



**FRENCKEN GROUP LIMITED
and its Subsidiaries
Registration No. 199905084D**

**Condensed Interim Financial Statements
For the six months ended 30 June 2024**



**FRENCKEN GROUP LIMITED
and its Subsidiaries
Registration No. 199905084D**

Contents	Page
A Condensed Interim Consolidated Income Statement	1
B Condensed Interim Consolidated Statement of Comprehensive Income	2
C Condensed Interim Balance Sheets	3
D Condensed Interim Consolidated Cash Flow Statement	4
E Condensed Interim Statement of Changes in Equity	6
F Notes to the Condensed Interim Financial Statements	8
G Other Information Required by Listing Rule Appendix 7.2	20



FRENCKEN GROUP LIMITED

(Registration No. 199905084D)

A. Condensed Interim Consolidated Income Statement

	Group 6 months ended		% Change
	30-06-24 \$'000	30-06-23 \$'000	
Revenue	372,718	351,032	6.2%
Cost of sales	(317,476)	(307,730)	3.2%
Gross profit	55,242	43,302	27.6%
Other income (Note 1)	4,884	5,432	-10.1%
Selling and distribution expenses	(5,388)	(4,982)	8.1%
Administrative and general expenses	(27,724)	(24,048)	15.3%
Other operating expenses (Note 1)	(1,281)	(1,631)	-21.5%
Finance income	699	615	13.7%
Finance costs	(2,977)	(2,910)	2.3%
Share of results of an associate, net of tax	-	5	N.M.
Profit before income tax	23,455	15,783	48.6%
Income tax expense	(5,606)	(3,911)	43.3%
Profit for the period	17,849	11,872	50.3%
Profit attributable to:			
Equity holders of the Company	18,145	12,073	50.3%
Non-controlling interests	(296)	(201)	47.3%
	17,849	11,872	50.3%
Note 1 - Other income/(Other operating expenses)			
Other Income	4,884	5,432	-10.1%
Other Operating Expenses	(1,281)	(1,631)	-21.5%
	3,603	3,801	-5.2%
Included in Other income/(Other operating expenses):			
Gain on disposal of property, plant and equipment, net	76	173	-56.1%
Property, plant and equipment written off	(9)	(1)	800.0%
Government grants	748	699	7.0%
Foreign exchange gain, net	176	444	-60.4%
Amortisation of deferred income	5	11	-54.5%
Scrap sales	1,024	784	30.6%
Project income	777	660	17.7%
Revaluation gain on financial assets	717	717	N.M.
Other income	130	333	-61.0%
Other expenses	(41)	(19)	115.8%
	3,603	3,801	-5.2%

N.M. : Not meaningful



FRENCKEN GROUP LIMITED

(Registration No. 199905084D)

B. Condensed Interim Consolidated Statement of Comprehensive Income

	Group	
	6 months ended	
	30-06-24	30-06-23
	\$'000	\$'000
<u>Statement of Comprehensive Income</u>		
Profit for the period	17,849	11,872
<i>Item that may be reclassified subsequently to income statement:</i>		
- Currency translation differences arising from consolidation	101	(3,086)
Total comprehensive income for the period	<u>17,950</u>	<u>8,786</u>
Attributable to:		
Equity holders of the Company	18,213	8,943
Non-controlling interests	(263)	(157)
Total comprehensive income for the period	<u>17,950</u>	<u>8,786</u>



FRENCKEN GROUP LIMITED

(Registration No. 199905084D)

C. Condensed Interim Balance Sheets

	Group		Company	
	30-06-24 \$'000	31-12-23 \$'000	30-06-24 \$'000	31-12-23 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment	125,812	129,816	-	-
Right-of-use assets	46,667	49,333	-	-
Investment properties	1,248	1,259	-	-
Investment in subsidiaries	-	-	134,011	133,275
Investment in an associate	19	19	-	-
Financial asset at fair value through other comprehensive income	1,995	1,995	1,995	1,995
Goodwill and other intangible assets	21,191	21,348	-	-
Deferred income tax assets	1,399	1,363	-	-
Other receivables, deposits and prepayments	1,430	1,676	-	-
Total non-current assets	199,761	206,809	136,006	135,270
CURRENT ASSETS				
Inventories	235,078	203,396	-	-
Trade receivables	125,270	171,193	-	-
Receivables from subsidiaries	-	-	100	65
Dividends receivables from subsidiaries	-	-	-	9,644
Other receivables, deposits and prepayments	12,275	9,442	35	43
Tax recoverable	2,437	1,815	-	-
Cash and cash equivalents	125,789	142,631	17,997	18,752
Total current assets	500,849	528,477	18,132	28,504
Total assets	700,610	735,286	154,138	163,774
CURRENT LIABILITIES				
Trade payables	95,371	124,802	-	-
Payable to a subsidiary	-	-	74	236
Other payables, accruals and provisions	44,833	52,120	1,497	1,933
Deferred income	10	10	-	-
Borrowings	85,841	91,569	-	-
Lease liabilities	7,529	7,703	-	-
Income tax payable	7,807	6,036	-	-
Total current liabilities	241,391	282,240	1,571	2,169
NON-CURRENT LIABILITIES				
Other payables, accruals and provisions	91	120	-	-
Deferred income	56	61	-	-
Borrowings	272	480	-	-
Lease liabilities	39,262	42,276	-	-
Retirement benefit obligations	442	430	-	-
Deferred income tax liabilities	4,765	4,401	-	-
Total non-current liabilities	44,888	47,768	-	-
Total liabilities	286,279	330,008	1,571	2,169
NET ASSETS	414,331	405,278	152,567	161,605
EQUITY				
Share capital	104,500	104,444	104,500	104,444
Foreign currency translation reserve	(24,668)	(24,712)	-	-
Merger reserve	2,345	2,345	-	-
Capital reserve	2,015	1,981	2,596	2,562
Statutory reserve fund	7,178	6,936	-	-
Share option reserve	1,305	555	1,305	555
Fair value reserve	(4,405)	(4,405)	(4,405)	(4,405)
Other reserve	661	637	-	-
Retained profits	321,631	313,465	48,571	58,449
Equity attributable to equity holders of the Company	410,562	401,246	152,567	161,605
Non-controlling interests	3,769	4,032	-	-
TOTAL EQUITY	414,331	405,278	152,567	161,605



FRENCKEN GROUP LIMITED
(Registration No. 199905084D)

D. Condensed Interim Consolidated Cash Flow Statement

	Group	
	30-06-24 \$'000	30-06-23 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	17,849	11,872
Adjustments for:		
Income tax expense	5,606	3,911
Share of results of an associate, net of tax	-	(5)
Exchange differences	(55)	(254)
Employee share option expense	784	96
Depreciation of property, plant and equipment	11,201	10,927
Depreciation of right-of-use assets	3,746	3,921
Depreciation of investment properties	9	10
Gain on disposal of property, plant and equipment, net	(76)	(173)
Property, plant and equipment written off	9	1
Finance income	(699)	(615)
Finance costs	2,977	2,910
Amortisation of deferred income	(5)	(11)
Amortisation of intangible assets	166	160
Operating cash flow before working capital changes	41,512	32,750
Changes in operating assets and liabilities :		
Inventories	(31,375)	(8,192)
Receivables	43,123	10,578
Payables	(37,754)	(27,806)
Cash flows generated from operations	15,506	7,330
Tax paid	(4,084)	(7,142)
Finance costs paid	(2,977)	(2,910)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	8,445	(2,722)
CASH FLOWS FROM INVESTING ACTIVITIES		
Finance income received	699	615
Additions of intangible assets	(21)	(17)
Purchase of property, plant and equipment	(6,159)	(9,676)
Proceeds from disposal of property, plant and equipment	82	77
Loan to a third party	-	(2,500)
Repayment of loan from a third party	236	118
NET CASH USED IN INVESTING ACTIVITIES	(5,163)	(11,383)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	56	-
Repayment of lease liabilities	(4,272)	(5,355)
Repayment of short-term bank borrowings	(47,213)	(94,691)
Repayment of term loans	(772)	(450)
Proceeds from short-term bank borrowings	45,745	89,006
Proceeds from term loans	93	-
Dividend paid to shareholders	(9,737)	(15,544)
NET CASH USED IN FINANCING ACTIVITIES	(16,100)	(27,034)
Net decrease in cash and cash equivalents	(12,818)	(41,139)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	91,195	110,268
Effect of exchange rate changes on cash and cash equivalents	(202)	(2,711)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	78,175	66,418



FRENCKEN GROUP LIMITED

(Registration No. 199905084D)

D. Condensed Interim Consolidated Cash Flow Statement

	Group	
	6 months ended	
	30-06-24	30-06-23
	\$'000	\$'000
Cash and cash equivalents at end of the financial period comprise:		
Short-term funds placed with Malaysian financial institutions	47,574	43,088
Deposits with licensed banks	18,902	16,560
Cash and bank balances	59,313	75,482
Bank overdrafts	(47,418)	(68,510)
	<u>78,371</u>	<u>66,620</u>
Less: Deposits pledged as securities	(196)	(202)
	<u><u>78,175</u></u>	<u><u>66,418</u></u>



FRENCKEN GROUP LIMITED
(Registration No. 199905084D)

E. Condensed Interim Statement of Changes in Equity

(a) Statement of changes in equity for the six months ended 30 June 2024 and 30 June 2023

	Attributable to equity holders of the Company									Equity attributable to equity holders of the Company \$'000	Non-Controlling Interests \$'000	Total Equity \$'000
	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			
The Group												
At 1 January 2024	104,444	(24,712)	2,345	1,981	6,936	555	(4,405)	637	313,465	401,246	4,032	405,278
Profit for the period	-	-	-	-	-	-	-	-	18,145	18,145	(296)	17,849
Other comprehensive income/(loss):												
Currency translation differences arising from consolidation	-	44	-	-	-	-	-	24	-	68	33	101
Total comprehensive income/(loss) for the period	-	44	-	-	-	-	-	24	18,145	18,213	(263)	17,950
<i>Transactions with owners recognised directly in equity</i>												
Transfer to statutory reserve fund	-	-	-	-	242	-	-	-	(242)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	784	-	-	-	784	-	784
- Issue of share capital	56	-	-	34	-	(34)	-	-	-	56	-	56
Dividends relating to 2023 paid	56	-	-	34	242	750	-	-	(9,737)	(9,737)	-	(9,737)
At 30 June 2024	104,500	(24,668)	2,345	2,015	7,178	1,305	(4,405)	661	321,631	410,562	3,769	414,331
At 1 January 2023	104,444	(16,913)	2,345	1,981	6,268	467	(4,405)	604	297,097	391,888	4,531	396,419
Profit for the period	-	-	-	-	-	-	-	-	12,073	12,073	(201)	11,872
Other comprehensive income/(loss):												
Currency translation differences arising from consolidation	-	(3,183)	-	-	-	-	-	53	-	(3,130)	44	(3,086)
Total comprehensive income/(loss) for the period	-	(3,183)	-	-	-	-	-	53	12,073	8,943	(157)	8,786
<i>Transactions with owners recognised directly in equity</i>												
Transfer to/(from) statutory reserve fund	-	-	-	-	444	-	-	-	(444)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	96	-	-	-	96	-	96
Dividends relating to 2022 paid	-	-	-	-	-	-	-	-	(15,544)	(15,544)	-	(15,544)
At 30 June 2023	104,444	(20,096)	2,345	1,981	6,712	563	(4,405)	657	293,182	385,383	4,374	389,757

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 2024	104,444	-	-	2,562	-	555	(4,405)	58,449	161,605
Total comprehensive loss for the period	-	-	-	-	-	-	-	(141)	(141)
<i>Transactions with owners recognised directly in equity</i>									
Employee share option scheme - Value of employee services	-	-	-	-	-	784	-	-	784
- Issue of share capital	56	-	-	34	-	(34)	-	-	56
Dividends relating to 2023 paid	-	-	-	-	-	-	-	(9,737)	(9,737)
	56	-	-	34	-	750	-	(9,737)	(8,897)
At 30 June 2024	<u>104,500</u>	<u>-</u>	<u>-</u>	<u>2,596</u>	<u>-</u>	<u>1,305</u>	<u>(4,405)</u>	<u>48,571</u>	<u>152,567</u>
At 1 January 2023	104,444	-	-	2,562	-	467	(4,405)	63,418	166,486
Total comprehensive loss for the period	-	-	-	-	-	-	-	(240)	(240)
<i>Transactions with owners recognised directly in equity</i>									
Employee share option scheme - Value of employee services	-	-	-	-	-	96	-	-	96
Dividends relating to 2022 paid	-	-	-	-	-	-	-	(15,544)	(15,544)
	-	-	-	-	-	96	-	(15,544)	(15,448)
At 30 June 2023	<u>104,444</u>	<u>-</u>	<u>-</u>	<u>2,562</u>	<u>-</u>	<u>563</u>	<u>(4,405)</u>	<u>47,634</u>	<u>150,798</u>



FRENCKEN GROUP LIMITED
(Registration No. 199905084D)

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 2024 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 2024 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 2023.

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 2024.

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 2023.

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.
- 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 are essentially investment holding companies which provide 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 2024

	Mechatronics	IMS	Investment Holding & Management Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover						
External revenue	327,148	44,309	-	1,261	-	372,718
Inter-segment sales	-	-	5,461	-	(5,461)	-
	<u>327,148</u>	<u>44,309</u>	<u>5,461</u>	<u>1,261</u>	<u>(5,461)</u>	<u>372,718</u>
Segment results	22,741	1,204	1,698	90	-	25,733
Finance income	164	36	477	22	-	699
Finance costs	(2,669)	(297)	(3)	(8)	-	(2,977)
Share of results of an associate, net of tax	-	-	-	-	-	-
Profit before income tax						<u>23,455</u>
Income tax expense	(5,384)	(156)	(46)	(20)	-	<u>(5,606)</u>
Total profit						<u><u>17,849</u></u>
Other segment information:						
Capital expenditure	6,307	602	8	19	-	6,936
Addition of intangible assets	-	21	-	-	-	21
Depreciation and amortisation	11,442	3,514	58	108	-	15,122
Amortisation of deferred income	-	-	-	5	-	5
Other non-cash expenses other than depreciation and amortisation	505	71	217	-	-	793

As at 30 June 2024

Segment assets	<u>516,616</u>	<u>103,945</u>	<u>70,569</u>	<u>9,480</u>	<u>-</u>	<u>700,610</u>
Segment liabilities	<u>254,920</u>	<u>26,511</u>	<u>3,871</u>	<u>977</u>	<u>-</u>	<u>286,279</u>

For the six months ended 30 June 2023

	Mechatronics \$'000	IMS \$'000	Investment Holding & Management Services \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Turnover						
External revenue	303,249	46,298	-	1,485	-	351,032
Inter-segment sales	-	-	4,812	-	(4,812)	-
	<u>303,249</u>	<u>46,298</u>	<u>4,812</u>	<u>1,485</u>	<u>(4,812)</u>	<u>351,032</u>
Segment results	14,245	805	2,872	151	-	18,073
Finance income	133	10	464	12	(4)	615
Finance costs	(2,558)	(346)	(1)	(9)	4	(2,910)
Share of results of an associate, net of tax	-	-	-	5	-	5
Profit before income tax						<u>15,783</u>
Income tax expense	(3,602)	(232)	(35)	(42)	-	<u>(3,911)</u>
Total profit						<u><u>11,872</u></u>
Other segment information:						
Capital expenditure	8,822	733	3	11	-	9,569
Addition of intangible assets	-	17	-	-	-	17
Depreciation and amortisation	11,035	3,811	60	112	-	15,018
Amortisation of deferred income	-	-	-	11	-	11
Other non-cash expenses other than depreciation and amortisation	27	21	49	-	-	97

As at 31 December 2023

Segment assets	<u>545,054</u>	<u>108,800</u>	<u>71,886</u>	<u>9,546</u>	<u>-</u>	<u>735,286</u>
Segment liabilities	<u>292,713</u>	<u>32,187</u>	<u>4,077</u>	<u>1,031</u>	<u>-</u>	<u>330,008</u>

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		Non-current assets	
	6 months ended 30-06-24 \$'000	30-06-23 \$'000	30-06-24 \$'000	31-12-23 \$'000
Based on location of customer				
The Netherlands	151,303	137,535	80,848	81,922
People's Republic of China	25,979	33,082	32,466	34,845
Malaysia	19,764	23,873	37,453	39,649
Czech Republic	40,041	28,086	-	-
Singapore	31,199	28,861	33,606	35,821
Hungary	6,895	6,592	-	-
America	39,111	20,224	7,731	6,644
Germany	19,450	21,619	-	-
Switzerland	46	36	725	896
Thailand	17,364	26,508	989	1,088
India	3,526	3,923	2,530	2,567
Indonesia	3,572	4,565	-	-
United Kingdom	1,109	2,291	-	-
Mexico	3,756	2,421	-	-
Italy	3,974	3,771	-	-
Slovakia	456	1,440	-	-
Others	5,173	6,205	-	-
	<u>372,718</u>	<u>351,032</u>	<u>196,348</u>	<u>203,432</u>

4.3 Information about major customers

Included in revenue arising from Mechatronics division of \$327,148,000 (30.06.2023 : \$303,249,000) are revenue of approximately \$201,790,000 (30.06.2023 : \$164,048,000) which arose from sales to the Group's 3 (30.06.2023 : 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 2024

	Mechatronics \$'000	IMS \$'000	Others \$'000	Total \$'000
At a point in time:				
Sale of goods	326,336	42,458	1,152	369,946
Installation services	812	-	-	812
Rental income	-	-	109	109
	<u>327,148</u>	<u>42,458</u>	<u>1,261</u>	<u>370,867</u>
Over time:				
Sale of moulds	-	1,851	-	1,851
	<u>327,148</u>	<u>44,309</u>	<u>1,261</u>	<u>372,718</u>

For the six months ended 30 June 2023

	Mechatronics \$'000	IMS \$'000	Others \$'000	Total \$'000
At a point in time:				
Sale of goods	300,786	44,454	1,355	346,595
Installation services	2,463	-	-	2,463
Rental income	-	-	130	130
	<u>303,249</u>	<u>44,454</u>	<u>1,485</u>	<u>349,188</u>
Over time:				
Sale of moulds	-	1,844	-	1,844
	<u>303,249</u>	<u>46,298</u>	<u>1,485</u>	<u>351,032</u>

5. Financial assets and financial liabilities

The following table sets out the categories of financial instruments as at 30 June 2024 and 31 December 2023.

	Group		Company	
	30-06-24 \$'000	31-12-23 \$'000	30-06-24 \$'000	31-12-23 \$'000
Financial asset at fair value through other comprehensive income	<u>1,995</u>	<u>1,995</u>	<u>1,995</u>	<u>1,995</u>
Loans and receivables:				
Trade receivables	125,270	171,193	-	-
Receivables from subsidiaries	-	-	100	65
Dividends receivables from subsidiaries	-	-	-	9,644
Other receivables and deposits	9,401	7,433	32	35
Cash and cash equivalents	<u>125,789</u>	<u>142,631</u>	<u>17,997</u>	<u>18,752</u>
Financial assets at amortised cost	<u>260,460</u>	<u>321,257</u>	<u>18,129</u>	<u>28,496</u>
Trade payables	95,371	124,802	-	-
Payable to a subsidiary	-	-	74	236
Other payables and accruals	44,741	51,875	1,314	1,568
Borrowings	86,113	92,049	-	-
Lease liabilities	<u>46,791</u>	<u>49,979</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortised cost	<u>273,016</u>	<u>318,705</u>	<u>1,388</u>	<u>1,804</u>

6. Profit before income tax

	Group	
	6 months ended	
	30-06-24	30-06-23
	\$'000	\$'000
Profit before income tax has been arrived after charging/(crediting):		
Other income including finance income	(5,583)	(6,047)
Amortisation of deferred income	(5)	(11)
Interest on borrowings	2,977	2,910
Depreciation of property, plant and equipment	11,201	10,927
Depreciation of right-of-use assets	3,746	3,921
Depreciation of investment properties	9	10
Amortisation of intangible assets	166	160
Allowance for doubtful debts and bad debts written off	30	49
Allowance for inventory obsolescence	1,547	1,895
Foreign exchange gain, net	(176)	(444)
Adjustments for (over)/under provision of tax in respect of prior years	(54)	59
Gain on disposal of property, plant and equipment, net	(76)	(173)
Property, plant and equipment written off	9	1

7. Taxation

	Group	
	6 months ended	
	30-06-24	30-06-23
	\$'000	\$'000
Income tax expense attributable to profit is made up of:		
- Current income tax	(5,267)	(3,971)
- Deferred income tax	(312)	207
	(5,579)	(3,764)
Over/ (under) recognition in respect of previous financial years:		
- Current income tax	140	147
- Deferred income tax	(86)	(206)
	54	(59)
Withholding tax	(81)	(88)
	(5,606)	(3,911)

8. Dividends

	Group	
	6 months ended	
	30-06-24	30-06-23
	\$'000	\$'000
Ordinary dividends paid		
First and final tax exempt (one-tier) dividend paid of 2.28 cents per share (6 months ended 30 June 2023: 3.64 cents)	(9,737)	(15,544)

9. Net asset value

	Group		Company	
	30-06-24	31-12-23	30-06-24	31-12-23
	\$'000	\$'000	\$'000	\$'000
Net asset value per ordinary share based on issued share capital at the end of financial period/year (cents)	96.13	93.96	35.72	37.84

Net asset value per ordinary shares is calculated based on the Group's net asset value divided by the number of ordinary shares at 30.06.2024 of 427,090,409 (31.12.2023 : 427,025,409).

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

	Group and Company	
	30-06-24	31-12-23
	\$'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	Total \$'000
<u>For the six months ended 30 June 2024</u>					
<u>Cost:</u>					
At beginning of the financial year	22,592	17,225	2,433	5,961	48,211
Currency translation differences	20	(146)	(29)	-	(155)
Additions	-	21	-	-	21
At end of the financial period	22,612	17,100	2,404	5,961	48,077
<u>Accumulated amortisation:</u>					
At beginning of the financial year	-	5,677	2,373	5,961	14,011
Currency translation differences	-	(146)	(28)	-	(174)
Amortisation charge	-	141	25	-	166
At end of the financial period	-	5,672	2,370	5,961	14,003
<u>Accumulated impairment:</u>					
At beginning of the financial year	2,100	10,752	-	-	12,852
Currency translation differences	6	25	-	-	31
At end of the financial period	2,106	10,777	-	-	12,883
Carrying value: At 30 June 2024	20,506	651	34	-	21,191

(a) Goodwill

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	
	30-06-24	31-12-23
	\$'000	\$'000
<u>Mechatronics:</u>		
America	2,172	2,166
The Netherlands	7,245	7,237
Singapore	8,392	8,392
	<hr/>	<hr/>
	17,809	17,795
<u>Others:</u>		
Malaysia	2,697	2,697
	<hr/>	<hr/>
	20,506	20,492

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:

	30-06-24			31-12-23		
	Gross margin ⁽¹⁾	Revenue growth rate ⁽¹⁾	Discount rate ⁽²⁾	Gross margin ⁽¹⁾	Revenue growth rate ⁽¹⁾	Discount rate ⁽²⁾
	%	%	%	%	%	%
<u>Mechatronics:</u>						
America and						
The Netherlands	12.4 to 19.5	4.0 to 10.0	12.9 to 15.9	12.1 to 20.2	7.1 to 10.6	14.5 to 15.5
Singapore	7.3	13.1	10.9	9.0	11.2	10.8
<u>Others:</u>						
Malaysia	38.9	29.7	14.9	42.2	26.0	16.2

⁽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 2023

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.

The market for mechatronics in Singapore has seen a significant fluctuation over the past 18 months due to stiff competition within the market. It is possible that further underperformance may occur in 2024 if prevailing trends continue.

Should the forecasted average revenue growth rate decrease to 9.5% for the five-year projected free cashflow, the recoverable amount of the CGU would decrease by \$3,819,000, resulting in a potential impairment charge of \$1,770,000. Should the forecasted average revenue growth rate decrease to 10.2% for the five-year projected free cashflow, the recoverable amount of the CGU would be equal to its carrying amount.

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 2024

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 (2023 : 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.

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 \$6,936,000 (30.06.2023: \$9,569,000) of which \$895,000 (30.06.2023: \$16,000) was included in other payables at balance sheet date. Cash payments of \$6,159,000 (30.06.2023: \$9,676,000) includes an amount of \$118,000 (30.06.2023: \$123,000) for payment from other payables to purchase property, plant and equipment incurred in previous financial year.

13. Investment properties

	Group	
	30-06-24 \$'000	31-12-23 \$'000
Cost:		
At beginning of the financial year	1,576	1,675
Currency translation differences	(2)	(99)
At end of the financial period/year	1,574	1,576
Accumulated depreciation:		
At beginning of the financial year	317	317
Charge for the financial period/year	9	19
Currency translation differences	-	(19)
At end of the financial period/year	326	317
Carrying amount at end of the financial period/year	1,248	1,259

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 2024 and 31 December 2023 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 June 2024				
Leasehold buildings	-	-	2,583	2,583
At 31 December 2023				
Leasehold buildings	-	-	2,587	2,587

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	
	30-06-24 \$'000	30-06-23 \$'000
The following amounts are recognised in income statement:		
Rental income	(109)	(130)
Direct operating expenses arising from:		
- Investment properties that generate rental income	13	14

14. Borrowings

	Group	
	30-06-24 \$'000	31-12-23 \$'000
Amount repayable within one year or on demand		
Secured	47,596	55,032
Unsecured	38,245	36,537
	85,841	91,569
Amount repayable after one year		
Secured	143	158
Unsecured	129	322
	272	480
Total	86,113	92,049

Details of any collaterals

Details of the borrowings of the Group and its securities as at 30 June 2024 are as follows:

	Note	Secured \$'000	Unsecured \$'000	Total \$'000
Bank overdrafts	(i)	46,565	853	47,418
Other short-term borrowings	(ii)	858	37,005	37,863
Term loans	(iii)	316	516	832
		<u>47,739</u>	<u>38,374</u>	<u>86,113</u>

(i) bank overdrafts of :-

- (a) \$46,478,000 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.
(b) \$87,000 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 of \$858,000 is pledged on the trade receivables of certain subsidiaries in China.

(iii) term loans of :-

- (a) \$144,000 is secured by machinery of a subsidiary in China; and
(b) \$172,000 is secured by mortgage over property and personal guarantee by existing and former directors of a subsidiary in Malaysia (the personal guarantee were fully discharged in July 2024).

15. Share capital

	Group and Company			
	30-06-24		31-12-23	
	Number of ordinary shares	Amount \$'000	Number of ordinary shares	Amount \$'000
Beginning of the financial year	427,025,409	104,444	427,025,409	104,444
Exercise of share options	65,000	56	-	-
End of the financial period/year	<u>427,090,409</u>	<u>104,500</u>	<u>427,025,409</u>	<u>104,444</u>

Issued and paid up capital

On 6 March 2024, the Company granted 5,482,000 options pursuant to Frencken Group Limited's Employee Share Option Scheme 2020 at an exercise price of \$1.30 per share ("2024 Options"). The 2024 Options are exercisable from 6 March 2026 and expire on 5 March 2034.

During the period, the Company issued 35,000 and 30,000 new ordinary shares pursuant to the Company's employee share option scheme at the exercise price of \$0.432 and \$1.370 each respectively. There are no treasury shares held as at the end of the current period.

	Total number of issued shares as at	
	30-06-24	30-06-23
Number of issued shares	427,090,409	427,025,409
Number of treasury shares	-	-
Total number of issued shares excluding treasury shares	<u>427,090,409</u>	<u>427,025,409</u>

Share options

The movement of share options of the Company during the period from 1 January 2024 to 30 June 2024 is as follows:

Date of grant	Number of ordinary shares under option					Exercise price	Exercise period
	As at 01.01.24	Granted during the period	Forfeited during the period	Exercised during the period	As at 30.06.24		
6.12.2017 (2017 Option)	712,000	-	-	(35,000)	677,000	\$0.432	6.12.2019 - 5.12.2027
26.1.2022 (2022 Option)	470,000	-	-	(30,000)	440,000	\$1.370	26.1.2024 - 25.1.2032
6.3.2024 (2024 Option)	-	5,482,000	-	-	5,482,000	\$1.300	6.3.2026 - 5.3.2034
	<u>1,182,000</u>	<u>5,482,000</u>	<u>-</u>	<u>(65,000)</u>	<u>6,599,000</u>		

	Total number of shares as at	
	30-06-24	30-06-23
Total number of shares that may be issued on exercise of share options outstanding	6,599,000	1,582,000

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	
	30-06-24	31-12-23
Total number of issued shares excluding treasury shares	427,090,409	427,025,409

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.



FRENCKEN GROUP LIMITED

(Registration No. 199905084D)

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	
	30-06-24	30-06-23
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)	4.25	2.83
- Weighted average number of shares (in thousand)	427,044	427,025
(ii) On a fully diluted basis (in cents)	4.24	2.82
- Adjusted weighted average number of shares (in thousand)	427,560	427,645

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

The Group offers end-to-end solutions across the customer value chain - from product conceptualization, 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 3,700 employees in 19 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

	1H	2H	Full Year
FY2024 (S\$'000)	372,718	-	-
FY2023 (S\$'000)	351,032	391,827	742,859
yoy (%)	6.2	-	-

For the six months ended 30 June 2024 ("1H24"), the Group's revenue gained 6.2% year-on-year ("YoY") to S\$372.7 million in 1H24. This was driven by better revenue performance of its Mechatronics Division which offset a dip in revenue of the IMS Division in 1H24.

Revenue breakdown by Business Segment

	1H24	1H23	yoy
	S\$'000	S\$'000	%
MECHATRONICS DIVISION			
Semiconductor	156,813	122,714	27.8
Medical	61,996	58,961	5.1
Analytical Life Sciences	90,593	80,371	12.7
Industrial Automation	14,052	35,108	(60.0)
Others	3,694	6,095	(39.4)
Mechatronics Total	327,148	303,249	7.9
IMS DIVISION			
Automotive	32,065	35,076	(8.6)
Consumer & Industrial			
Electronics	9,559	8,485	12.7
Others	834	893	(6.6)
Tooling	1,851	1,844	0.4
IMS Total	44,309	46,298	(4.3)

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's revenue grew 7.9% YoY to S\$327.1 million in 1H24 as higher revenue contributions from the semiconductor, medical and analytical life sciences segments offset a decline in revenue from the industrial automation segment.

The semiconductor segment's revenue grew 27.8% to S\$156.8 million in 1H24 from S\$122.7 million in 1H23. This was driven mainly by increased orders from a key customer in Europe and a recovery in sales from the Asia operations.

The medical segment's revenue increased 5.1% to S\$62.0 million in 1H24 from S\$59.0 million in 1H23, buoyed by higher sales in both Europe and Asia.

The analytical life sciences segment's revenue also climbed 12.7% to S\$90.6 million in 1H24 from S\$80.4 million in 1H23, lifted mainly by increased sales to a key customer in Europe.

The industrial automation segment's revenue declined 60.0% to S\$14.1 million in 1H24 from S\$35.1 million in 1H23 due to a significant slowdown in orders from a key customer in data storage solutions. This segment's revenue is typically lumpy and dependent on the capital expenditure of this key customer.

The IMS Division recorded a 4.3% dip in revenue to S\$44.3 million in 1H24 compared to S\$46.3 million in 1H23. The automotive segment's revenue eased 8.6% YoY to S\$32.1 million in 1H24, offset partially by the consumer and industrial electronics segment which posted a 12.7% YoY increase in revenue to S\$9.6 million in 1H24.

Gross Profit Margin

The Group's gross profit increased 27.6% to S\$55.2 million in 1H24, compared to S\$43.3 million in 1H23. Gross profit margin expanded to 14.8% in 1H24 from 12.3% in 1H23, due mainly to better operating leverage.

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

Other income, net of other operating expenses, decreased 5.2% to S\$3.6 million in 1H24 from S\$3.8 million in 1H23 due mainly to lower foreign exchange gain.

Selling and Administrative Expenses

Selling and distribution expenses increased 8.1% to S\$5.4 million in 1H24 from S\$5.0 million in 1H23 due mainly to higher manpower costs and marketing expenses.

Administrative and general expenses in 1H24 were up 15.3% to S\$27.7 million from S\$24.0 million in 1H23, attributed mainly to an increase in staff-related and IT maintenance costs.

Finance Costs

Finance costs were relatively unchanged at S\$3.0 million in 1H24 compared to S\$2.9 million in 1H23.

Group Profit before Income Tax

After accounting for the above items, the Group's profit before income tax jumped 48.6% to S\$23.5 million in 1H24 from S\$15.8 million in 1H23.

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

	1H	2H	Full Year
FY2024 (S\$'000)	18,145	-	-
FY2023 (S\$'000)	12,073	20,402	32,475
yoy (%)	50.3	-	-

After deducting income tax expense of S\$5.6 million, the Group reported a net profit attributable to equity holders ("PATMI") of S\$18.1 million in 1H24, an increase of 50.3% from S\$12.1 million in 1H23.

The Group recorded earnings per share (based on weighted average number of shares) of 4.25 cents in 1H24 compared to 2.83 cents in 1H23.

Balance Sheet

As at 30 June 2024, the Group had shareholders' equity of S\$410.6 million, equivalent to net asset value of 96.13 cents per share based on total number of issued shares of 427.0 million shares.

Total assets stood at S\$700.6 million as at 30 June 2024 compared to S\$735.3 million as at 31 December 2023.

Property, plant and equipment decreased to S\$125.8 million as at 30 June 2024 from S\$129.8 million as at 31 December 2023. During 1H24, the Group incurred capital expenditure of S\$6.9 million. Depreciation of property, plant and equipment amounted to S\$11.2 million in 1H24.

As at 30 June 2024, the Group's right-of-use assets decreased to S\$46.7 million from S\$49.3 million as at 31 December 2023. Correspondingly, lease liabilities also decreased to S\$46.8 million as at 30 June 2024 from S\$50.0 million as at 31 December 2023.

Inventories increased to S\$235.1 million as at 30 June 2024 from S\$203.4 million as at 31 December 2023 to meet the fulfilment of orders to customers. Trade receivables as at 30 June 2024 decreased to S\$125.3 million from S\$171.2 million as at 31 December 2023 in tandem with higher collections during 1H24.

As at 30 June 2024, the Group's cash and cash equivalents decreased to S\$125.8 million from S\$142.6 million as at 31 December 2023. Total borrowings decreased to S\$86.1 million as at 30 June 2024 from S\$92.0 million as at 31 December 2023. The Group had net cash of S\$39.7 million as at 30 June 2024. Total debt-to-equity ratio was 21.0% at the end of 1H24.

Cash Flow Statement Analysis

The Group generated net cash of S\$8.5 million from operating activities in 1H24. Net cash used in investing activities amounted to S\$5.2 million in 1H24 due mainly to capital expenditure.

Net cash used in financing activities amounted to S\$16.1 million in 1H24, due primarily to the payment of dividends to shareholders, net repayment of bank borrowings, and lease liabilities.

As a result of the above, the Group recorded a net decrease in cash and cash equivalents of S\$12.8 million during 1H24. When added to its opening cash and cash equivalents of S\$91.2 million at the beginning of 1H24 and after accounting for the negative effect of foreign currency movements of S\$0.2 million on its opening cash and cash equivalents, the Group had a cash balance of S\$78.2 million as at 30 June 2024.

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 1H24 is generally in line with the guidance provided in its business update for 1Q24 which was posted on the SGX website on 14 May 2024.

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.

INDUSTRY CONDITIONS AND GROUP'S STRATEGIES

The global economy remains uncertain for the second half of 2024. It continues to face several headwinds, including geopolitical risks, elevated interest rates, inflationary pressures, and ongoing conflicts in Ukraine and the Middle East. The risk of further trade restrictions between the USA and China could also raise the level of ambiguity in the business environment of technology companies.

Against this backdrop, the Group will continue to adopt a cautious stance. Nevertheless, Frencken's robust financial position, diverse exposure to multiple market segments, and entrenched relationships with key customers who are among the market leaders in the high technology industry, give the Group confidence to navigate the current challenges.

The Group continues to work on existing programs and engage key customers in various new product introduction and first article inspections across the semiconductor, analytical life sciences and medical sectors in Europe and Asia. The Group is committed to its key customers as a long-term strategic manufacturing solutions partner. It is mindful of the prevailing geopolitical tensions that could affect the technology landscape, and will be monitoring the situation while working closely with customers. At present, the Group has not witnessed any significant changes to its programs with customers.

With its strategic global presence, strong engineering know-how and advanced manufacturing capabilities, Frencken offers an attractive and unique value proposition that should enable the Group to ride on the continued growth of the technology sector. The Group will continue to focus on appropriate investments to facilitate the expansion of programs and wallet share with key customers.

BUSINESS SEGMENT OUTLOOK

Based on current indicators and barring unforeseen circumstances, the Group expects to post higher revenue in 2H24 as compared to 1H24.

Anticipated performances of the Group's key business segments in 2H24 compared to 1H24:

- **Semiconductor** segment is expected to post higher revenue;
- **Medical** segment is anticipated to register stable revenue;
- **Analytical life sciences** segment is expected to register stable revenue;
- **Industrial automation** segment's revenue is anticipated to decrease; and
- **Automotive** segment is expected to register stable revenue.

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 2024 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	
	30/06/24	30/06/23
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, Mohamad Anwar Au and Dato' Seri Gooi Soon Chai, 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 2024 financial results to be false or misleading.

On behalf of the Board of Directors

(signed)
Mohamad Anwar Au
Executive Director

(signed)
Dato' Seri Gooi Soon Chai
Non-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
14-Aug-24