/12/19
	-	-

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of SGX-ST.

Frencken Group Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

PART 11- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

15 (a) Business segments

FY2020

	Mechatronics \$'000	Integrated Manufacturing Services \$'000	Investment Holding & Management Services \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Turnover						
External revenue	520,459	99,874	-	283	-	620,616
Inter-segment sales	-	1,066	9,371	-	(10,437)	-
	<u>520,459</u>	<u>100,940</u>	<u>9,371</u>	<u>283</u>	<u>(10,437)</u>	<u>620,616</u>
Segment results						
	48,120	7,756	2,924	129	-	58,929
Interest income	327	40	1,295	1	(90)	1,573
Finance costs	(1,494)	(958)	(49)	-	90	(2,411)
Impairment loss of deferred development costs	(6,221)	-	-	-	-	(6,221)
Profit before income tax						51,870
Income tax expense	(7,089)	(1,616)	(60)	(59)	-	(8,824)
Total profit						<u>43,046</u>
Segment assets	<u>377,698</u>	<u>117,979</u>	<u>66,538</u>	<u>1,578</u>	<u>-</u>	<u>563,793</u>
Segment liabilities	<u>180,533</u>	<u>44,570</u>	<u>2,321</u>	<u>86</u>	<u>-</u>	<u>227,510</u>
Other segment information:						
Capital expenditure	14,650	7,890	52	-	-	22,592
Addition of intangible assets	-	118	-	-	-	118
Depreciation and amortisation	12,355	9,120	135	65	-	21,675
Other non-cash expenses other than depreciation and amortisation	6,253	185	4	-	-	6,442

FY2019

	Mechatronics \$'000	Integrated Manufacturing Services \$'000	Investment Holding & Management Services \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Turnover						
External revenue	539,565	119,301	-	285	-	659,151
Inter-segment sales	-	1,702	8,444	-	(10,146)	-
	<u>539,565</u>	<u>121,003</u>	<u>8,444</u>	<u>285</u>	<u>(10,146)</u>	<u>659,151</u>
Segment results						
	50,869	6,095	2,223	145	21	59,353
Interest income	142	452	1,630	1	(613)	1,612
Finance costs	(1,497)	(1,871)	(129)	-	592	(2,905)
Impairment loss of deferred development costs	(1,531)	-	-	-	-	(1,531)
Impairment loss of property, plant and equipment	-	(2,629)	-	-	-	(2,629)
Profit before income tax						53,900
Income tax expense	(10,005)	(1,137)	(99)	(61)	-	(11,302)
Total profit						<u>42,598</u>
Segment assets	<u>318,320</u>	<u>122,159</u>	<u>64,051</u>	<u>1,666</u>	<u>-</u>	<u>506,196</u>
Segment liabilities	<u>151,423</u>	<u>51,542</u>	<u>5,003</u>	<u>77</u>	<u>-</u>	<u>208,045</u>
Other segment information:						
Capital expenditure	7,489	7,601	168	-	-	15,258
Addition of intangible assets	-	285	-	-	-	285
Depreciation and amortisation	11,513	9,413	133	65	-	21,124
Other non-cash expenses other than depreciation and amortisation	1,730	2,799	168	-	-	4,697

15 (b) Geographical segments

	Revenue from external customers		Non-current assets	
	FY2020 \$'000	FY2019 \$'000	FY2020 \$'000	FY2019 \$'000
Based on location of customer				
The Netherlands	166,798	153,261	38,066	39,614
People's Republic of China	100,056	80,986	37,435	32,445
Malaysia	36,055	27,028	35,789	33,705
Czech Republic	34,891	41,678	-	-
Singapore	50,578	45,914	10,301	12,155
Hungary	7,843	11,119	-	-
America	62,587	42,033	5,476	4,425
Germany	40,825	50,747	-	-
Switzerland	12	100	1,299	1,598
Thailand	73,848	150,083	1,985	2,444
India	5,064	6,839	2,729	3,528
Indonesia	8,202	8,732	-	-
United Kingdom	2,042	3,657	-	-
Mexico	4,246	6,166	-	-
Italy	9,757	1,931	-	-
Slovakia	2,467	396	-	-
Others	15,345	28,481	2	-
	<u>620,616</u>	<u>659,151</u>	<u>133,082</u>	<u>129,914</u>

15 (c) Information about major customers

Included in revenue arising from Mechatronics division of \$520,459,000 (2019 : \$539,565,000) are revenue of approximately \$109,085,000 (2019 : \$182,698,000) which arose from sales to the Group's largest customer.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

17. A breakdown of sales.

	31/12/2020 \$'000	31/12/2019 \$'000	% increase/ (decrease)
Sales reported for first half year	292,508	323,425	-9.6%
Operating profit after tax before deducting minority interests reported for first half year	18,641	19,843	-6.1%
Sales reported for second half year	328,108	335,726	-2.3%
Operating profit after tax before deducting minority interests reported for second half year	24,405	22,755	7.3%

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year 2020 \$'000	Previous Full Year 2019 \$'000
Ordinary Dividend	12,794	12,728
Special Dividend	-	-
Preference Dividend	-	-
Total	<u>12,794</u>	<u>12,728</u>

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13), Frencken Group Limited confirms that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Mohamad Anwar Au
Executive Director
25-Feb-21