FRENCKEN GROUP LIMITED
and its Subsidiaries
Registration No. 199905084D

Condensed Interim Financial Statements
For the six months ended 30 June 2026

FRENCKEN GROUP LIMITED
and its Subsidiaries
Registration No. 199905084D

Contents **Page**

FRENCKEN GROUP LIMITED
(Registration No. 199905084D)

A. Condensed Interim Consolidated Income Statement

	Group		
	6 months ended		
	30/06/26 $'000	30/06/25 $'000	% Change
Revenue	427,801	431,375	-0.8%
Cost of sales	(363,419)	(370,523)	-1.9%
Gross profit	64,382	60,852	5.8%
Other income (Note 1)	3,828	5,414	-29.3%
Selling and distribution expenses	(6,734)	(6,611)	1.9%
Administrative and general expenses	(32,618)	(29,669)	9.9%
Other operating expenses (Note 1)	(2,382)	(2,913)	-18.2%
Finance income	499	666	-25.1%
Finance costs	(1,939)	(2,982)	-35.0%
Share of results of an associate, net of tax	(11)	(1)	N.M.
Profit before income tax	25,025	24,756	1.1%
Income tax expense	(5,428)	(4,828)	12.4%
Profit for the period	19,597	19,928	-1.7%
Profit attributable to:			
Equity holders of the Company	19,272	19,942	-3.4%
Non-controlling interests	325	(14)	N.M.
	19,597	19,928	-1.7%
Note 1 - Other income/(Other operating expenses)			
Other income	3,828	5,414	-29.3%
Other operating expenses	(2,382)	(2,913)	-18.2%
	1,446	2,501	-42.2%
Included in Other income/(Other operating expenses):			
Gain on disposal of property, plant and equipment, net	51	111	-54.1%
Property, plant and equipment written off	(9)	(11)	-18.2%
Government grants	716	714	0.3%
Foreign exchange loss, net	(974)	(334)	191.6%
Amortisation of deferred income	6	5	20.0%
Scrap sales	1,041	1,019	2.2%
Revaluation gain on financial assets	593	940	-36.9%
Other income	182	105	73.3%
Other expenses	(160)	(48)	233.3%
	1,446	2,501	-42.2%

N.M. : Not meaningful

FRENCKEN GROUP LIMITED
(Registration No. 199905084D)

B. Condensed Interim Consolidated Statement of Comprehensive Income

	Group 6 months ended	
	30/06/26	**30/06/25**
	$'000	**$'000**
Statement of Comprehensive Income		
Profit for the period	19,597	19,928
Item that may be reclassified subsequently to income statement:		
- Currency translation differences arising from consolidation	1,591	(52)
Total comprehensive income for the period	21,188	19,876
Attributable to:		
Equity holders of the Company	20,988	19,950
Non-controlling interests	200	(74)
Total comprehensive income for the period	21,188	19,876

FRENCKEN GROUP LIMITED
(Registration No. 199905084D)

C. Condensed Interim Balance Sheets

	Group		Company	
	30/06/26	31/12/25	30/06/26	31/12/25
	$'000	$'000	$'000	$'000
NON-CURRENT ASSETS				
Property, plant and equipment	112,015	117,036	-	-
Right-of-use assets	65,326	68,902	-	-
Investment properties	1,361	1,349	-	-
Investment in subsidiaries	-	-	137,170	136,877
Investment in an associate	32	43	-	-
Financial asset at fair value through other comprehensive income	1,995	1,995	1,995	1,995
Goodwill and other intangible assets	25,819	24,252	-	-
Deferred income tax assets	1,589	1,654	-	-
Receivables from subsidiaries	-	-	1,938	-
Other receivables, deposits and prepayments	7,509	667	-	-
Total non-current assets	215,646	215,898	141,103	138,872
CURRENT ASSETS				
Inventories	236,385	198,549	-	-
Trade receivables	161,565	138,931	-	-
Receivables from subsidiaries	-	-	131	-
Dividends receivables from subsidiaries	-	-	-	11,863
Other receivables, deposits and prepayments	42,466	21,965	33	66
Tax recoverable	2,924	3,020	-	-
Cash and cash equivalents	122,971	161,875	37,374	37,728
	566,311	524,340	37,538	49,657
Non-current assets classified as held-for-sale	2,201	-	-	-
Total current assets	568,512	524,340	37,538	49,657
Total assets	784,158	740,238	178,641	188,529
CURRENT LIABILITIES				
Trade payables	107,702	101,944	-	-
Payable to a subsidiary	-	-	152	75
Other payables, accruals and provisions	54,654	56,997	1,199	957
Deferred income	11	11	-	-
Borrowings	53,236	21,668	-	-
Lease liabilities	8,770	8,980	-	-
Income tax payable	6,576	5,706	-	-
Total current liabilities	230,949	195,306	1,351	1,032
NON-CURRENT LIABILITIES				
Deferred income	40	45	-	-
Borrowings	920	585	-	-
Lease liabilities	55,338	58,789	-	-
Retirement benefit obligations	282	282	-	-
Deferred income tax liabilities	6,235	6,375	-	-
Total non-current liabilities	62,815	66,076	-	-
Total liabilities	293,764	261,382	1,351	1,032
NET ASSETS	490,394	478,856	177,290	187,497
EQUITY				
Share capital	106,309	104,500	106,309	104,500
Foreign currency translation reserve	(7,856)	(9,731)	-	-
Merger reserve	2,345	2,345	-	-
Capital reserve	3,165	2,015	3,746	2,596
Statutory reserve fund	9,340	8,682	-	-
Share option reserve	3,524	4,360	3,524	4,360
Fair value reserve	(4,405)	(4,405)	(4,405)	(4,405)
Other reserve	290	449	-	-
Retained profits	373,916	367,075	68,116	80,446
Equity attributable to equity holders of the Company	486,628	475,290	177,290	187,497
Non-controlling interests	3,766	3,566	-	-
TOTAL EQUITY	490,394	478,856	177,290	187,497

FRENCKEN GROUP LIMITED
(Registration No. 199905084D)

D. Condensed Interim Consolidated Cash Flow Statement

	Group 6 months ended 30/06/26 $'000	Group 6 months ended 30/06/25 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	19,597	19,928
Adjustments for:		
Income tax expense	5,428	4,828
Share of results of an associate, net of tax	11	1
Exchange differences	(130)	(113)
Employee share option expense	314	1,068
Depreciation of property, plant and equipment	11,740	11,177
Depreciation of right-of-use assets	4,754	4,011
Depreciation of investment properties	10	10
Gain on lease modification	(12)	(2)
Gain on disposal of property, plant and equipment, net	(51)	(111)
Gain on disposal of non-current assets classified as held-for-sale, net	(11)	-
Property, plant and equipment written off	9	11
Finance income	(499)	(666)
Finance costs	1,939	2,982
Amortisation of deferred income	(6)	(5)
Amortisation of intangible assets	340	253
Operating cash flow before working capital changes	43,433	43,372
Changes in operating assets and liabilities:		
Inventories	(38,627)	9,293
Receivables	(42,925)	(1,172)
Payables	39,738	16,811
Cash flows generated from operations	1,619	68,304
Tax paid	(4,502)	(7,750)
Finance costs paid	(1,939)	(2,982)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(4,822)	57,572
CASH FLOWS FROM INVESTING ACTIVITIES		
Finance income received	499	666
Additions of intangible assets	(1,640)	(66)
Purchase of property, plant and equipment	(8,836)	(6,917)
Progress payments for construction works	(4,111)	-
Proceeds from disposal of property, plant and equipment	142	185
Proceeds from disposal of non-current assets classified as held-for-sale	15	-
Repayment of loan from a third party	254	245
NET CASH USED IN INVESTING ACTIVITIES	(13,677)	(5,887)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	1,809	-
Repayment of lease liabilities	(4,757)	(4,524)
Repayment of supplier finance arrangement	(28,888)	(35,647)
Repayment of short-term bank borrowings	(16,347)	(21,691)
Repayment of term loans	(375)	(668)
Proceeds from short-term bank borrowings	20,653	17,807
Proceeds from term loans	952	742
Dividend paid to shareholders	(11,773)	(11,147)
NET CASH USED IN FINANCING ACTIVITIES	(38,726)	(55,128)
Net decrease in cash and cash equivalents	(57,225)	(3,443)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	161,193	116,426
Effect of exchange rate changes on cash and cash equivalents	1,301	(2,324)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	105,269	110,659

FRENCKEN GROUP LIMITED
(Registration No. 199905084D)

D. Condensed Interim Consolidated Cash Flow Statement

	Group 6 months ended	
	30/06/26	**30/06/25**
	$'000	**$'000**
Cash and cash equivalents at end of the financial period comprise:		
Short-term funds placed with Malaysian financial institutions	43,413	60,618
Fixed deposits	17,643	18,874
Cash and bank balances	61,915	68,997
Bank overdrafts	(17,556)	(37,672)
	105,415	110,817
Less: Deposits pledged as securities	(146)	(158)
	105,269	110,659

FRENCKEN GROUP LIMITED
(Registration No. 199905084D)

E. Condensed Interim Statement of Changes in Equity

Statement of changes in equity for the six months ended 30 June 2026 and 30 June 2025

	Attributable to equity holders of the Company											
The Group	**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**	**Equity attributable to equity holders of the Company $'000**	**Non-Controlling Interests $'000**	**Total Equity $'000**
At 1 January 2026	104,500	(9,731)	2,345	2,015	8,682	4,360	(4,405)	449	367,075	475,290	3,566	478,856
Profit for the period	-	-	-	-	-	-	-	-	19,272	19,272	325	19,597
Other comprehensive income/(loss):												
Currency translation differences arising from consolidation	-	1,875	-	-	-	-	-	(159)	-	1,716	(125)	1,591
Total comprehensive income/(loss) for the period	-	1,875	-	-	-	-	-	(159)	19,272	20,988	200	21,188
Transactions with owners recognised directly in equity												
Transfer to/(from) statutory reserve fund	-	-	-	-	658	-	-	-	(658)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	314	-	-	-	314	-	314
- Issue of share capital	1,809	-	-	1,150	-	(1,150)	-	-	-	1,809	-	1,809
Dividends relating to 2025 paid	-	-	-	-	-	-	-	-	(11,773)	(11,773)	-	(11,773)
	1,809	-	-	1,150	658	(836)	-	-	(12,431)	(9,650)	-	(9,650)
At 30 June 2026	106,309	(7,856)	2,345	3,165	9,340	3,524	(4,405)	290	373,916	486,628	3,766	490,394
At 1 January 2025	104,500	(21,215)	2,345	2,015	7,581	2,401	(4,405)	539	340,203	433,964	3,544	437,508
Profit for the period	-	-	-	-	-	-	-	-	19,942	19,942	(14)	19,928
Other comprehensive income/(loss):												
Currency translation differences arising from consolidation	-	23	-	-	-	-	-	(15)	-	8	(60)	(52)
Total comprehensive income/(loss) for the period	-	23	-	-	-	-	-	(15)	19,942	19,950	(74)	19,876
Transactions with owners recognised directly in equity												
Transfer to/(from) statutory reserve fund	-	-	-	-	529	-	-	-	(529)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	1,068	-	-	-	1,068	-	1,068
Dividends relating to 2024 paid	-	-	-	-	-	-	-	-	(11,147)	(11,147)	-	(11,147)
	-	-	-	-	529	1,068	-	-	(11,676)	(10,079)	-	(10,079)
At 30 June 2025	104,500	(21,192)	2,345	2,015	8,110	3,469	(4,405)	524	348,469	443,835	3,470	447,305

	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 2026	104,500	-	-	2,596	-	4,360	(4,405)	80,446	187,497
Total comprehensive loss for the period	-	-	-	-	-	-	-	(557)	(557)
Transactions with owners recognised directly in equity									
Employee share option scheme - Value of employee services	-	-	-	-	-	314	-	-	314
- Issue of share capital	1,809	-	-	1,150	-	(1,150)	-	-	1,809
Dividends relating to 2025 paid	-	-	-	-	-	-	-	(11,773)	(11,773)
	1,809	-	-	1,150	-	(836)	-	(11,773)	(9,650)
At 30 June 2026	106,309	-	-	3,746	-	3,524	(4,405)	68,116	177,290
At 1 January 2025	104,500	-	-	2,596	-	2,401	(4,405)	61,064	166,156
Total comprehensive loss for the period	-	-	-	-	-	-	-	(257)	(257)
Transactions with owners recognised directly in equity									
Employee share option scheme - Value of employee services	-	-	-	-	-	1,068	-	-	1,068
Dividends relating to 2024 paid	-	-	-	-	-	-	-	(11,147)	(11,147)
	-	-	-	-	-	1,068	-	(11,147)	(10,079)
At 30 June 2025	104,500	-	-	2,596	-	3,469	(4,405)	49,660	155,820

F. Notes to the condensed interim financial statements

1. Corporate information

Frencken Group Limited (the "Company") is incorporated in Singapore and listed on the Mainboard of Singapore Exchange Securities Trading Limited. These condensed interim financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the "Group"). The principal activity of the Company is that of an investment holding company.

The main principal activities of the Group are:

(a) Provision of value engineering, prototyping, program management, supply chain management, precision machining components and sheet metal parts manufacturing, modular and equipment system assembly, integration, testing and commissioning.
(b) Design, engineering, manufacturing and sales of filters.
(c) Manufacture of mould and die, plastic products and component sub-assembly.
(d) Vacuum coating, thermal treatment and other related services for plastic component.
(e) Design and trading of micromechanical product components for automotive industry.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

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 2026.

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.

The condensed interim financial statements are presented in Singapore Dollars which is the Company's functional currency.

2.1 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 11 – impairment test of intangible assets: key assumptions underlying recoverable amounts

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

Information reported to the key management personnel of the Group for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided, and in respect of the operations, the information is further analysed based on the different classes of customers. Management has chosen to organise the Group around differences in products and services.

The Group has two principal business segments under SFRS(I) 8, as described below, which are the Group's strategic business units. The two strategic business units are organised and managed separately because they require differing technological skill sets and marketing strategies. They are as follows:

- Mechatronics - specialising in the design and manufacture of complex electro-mechanical assemblies and automation systems for original equipment manufacturers.

- Advanced Plastics Solutions ("APS") (formerly known as Integrated Manufacturing Services ("IMS")) - specialising in a one-stop integrated solution to manufacture plastic components (including design and fabrication of mould) for assembly into modules and finished products. It also designs and manufactures high quality oil filters.

The Investment Holding & Management Services segment is not a business segment but essentially are investment holding companies and providing management services to companies within the Group.

The Others segment comprises:
- an investment in property holding company; and
- companies in the business of producing, testing and trading of high performance adhesive products and thermal management products.

Inter-segment transactions are determined on terms agreed between the parties. Segment assets consist of non-current and current assets while segment liabilities comprise non-current and current liabilities. Capital expenditure comprises additions to property, plant and equipment.

4.1 Business segments

For the six months ended 30 June 2026

Turnover	Mechatronics $'000	APS $'000	Investment Holding & Management Services $'000	Others $'000	Eliminations $'000	Total $'000
External revenue	383,396	42,038	-	2,367	-	427,801
Inter-segment sales	-	-	9,361	-	(9,361)	-
	383,396	42,038	9,361	2,367	(9,361)	427,801
Segment results	21,528	1,369	2,714	865	-	26,476
Finance income	159	13	304	23	-	499
Finance costs	(1,793)	(141)	(1)	(4)	-	(1,939)
Share of results of an associate, net of tax	-	-	-	(11)	-	(11)
Profit before income tax						25,025
Income tax expense	(4,659)	(470)	(78)	(221)	-	(5,428)
Total profit						19,597
Other segment information:						
Capital expenditure	7,156	1,669	28	21	-	8,874
Addition of intangible assets	-	335	1,305	-	-	1,640
Depreciation and amortisation	13,583	2,984	150	127	-	16,844
Amortisation of deferred income	-	-	-	6	-	6
Other non-cash expenses other than depreciation and amortisation	204	26	93	-	-	323
As at 30 June 2026						
Segment assets	581,463	98,816	92,322	11,557	-	784,158
Segment liabilities	267,536	21,425	3,543	1,260	-	293,764

For the six months ended 30 June 2025

Turnover	Mechatronics $'000	APS $'000	Investment Holding & Management Services $'000	Others $'000	Eliminations $'000	Total $'000
External revenue	389,289	40,577	-	1,509	-	431,375
Inter-segment sales	-	-	6,510	-	(6,510)	-
	389,289	40,577	6,510	1,509	(6,510)	431,375
Segment results	23,914	(98)	3,091	166	-	27,073
Finance income	214	38	394	20	-	666
Finance costs	(2,761)	(214)	(2)	(5)	-	(2,982)
Share of results of an associate, net of tax	-	-	-	(1)	-	(1)
Profit before income tax						24,756
Income tax expense	(4,953)	225	(66)	(34)	-	(4,828)
Total profit						19,928
Other segment information:						
Capital expenditure	5,535	1,622	359	31	-	7,547
Addition of intangible assets	-	66	-	-	-	66
Depreciation and amortisation	11,983	3,218	137	113	-	15,451
Amortisation of deferred income	-	-	-	5	-	5
Other non-cash expenses other than depreciation and amortisation	745	55	279	-	-	1,079
As at 31 December 2025						
Segment assets	539,846	98,136	91,309	10,947	-	740,238
Segment liabilities	233,859	22,536	3,584	1,403	-	261,382

4.2 Geographical segments

The Group operates in four principal geographical areas - The Netherlands, People's Republic of China, Malaysia and Singapore (country of domicile).

Revenue is attributed to geographical areas based on the location of the customers. Non-current assets (excluding deferred tax assets, financial asset at fair value through other comprehensive income and investment in an associate) are based on the location of those assets:

	Revenue from external customers 6 months ended		**Non-current assets**	
	30/06/26 $'000	**30/06/25 $'000**	**30/06/26 $'000**	**31/12/25 $'000**
Based on location of customer				
The Netherlands	117,656	162,354	72,094	76,903
People's Republic of China	30,624	35,322	29,679	30,544
Malaysia	43,523	22,495	40,263	39,351
Singapore	57,746	50,934	49,637	44,079
Czech Republic	29,250	34,572	-	-
Hungary	9,764	9,047	-	-
America	61,994	61,351	17,201	17,821
Germany	27,493	15,600	-	-
Switzerland	291	49	418	531
Thailand	23,487	16,489	1,243	1,357
India	3,896	4,026	1,495	1,620
Indonesia	2,942	2,912	-	-
United Kingdom	1,309	2,197	-	-
Mexico	3,076	2,907	-	-
Italy	3,051	3,302	-	-
Others	11,699	7,818	-	-
	427,801	431,375	212,030	212,206

4.3 Information about major customers

Included in revenue arising from Mechatronics division of 383,396,000 (30.06.2025 : $389,289,000) are revenue of approximately $176,973,000 (30.06.2025 : $207,176,000) which arose from sales to the Group's 3 (30.06.2025 : 3) largest customer.

4.4 Disaggregation of Revenue

A disaggregation of the Group's revenue for the period is as follows:

For the six months ended 30 June 2026

	Mechatronics $'000	APS $'000	Others $'000	Total $'000
At a point in time:				
Sale of goods	382,736	40,739	2,224	425,699
Installation services	660	-	-	660
Rental income	-	-	143	143
	383,396	40,739	2,367	426,502
Over time:				
Sale of moulds	-	1,299	-	1,299
	383,396	42,038	2,367	427,801

For the six months ended 30 June 2025

	Mechatronics $'000	APS $'000	Others $'000	Total $'000
At a point in time:				
Sale of goods	388,609	39,081	1,462	429,152
Installation services	680	-	-	680
Rental income	-	-	47	47
	389,289	39,081	1,509	429,879
Over time:				
Sale of moulds	-	1,496	-	1,496
	389,289	40,577	1,509	431,375

5. Financial assets and financial liabilities

The following table sets out the categories of financial instruments as at 30 June 2026 and 31 December 2025.

	Group		Company	
	30/06/26 $'000	31/12/25 $'000	30/06/26 $'000	31/12/25 $'000
Financial asset at fair value through other comprehensive income	1,995	1,995	1,995	1,995
Trade receivables	161,565	138,931	-	-
Receivables from subsidiaries	-	-	2,069	-
Dividends receivables from subsidiaries	-	-	-	11,863
Other receivables and deposits	30,264	13,149	30	57
Cash and cash equivalents	122,971	161,875	37,374	37,728
Financial assets at amortised cost	314,800	313,955	39,473	49,648
Trade payables	107,702	101,944	-	-
Payable to a subsidiary	-	-	152	75
Other payables and accruals	54,473	56,632	1,018	592
Borrowings	54,156	22,253	-	-
Lease liabilities	64,108	67,769	-	-
Financial liabilities at amortised cost	280,439	248,598	1,170	667

6. Profit before income tax

	Group 6 months ended	
	30/06/26	30/06/25
	$'000	$'000
Profit before income tax has been arrived after charging/(crediting):		
Other income including finance income	(4,327)	(6,080)
Amortisation of deferred income	(6)	(5)
Interest on borrowings	1,939	2,982
Depreciation of property, plant and equipment	11,740	11,177
Depreciation of right-of-use assets	4,754	4,011
Depreciation of investment properties	10	10
Amortisation of intangible assets	340	253
(Write back)/Allowance for doubtful debts and bad debts written off	(130)	6
Allowance/(Write back) for inventory obsolescence	71	(484)
Foreign exchange loss, net	974	334
Adjustments for over provision of tax in respect of prior years	(69)	(83)
Gain on disposal of property, plant and equipment, net	(51)	(111)
Property, plant and equipment written off	9	11

7. Taxation

	Group 6 months ended	
	30/06/26	30/06/25
	$'000	$'000
Income tax expense attributable to profit is made up of:		
- Current income tax	(5,483)	(4,576)
- Deferred income tax	103	(50)
	(5,380)	(4,626)
Over/(under) recognition in respect of previous financial years:		
- Current income tax	73	25
- Deferred income tax	(4)	58
	69	83
Withholding tax	(117)	(285)
	(5,428)	(4,828)

8. Dividends

	Group 6 months ended	
	30/06/26	30/06/25
	$'000	$'000
Ordinary dividends paid		
First and final tax exempt (one-tier) dividend paid of 2.75 cents per share (6 months ended 30 June 2025: 2.61 cents)	(11,773)	(11,147)

9. Net asset value

	Group		Company	
	30/06/26	31/12/25	30/06/26	31/12/25
	$'000	$'000	$'000	$'000
Net asset value per ordinary share based on issued share capital at the end of financial period/year (cents)	113.45	111.29	41.33	43.90

Net asset value per ordinary shares is calculated based on the Group's net asset value divided by the number of ordinary shares at 30.06.2026 of 428,928,409 (31.12.2025 : 427,090,409).

10. Financial assets at fair value through other comprehensive income (“Financial Asset at FVTOCI”)

	Group and Company	
	30/06/26	31/12/25
	$'000	$'000
Unquoted equity security designated at FVTOCI	1,995	1,995

The investment in unquoted equity represent investment in a company that is engaged in the investment of healthcare companies. The recoverability of this investment is uncertain and dependent on the outcome of these activities, which cannot presently be determined. This investment in equity instruments are held for medium to long-term strategic purposes. Accordingly, management has elected to designate this investment in equity instruments as FVTOCI as they believe that recognising short-term fluctuations in this investment’s fair value in income statement would not be consistent with the Group’s strategy of holding this investment for long-term purposes and realising its performance potential in the long run.

11. Goodwill and other intangible assets

Group	Goodwill $'000	Deferred development costs $'000	Patents $'000	Intellectual properties $'000	Software development costs $'000	Total $'000
<u>For the six months ended 30 June 2026</u>						
<u>Cost:</u>						
At beginning of the financial year	22,832	18,515	2,454	5,962	2,884	52,647
Additions	-	94	-	-	1,546	1,640
Transfer from property, plant and equipment	-	300	-	-	-	300
Currency translation differences	(112)	(148)	(22)	-	40	(242)
At end of the financial period	22,720	18,761	2,432	5,962	4,470	54,345
<u>Accumulated amortisation:</u>						
At beginning of the financial year	-	6,503	2,430	5,962	276	15,171
Currency translation differences	-	(10)	(24)	-	(1)	(35)
Amortisation charge	-	220	-	-	120	340
At end of the financial period	-	6,713	2,406	5,962	395	15,476
<u>Accumulated impairment:</u>						
At beginning of the financial year	2,174	11,050	-	-	-	13,224
Currency translation differences	(35)	(139)	-	-	-	(174)
At end of the financial period	2,139	10,911	-	-	-	13,050
Carrying value: At 30 June 2026	20,581	1,137	26	-	4,075	25,819

(a) Goodwill on consolidation

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to countries of operation and business segments.

The summary of the goodwill allocation is presented below:

	Group	
	30/06/26	**31/12/25**
	$'000	**$'000**
Mechatronics:		
America	2,207	2,242
The Netherlands	7,285	7,327
Singapore	8,392	8,392
	17,884	17,961
Others:		
Malaysia	2,697	2,697
	20,581	20,658

The recoverable amounts of the CGUs to which goodwill is allocated are determined based on value-in-use calculations which use cash flow projections based on financial budgets approved by management covering a five-year period.

The key assumptions used by management in setting the financial budgets for the initial five-year period includes forecast average gross margin, forecast average revenue growth rate, and discount rate. Management determined the forecast average gross margin and forecast average revenue growth rate based on historical actual performance and its expectations of future changes in the market and general industry outlook. The discount rates used reflect specific risks relating to the relevant segments.

Cash flows beyond that five-year period have been extrapolated using steady growth rates that do not exceed the average growth rates for the relevant markets. The steady growth rates are estimated by management based on past performance of the CGUs and their expectations of market development.

Key assumptions used for value-in-use calculations:

	30/6/2026			31/12/2025		
	Gross margin [1]	**Revenue growth rate** [1]	**Discount rate** [2]	**Gross margin** [1]	**Revenue growth rate** [1]	**Discount rate** [2]
	%	%	%	%	%	%
Mechatronics:						
America and The Netherlands	14.0 to 16.6	6.1 to 21.3	10.4 to 17.8	13.9 to 15.5	6.4 to 21.1	12.0 to 17.8
Singapore	12.4	14.6	7.1	11.0	6.8	7.1
Others:						
Malaysia	39.4	22.3	13.5	39.7	22.3	14.4

[1] Forecasted average gross margin and revenue growth rate.

[2] Discount rate applied to the pre-tax cash flow projections.

The process of evaluating goodwill impairment involves management judgement and prudent estimates of various factors including future cash flows as well as the forecast average revenue growth rate, discount rate and forecast average gross margin. The results can be highly sensitive to the assumptions used. Key assumptions used to determine the recoverable amounts of the CGU, including forecast average revenue growth rate, forecast average gross margin and discount rate, are tested for sensitivity by applying a reasonable possible change to those assumptions.

Sensitivity analysis

31 December 2025

Management has conducted an analysis of the sensitivity of key assumptions used to determine the recoverable amount for each of the Group's CGUs to which goodwill is allocated.

Economic uncertainty continues to exist in the market. Recovery in the industry that the Singapore CGU serve had not been as positive as expected. It is possible that further underperformance may occur in 2026 if prevailing trends continue.

The Singapore CGU represent 40.6% of the goodwill recognised on the balance sheet. For the impairment test performed as at 31 December 2025, magement has identified total forecasted revenue as a key assumption, given that the recoverable amount is particularly sensitive to variations in forecasted revenue. A decrease in total forecasted revenue over the five-year projected free cash flow period to 69.3% of forecast would result in the recoverable amounts of the CGU being equal to the carrying amount.

If total forecasted revenue of the Singapore CGU over the five-year projected free cash flow period were reduced to 90% of the forecast, and uncontracted revenue from one major customer were excluded from terminal free cash flow due to uncertainty over the continuation of the business relationship, the recoverable amount would decrease from $35,673,000 to $9,702,000. This reduction would give rise to a potential impairment charge of $812,000, compared with a carrying value of $10,514,000.

No sensitivity analysis was disclosed for the remaining CGUs as the Group believes that any reasonable possible change in the key assumptions is unlikely to result in any material impairment to the CGUs.

30 June 2026

No sensitivity analysis was disclosed for all the CGUs as the Group believes that any reasonable possible change in the key assumptions is unlikely to result in any material impairment to the CGUs.

(b) Deferred development costs

Deferred development costs relate to the cost capitalised by its subsidiaries for developing certain products. Amortisation of the deferred development costs begins when the development is completed and are amortised on the expected units of production basis or over the estimated useful life of 5 to 10 years (2025 : 5 to 10 years).

(c) Patents

Patents relate to certain design and specification of stepper motors, filter devices for micro filtration of oil and automation of material handling to laser welding machine for gearbox filters in cars.

Patents are amortised over their estimated useful life of 5 years.

(d) Intellectual properties

Intellectual properties mainly pertain to the intellectual property related to the current miniature stepper motor product offerings and the intellectual property related miniature stepper motor products under in-process research and development. These intellectual properties have finite useful lives, and are amortised on a straight-line basis over their estimated useful lives of 5 years and on the expected units sold respectively. Intellectual properties has been fully amortised.

(e) Software development costs

Software development costs refer to the costs capitalised for the implementation of the enterprise resource planning system and are amortised over their estimated useful life of 5 to 10 years (2025 : 5 to 10 years).

The amortisation expense has been included in the line item "cost of sales" in consolidated income statement.

12. Property, plant and equipment

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of $8,874,000 (30.06.2025: $7,547,000) of which $65,000 (30.06.2025: $712,000) was included in other payables at balance sheet date. Cash payments of $8,836,000 (30.06.2025: $6,917,000) includes an amount of $27,000 (30.06.2025: $82,000) for payment from other payables to purchase property, plant and equipment incurred in previous financial year.

13. Investment properties

	Group	
	30/06/26	31/12/25
	$'000	$'000
Cost:		
At beginning of the financial year	1,529	1,465
Currency translation differences	25	64
At end of the financial period/year	1,554	1,529
Accumulated depreciation:		
At beginning of the financial year	180	153
Charge for the financial period/year	10	20
Currency translation differences	3	7
At end of the financial period/year	193	180
Carrying amount at end of the financial period/year	1,361	1,349

The Group has adopted the cost model under SFRS(I) 1-40 *Investment Property* for its investment properties.

Details of the Group's investment properties and information about the fair value hierarchy as of 30 June 2026 and 31 December 2025 are as follows:

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
At 30 June 2026				
Leasehold buildings	-	-	3,483	3,483
At 31 December 2025				
Leasehold buildings	-	-	3,425	3,425

There were no transfers between the respective levels during the financial period.

The fair value of the Group's investment properties has been arrived at based on an indicative market value by reference to market evidence of transaction prices for similar properties.

	Group	
	6 months ended	
	30/06/26	30/06/25
	$'000	$'000
The following amounts are recognised in income statement:		
Rental income	(143)	(47)
Direct operating expenses arising from:		
- Investment properties that generate rental income	19	14

14. Borrowings

	Group	
	30/06/26	31/12/25
	$'000	$'000
Amount repayable within one year or on demand		
Secured	17,766	34
Unsecured	35,470	21,634
	53,236	21,668
Amount repayable after one year		
Secured	92	108
Unsecured	828	477
	920	585
Total	54,156	22,253

Details of any collaterals

Details of the borrowings of the Group and its securities as at 30 June 2026 are as follows:

	Note	Secured $'000	Unsecured $'000	Total $'000
Bank overdrafts	(i)	17,487	69	17,556
Other short-term borrowings		-	34,940	34,940
Term loans	(ii)	371	1,289	1,660
		17,858	36,298	54,156

(i) bank overdrafts of $17,487,000 is secured by mortgage over properties, pledged on machineries, other fixed assets and inventories and certain trade receivables of certain subsidiaries of the Group in The Netherlands.

(ii) term loans of :
(a) $244,000 is secured by exclusive charged on the entire present and future current and fixed assets of a subsidiary in India; and
(b) $127,000 is secured by mortgage over property of a subsidiary in Malaysia.

15. Share capital

	Group and Company			
	30/06/26		31/12/25	
	Number of ordinary shares	Amount $'000	Number of ordinary shares	Amount $'000
Beginning of the financial year	427,090,409	104,500	427,090,409	104,500
Exercise of share options	1,838,000	1,809	-	-
End of the financial period/year	428,928,409	106,309	427,090,409	104,500

Issued and paid up capital
During the period, the Company issued 677,000, 100,000 and 1,061,000 new ordinary shares pursuant to the Company's employee share option scheme at the exercise price of $0.432, $1.370 and $1.300 each respectively. There are no treasury shares held as at the end of the current period.

	Total number of issued shares as at	
	30/06/26	30/06/25
Number of issued shares	428,928,409	427,090,409
Number of treasury shares	-	-
Total number of issued shares excluding treasury shares	428,928,409	427,090,409

Share options
The movement of share options of the Company during the period from 1 January 2026 to 30 June 2026 is as follows:

Date of grant	Number of ordinary shares under option					Exercise price	Exercise period
	As at 01.01.26	Granted during the period	Forfeited during the period	Exercised during the period	As at 30.06.26		
6.12.2017 (2017 Option)	677,000	-	-	(677,000)	-	$0.432	6.12.2019 - 5.12.2027
26.1.2022 (2022 Option)	440,000	-	-	(100,000)	340,000	$1.370	26.1.2024 - 25.1.2032
6.3.2024 (2024 Option)	4,962,000	-	(40,000)	(1,061,000)	3,861,000	$1.300	6.3.2026 - 5.3.2034
	6,079,000	-	(40,000)	(1,838,000)	4,201,000		

	Total number of shares as at 30/06/26	Total number of shares as at 30/06/25
Total number of shares that may be issued on exercise of share options outstanding	4,201,000	6,349,000

15.1 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 30/06/26	As at 31/12/25
Total number of issued shares excluding treasury shares	428,928,409	427,090,409

15.2 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.

15.3 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.

16. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

G. Other Information Required by Listing Rule Appendix 7.2

1. 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.

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

Not applicable.

2A. 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.

3. 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	
	30/06/26	**30/06/25**
Earnings per ordinary share of the Group based on net profit attributable to equity holders of the Company:		
(i) Based on weighted average number of shares (in cents)	4.50	4.67
- Weighted average number of shares (in thousand)	427,993	427,090
(ii) On a fully diluted basis (in cents)	4.48	4.67
- Adjusted weighted average number of shares (in thousand)	429,789	427,471

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

4. 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 aerospace, analytical life sciences, automotive, healthcare, industrial, and semiconductor segments.

The Group offers end-to-end solutions across the 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 over 3,600 employees in 18 operating sites across Asia, Europe, and the USA, the Group offers its growing customer base 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

	2Q	1H	2H	Full Year
FY2026 (S$'000)	225,757	427,801	-	-
FY2025 (S$'000)	215,549	431,375	433,746	865,121
yoy (%)	4.7	(0.8)	N.M.	N.M.

The Group's revenue for the three months ended 30 June 2026 ("2Q26") increased 4.7% year-on-year (yoy) and 11.7% quarter-on-quarter (qoq) to S$225.8 million. This was lifted by higher contributions from the Mechatronics and APS Divisions which posted sales growth of 4.7% and 2.9% yoy respectively in 2Q26.

As a result, the Group registered revenue of S$427.8 million for the six months ended 30 June 2026 ("1H26") which was broadly in line with revenue of S$431.4 million in 1H25.

Revenue breakdown by Business Segment

	2Q26	2Q25	yoy	1H26	1H25	yoy
	S$'000	S$'000	%	S$'000	S$'000	%
MECHATRONICS DIVISION						
Semiconductor	114,480	109,417	4.6	213,271	215,663	(1.1)
Medical	35,813	31,009	15.5	70,507	64,064	10.1
Analytical Life Sciences	39,095	41,283	(5.3)	75,292	87,244	(13.7)
Industrial Automation	10,833	9,112	18.9	18,433	16,794	9.8
Others	2,754	3,033	(9.2)	5,893	5,524	6.7
Mechatronics Total	**202,975**	**193,854**	**4.7**	**383,396**	**389,289**	**(1.5)**
APS DIVISION						
Automotive	16,385	15,157	8.1	32,154	29,239	10.0
Consumer & Industrial Electronics	4,034	4,649	(13.2)	7,938	8,768	(9.5)
Others	387	401	(3.5)	647	1,074	(39.8)
Tooling	724	707	2.4	1,299	1,496	(13.2)
APS Total	**21,530**	**20,914**	**2.9**	**42,038**	**40,577**	**3.6**

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

The Mechatronics Division achieved higher revenue of S$203.0 million in 2Q26, up 4.7% from S$193.9 million in 2Q25. This was led by a broad-based sales growth across its major segments, with the exception of the analytical life sciences business.

The semiconductor segment's revenue in 2Q26 gained 4.6% yoy to S$114.5 million. This came on the back of the Group's mechatronics operations in Asia ("Mechatronics Asia") which continued to record robust double-digit sales growth for its semiconductor business.

The operations in Europe ("Mechatronics Europe") witnessed a qoq sales improvement for its semiconductor business in 2Q26 versus 1Q26.

Revenue from the medical segment climbed 15.5% yoy to S$35.8 million in 2Q26, driven mainly by increased customer orders in Europe.

Industrial automation segment's revenue also rose 18.9% yoy to S$10.8 million in 2Q26 on the back of higher orders for a major data storage solutions provider. This segment's revenue is typically lumpy as it is largely dependent on its key customer's capital expenditure on maintenance/upgrades or capacity additions for its assembly lines.

While business conditions of the analytical life sciences segment in Europe remained soft as revenue eased 5.3% yoy to S$39.1 million in 2Q26, this was an improvement from segment sales of S$36.2 million in 1Q26.

As a result, the Mechatronics Division posted relatively stable revenue of S$383.4 million for 1H26, a slight decline of 1.5% from S$389.3 million for 1H25.

The APS Division's revenue increased 2.9% yoy to S$21.5 million in 2Q26. Sales to automotive customers continued to advance by 8.1% yoy to S$16.4 million, offsetting a 13.2% yoy drop in contribution from the consumer and industrial electronics segment to S$4.0 million in 2Q26. For 1H26, the APS Division recorded a 3.6% increase in revenue to S$42.0 million from S$40.6 million in 1H25, thanks mainly to higher sales from the automotive business.

In terms of revenue breakdown by business segments, the semiconductor segment accounted for 49.9% of Group revenue in 1H26. Analytical life sciences and medical segments contributed 17.6% and 16.5% respectively, while the industrial automation and automotive segments each made up 4.3% and 7.5% of revenue in 1H26.

Gross Profit Margin

The Group's gross profit increased 5.8% to S$64.4 million in 1H26, compared to S$60.9 million in 1H25. As a result, gross profit margin widened to 15.0% in 1H26 from 14.1% in 1H25.

Other Income/Other Operating Expenses (refer to Note 1 of Income Statement)

Other income, net of other operating expenses, decreased 42.2% to S$1.4 million in 1H26 from S$2.5 million in 1H25. This was attributed mainly to higher net foreign exchange loss.

Selling and Administrative Expenses

Selling and distribution expenses in 1H26 were relatively stable at S$6.7 million compared to S$6.6 million in 1H25. Administrative and general expenses in 1H26 rose 9.9% to S$32.6 million, attributed primarily to higher staff-related and transformation expenses, and consultancy fees.

Finance Costs

Finance costs in 1H26 declined to S$1.9 million from S$3.0 million in 1H25 in line with reduced borrowings.

Group Profit before Income Tax

After accounting for the above items, the Group's profit before income tax increased marginally to S$25.0 million in 1H26 from S$24.8 million in 1H25.

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

	2Q	1H	2H	Full Year
FY2026 (S$'000)	11,259	19,272	-	-
FY2025 (S$'000)	9,906	19,942	19,178	39,120
yoy (%)	13.7	(3.4)	N.M.	N.M.

At the bottom line, the Group reported higher PATMI of S$11.3 million in 2Q26, up 13.7% from S$9.9 million in 2Q25 and 40.5% from S$8.0 million in 1Q26.

The positive showing in 2Q26 offset a weaker performance in 1Q26 and led to PATMI of S$19.3 million for 1H26 as compared with S$19.9 million in 1H25.

The Group recorded earnings per share (based on weighted average number of shares) of 4.50 cents in 1H26 compared to 4.67 cents in 1H25.

Balance Sheet

As at 30 June 2026, the Group had shareholders' equity of S$486.6 million, equivalent to net asset value of S$1.13 per share based on total number of issued shares of 428.9 million shares.

Total assets stood at S$784.2 million as at 30 June 2026 compared to S$740.2 million as at 31 December 2025.

Property, plant and equipment decreased to S$112.0 million as at 30 June 2026 from S$117.0 million as at 31 December 2025. During 1H26, the Group incurred capital expenditure of S$8.9 million. Depreciation of property, plant and equipment amounted to S$11.7 million in 1H26.

As at 30 June 2026, the Group's right-of-use assets decreased to S$65.3 million from S$68.9 million as at 31 December 2025 due mainly to depreciation. Correspondingly, lease liabilities also decreased to S$64.1 million as at 30 June 2026 from S$67.8 million as at 31 December 2025.

Inventories increased to S$236.4 million as at 30 June 2026 from S$198.5 million as at 31 December 2025 for fulfilment of customers' orders. Trade receivables as at 30 June 2026 also increased to S$161.6 million from S$138.9 million as at 31 December 2025 in line with higher revenue during 2Q26. Other receivables, deposits and prepayments (current & non-current) increased to S$50.0 million as at 30 June 2026 from S$22.6 million as at 31 December 2025 due mainly to progress payments for construction works (classified as non-current) and prepayments to suppliers.

As at 30 June 2026, the Group's cash and cash equivalents decreased to S$123.0 million from S$161.9 million as at 31 December 2025. Total borrowings increased to S$54.2 million as at 30 June 2026 from S$22.3 million as at 31 December 2025. The Group had net cash of S$68.8 million as at 30 June 2026. Total debt-to-equity ratio was around 11.1% at the end of 1H26.

Cash Flow Statement Analysis

The Group used net cash of S$4.8 million from operating activities in 1H26. Net cash used in investing activities amounted to S$13.7 million in 1H26 due mainly to capital expenditure.

Net cash used in financing activities amounted to S$38.7 million in 1H26, due primarily to net repayment of supplier finance arrangement, payment of dividends to shareholders, and repayment of lease liabilities.

As a result of the above, the Group recorded a net decrease in cash and cash equivalents of S$57.2 million during 1H26. When added to its opening cash and cash equivalents of S$161.2 million at the beginning of 1H26 and after accounting for the effect of foreign currency movements of S$1.3 million on its opening cash and cash equivalents, the Group had a cash balance of S$105.3 million as at 30 June 2026.

5. 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 1H26 is generally in line with the guidance provided in its business update for 1Q26 which was posted on the SGX website on 19 May 2026.

6. 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.

Frencken delivered a commendable set of financial results for 2Q26 with revenue improving 4.7% and net profit rising 13.7% compared to 2Q25. This performance validates the Group's optimism in its growth opportunities and outlook for the second half of the year ("2H26") and FY2026, which is supported by strong projections of certain key customers. Backed by solid fundamentals and sound execution capabilities, the Group believes it is well-positioned to continue riding on the tailwinds especially in the semiconductor sector.

At the same time, the Group is keeping a close watch on the operating landscape as it remains fluid and uncertain. Global growth prospects continue to be constrained by prolonged geopolitical conflicts which have fuelled concerns over supply chain and inflationary pressures. Trade policies are also evolving while foreign exchange markets remain volatile. Amid this backdrop, the Group is focused on building business resilience, maintaining discipline in operational execution, and staying agile to respond swiftly to changes in market environment.

Frencken has a proven business model built on market and geographical diversity, strong customer partnerships with market leaders and sound financial position. This helps the Group to strengthen its resilience against economic volatility and thrive over the long term.

Outlook / Plans

- **Expansion mode to reach and exceed S$1 billion revenue goal**

  To reach S$1 billion in annual revenue and sustain growth beyond this milestone, the Group plans to employ a two-pronged strategy comprising organic expansion initiatives, and strategic investments / mergers & acquisitions to add new growth engines. The Group is exploring and evaluating investment opportunities that could complement existing businesses, bring new capabilities, and/or enhance growth potential. Based on the current trajectory of its core businesses and barring any unforeseen events, the Group envisages that it could cross the S$1 billion annual revenue mark by 2028 if not earlier.

  In line with its aim to deliver sustainable and profitable long-term growth, the Group's strategic focus is on ensuring business diversity. This underpins its current portfolio of technology businesses which provides exposure to varying growth and stability profiles for better resilience.

  As part of its long-term growth roadmap, the Group has already embarked on a multi-phase organisation alignment initiative to build a scalable and more efficient infrastructure that will see a centralisation of horizontal functions. The Group is presently in the process of implementing and transitioning to a new and upgraded ERP system which is expected to be completed in 2027.

- **Core businesses' outlook based on current indicators**

  Mechatronics Asia registered stellar revenue growth in 2Q26 and 1H26, buoyed primarily by robust order inflows from key front-end and back-end semiconductor equipment customers.

  Mechatronics Asia is expected to stay on a growth course in 2H26 as demand outlook from a major front-end equipment OEM remains solid particularly for certain semiconductor programs in volume production. The division is also working on multiple First Articles and new projects to build on future pipeline and wallet share.

  In Europe, the Mechatronics Division is well-positioned to support an anticipated ramp in activities for a major front-end semiconductor equipment customer in 2H26. This European OEM recently provided an upbeat business outlook in line with an acceleration of its customers' capacity expansion plans.

  According to SEMI, global sales of total semiconductor manufacturing equipment are projected to reach a record high in 2026. This growth momentum is anticipated to continue through 2028 as AI-related demand for more powerful chips will drive investments across the semiconductor capital equipment market. *(SEMI press release published on 14 July 2026)*

  To capitalise on this upcycle which is expected to stretch through at least 2027 and possibly 2028, Frencken's Mechatronics Asia and Mechatronics Europe will continue to align its capacity and capabilities to key customers' needs and product roadmap.

With a new facility in Singapore that is scheduled to be operationally ready by 2H27, the Group believes its Mechatronics Division will be better positioned to address the production needs of its key semiconductor and aerospace customers. The Group also plans to review the capacity and capabilities of its mechatronics' operations in Malaysia in conjunction with current and future business needs.

In 1H26, the medical segment delivered a steady increase in sales and is expected to maintain a stable growth pace for the remainder of this financial year.

The analytical life sciences business was softer in 1H26 due to subdued demand in Europe. However, based on current visibility, the Group believes sales of this segment could recover in the latter part of this year from the first half.

For the APS Division, automotive segment sales continued improving in 2Q26. Production of automotive radar antennas is expected to ramp up during the second half of this year and should help counterbalance the impact from legacy automotive products that are at the end of their lifecycle. To address a wider base of potential customers, the APS Division is assessing the feasibility of expanding its production base for radar antennas to Southeast Asia.

The APS Division is also working to develop new growth catalysts beyond automotive solutions. Utilising advanced technology and materials, the division has collaborated with partners to introduce a new generation of plastic gearbox for service robots and humanoids to prospective customers. While this development is still in an infancy phase, it could potentially be a launchpad for the Group to extend its presence from the digital AI to physical AI market, when the gearbox solution is successfully adopted and rolled out in the humanoids and service robots market.

- **Anticipated revenue performances of key business segments**

Total revenue for 2H26 is envisaged to be higher than 2H25 and 1H26. The Group maintains its outlook that revenue and profit for FY2026 are expected to be higher than FY2025, barring any adverse changes in external environment and volatility in foreign exchange markets.

Based on current indicators and barring any unforeseen circumstances, the anticipated revenue performances of key business segments for 2H26 are shown below.

	2H26 versus 2H25 (yoy)
Semiconductor	Higher
Medical	Higher
Analytical Life Sciences	Stable
Industrial Automation	Lower
Automotive	Higher

7. Dividend

(a) Current Financial Period Reported on
Any dividend declared (recommended) for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

None

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

No interim dividend has been declared or recommended for the half year ended 30 June 2026 as the Group's practice is to recommend dividend payment annually together with its full-year results.

9. 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 period under review (excluding transactions less than $100,000) 6 months ended	
	30/06/26	**30/06/25**
Not applicable	-	-

The Company does not have any general mandate from shareholders pursuant to Rule 920.

10. Confirmation by Directors Pursuant to Rule 705(5) of the Listing Manual of SGX-ST.

We, Dato' Seri Gooi Soon Chai and Mohamad Anwar Au, being two directors of Frencken Group Limited ("the Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the half year ended 30 June 2026 financial results to be false or misleading.

On behalf of the Board of Directors

(signed)
Dato' Seri Gooi Soon Chai
Non-Executive Director

(signed)
Mohamad Anwar Au
Executive Director

11. 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.

BY ORDER OF THE BOARD

Mohamad Anwar Au
Executive Director
13-Aug-26