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

PROPOSED PLACEMENT OF 44,081,591 NEW ORDINARY SHARES

1. INTRODUCTION

1.1 The Board of Directors (the "**Board**" or the "**Directors**") of Frencken Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 27 August 2026 entered into a placement agreement (the "**Placement Agreement**") with Maybank Securities Pte. Ltd. (the "**Placement Agent**") pursuant to which the Company appointed the Placement Agent as the sole placement agent in connection with the Placement (as defined below).

1.2 Pursuant to the Placement Agreement, the Company has agreed to offer, by way of placement, and the Placement Agent has agreed to use its best efforts to procure subscribers for an aggregate of 44,081,591 fully paid-up new ordinary shares ("**Shares**") in the capital of the Company (the "**Placement Shares**") at the price per Placement Share of S$2.2687 (the "**Placement Price**"), subject to the terms and conditions of the Placement Agreement (the "**Placement**").

1.3 The Placement is not underwritten, and will be undertaken in Singapore pursuant to offering exemptions under Sections 272B, 274 and/or 275 of the Securities and Futures Act 2001 of Singapore, and by way of a placement outside Singapore to institutional and other investors. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore (the "**MAS**").

1.4 The Company will be making an application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Placement Shares on the Main Board of the SGX-ST, and will make an announcement on SGXNet in due course upon obtaining listing approval (the "**Listing Approval**").

2. THE PROPOSED PLACEMENT

Placement Price

2.1 A bookbuilding process was undertaken in connection with the Placement. The Placement Price was arrived at pursuant to discussions with the Placement Agent and after taking into account, among others, the prevailing market price of the Shares.

2.2 The Placement Price represents a discount of approximately 9.997% to the volume weighted average price of S$2.5207 per Share based on trades done on the SGX-ST on 25 August 2026, being the last full market day prior to the time the Placement Agreement was signed on which Shares were traded on the SGX-ST. No Shares were traded on the SGX-ST on 26 and 27 August 2026 due to the trading halt requested by the Company pending the release of this announcement.

Placement Shares

2.3 As at the date of this announcement, the Company has in aggregate 429,328,409 issued Shares, of which none are held in treasury. The Company has received a notice of exercise of options granted under the Frencken Employee Share Option Scheme 2020 in respect of 150,000 Shares. The 150,000 Shares are expected to be issued on 28 August 2026, upon which the number of issued Shares will increase to 429,478,409 Shares. The allotment and issue of the Placement Shares will then increase the total number of issued Shares to 473,560,000 Shares.

2.4 The Placement Shares represent approximately 10.27% of the existing issued Shares as at the date of this announcement and will represent approximately 9.31% of the enlarged number of issued Shares immediately after completion of the Placement.

2.5 The Placement Shares will be issued free and clear from all mortgages, charges, claims, securities, pledges, liens, equities, encumbrances, third party rights or any other interests, and will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any entitlements, distributions, dividends or rights (if any), the record date for which falls before the date of issue of the Placement Shares.

3. AUTHORITY TO ISSUE THE NEW SHARES

3.1 The Placement Shares will be issued pursuant to the share issue mandate (the "**2026 Share Issue Mandate**") approved by shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company held on 24 April 2026 (the "**Mandate Date**").

3.2 The 2026 Share Issue Mandate authorises the Directors to, among other things, issue Shares, provided that the aggregate number of Shares to be issued pursuant to the 2026 Share Issue Mandate does not exceed 50% of the total number of issued Shares (excluding treasury shares) at the time the 2026 Share Issue Mandate was passed (with adjustments as provided for in the 2026 Share Issue Mandate), with a sub-limit of 20% for issuances of Shares other than on a *pro rata* basis to Shareholders (the "**Non-Pro Rata Sub Limit**").

3.3 As at the Mandate Date, the number of issued Shares was 427,887,409, of which none are held in treasury. As at the date of this announcement, 1,441,000 Shares have been issued pursuant to the 2026 Share Issue Mandate and the balance under the Non-Pro Rata Sub Limit is 84,136,481 Shares[1]. Accordingly, the proposed issue of the Placement Shares will be within the limits of the 2026 Share Issue Mandate and the Company will not be seeking specific approval from Shareholders for the Placement.

4. SALIENT TERMS OF THE PLACEMENT AGREEMENT

Placement Commission

4.1 The Company will pay the Placement Agent a commission of 2.5% of the Placement Price multiplied by the aggregate number of Placement Shares for which the Placement Agent has procured subscribers pursuant to the Placement Agreement (and if applicable, goods and services tax or other taxes or levies imposed in connection with the Placement Agent's obligations pursuant to the Placement Agreement). In addition to the commission, the Placement Agent may charge and retain any brokerage or other similar fees to subscribers of the Placement Shares procured by the Placement Agent.

Placement Completion

4.2 Subject to the terms and conditions of the Placement Agreement, completion of the Placement (the "**Completion**" and the date of Completion, the "**Completion Date**") is expected to take place on 3 September 2026, being the date falling five business days after the date of the Placement Agreement (or such other date as the Company and the Placement Agent may agree).

Conditions Precedent

4.3 Completion of the Placement pursuant to the Placement Agreement is conditional upon, among other things, the following conditions:

(a) the representations and warranties of the Company being true, accurate and not misleading on the date of the Placement Agreement and on the Completion Date as though they had been given and made on such date with reference to the facts and circumstances then subsisting and the Company having performed all its obligations to be performed under the Placement Agreement on or before the Completion Date;

(b) the transactions contemplated by the Placement Agreement not being prohibited by law or regulation or interpretation thereof (including without limitation, any statute, order, rule, regulation, request, judgement or directive promulgated or issued by any legislative, executive, judicial or regulatory body or authority (including without limitation, the MAS and the SGX-ST)) in Singapore or any other jurisdiction which is applicable to the Company or the Placement Agent;

[1] Does not take into account the issue of the 150,000 Shares referred to in paragraph 2.3. After taking into account the issue of the 150,000 Shares, the balance under the Non-Pro Rata Sub Limit is 83,986,481 Shares.

(c) the receipt of the Listing Approval; there not having occurred any revocation, amendment or withdrawal of such approval and where such approval is subject to conditions, such conditions being acceptable to the Placement Agent and the Company, and to the extent that any conditions to such approval are required to be fulfilled on or before the Completion Date, they are so fulfilled to the satisfaction of the SGX-ST or waived by the SGX-ST;

(d) as of the Completion Date, the trading of the Shares on the SGX-ST not being suspended by the SGX-ST (other than a trading halt on a temporary basis requested by the Company) and the Shares not being delisted from the SGX-ST;

(e) the Placement Shares being issued in reliance on the 2026 Share Issue Mandate and there being no further approval by the Shareholders required for and in connection with the Placement; and

(f) since the date of the Placement Agreement, in the opinion of the Placement Agent, there having been no change or any development reasonably likely to have a material adverse effect (as defined in the Placement Agreement) or is reasonably likely to prejudice materially (i) the success of the Placement, or (ii) dealings in the Placement Shares in the secondary market.

Moratorium

4.4 In connection with the Placement, the Company has provided the Placement Agent with an undertaking that it will not, without the prior written consent of the Placement Agent (such consent not to be unreasonably withheld or delayed), directly or indirectly:

(a) offer, issue, contract to issue, grant any option to purchase any Shares in the capital of the Company (or any securities convertible into or exchangeable for Shares or which carry rights to subscribe for Shares);

(b) enter into a transaction (including a derivative transaction) with a similar economic effect to the foregoing; or

(c) publicly announce any intention to do any of the above,

from the date of the Placement Agreement until the date falling six months from the Completion Date, other than (i) as required by applicable laws and regulations; (ii) any grant of options or issuance of Shares pursuant to the Company's employee share incentive plan(s) (provided such plan(s) have been adopted by the Company on or prior to the date of the Placement Agreement); (iii) any issuance of Shares pursuant to the conversion of any option, right or warrant convertible or exercisable into, exchangeable for or redeemable for any Shares existing at the time of the Placement Agreement or (iv) any issuance of Shares in connection with any mergers, acquisitions, joint ventures and/or strategic investments undertaken by the Group.

5. RATIONALE AND USE OF PROCEEDS

5.1 The Company has decided to undertake the Placement to:

(a) support the execution of the Group's business expansion initiatives including, but not limited to, investments to strengthen manufacturing capacity and capabilities of its Mechatronics and Advanced Plastics Solutions (APS) business divisions;

(b) strengthen the Group's financial position for greater capability and flexibility to seize opportunities for strategic investments, mergers and acquisitions, joint ventures, strategic alliances and/or other growth opportunities in a timely manner, as part of the Group's strategy to add new business engines and drive long-term sustainable growth; and

(c) improve and broaden the Company's shareholder base.

5.2 The estimated gross proceeds of the Placement will be approximately S$100.0 million, assuming that all the Placement Shares are issued. The estimated net proceeds of the Placement (after deducting estimated fees and expenses) are approximately S$97.1 million, and are intended to be used in the following manner:

Purpose	Amount (S$' million)	Percentage of net proceeds
General corporate activities including, but not limited to, business expansion, strategic investments, mergers and acquisitions, joint ventures and/or strategic alliances	87.4	90%
Working capital requirements and/or repayment of bank borrowings	9.7	10%

5.3 Pending the deployment of the net proceeds of the Placement, the net proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, and/or used for any other purpose on a short-term basis, as the Directors may deem appropriate in their absolute discretion.

5.4 The Company will make periodic announcements on the utilisation of the net proceeds of the Placement as and when such proceeds are materially disbursed, including whether such use is in accordance with the stated use. The Company will also provide a status report on the utilisation of such proceeds in its annual report(s). Where proceeds are used for general working capital purposes, the Company will announce a breakdown with specific details on the use of proceeds for working capital. Where there is any material deviation from the stated use, the Company will announce the reasons for such deviation.

6. GENERAL

6.1 The Placement Shares will not be placed to any person who is a Director or a substantial Shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the SGX-ST Listing Manual, unless such persons fall within the exceptions set out in Rule 812(3) of the SGX-ST Listing Manual or such subscription is agreed to by the SGX-ST. The Placement will not result in any transfer of controlling interest in the Company.

6.2 None of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the Placement (other than arising from their directorships and/or shareholdings in the Company, if any), save that 2,922,000 Placement Shares will be placed to Amova Asset Management Asia Limited, a substantial Shareholder of the Company.

6.3 Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. The Placement is subject to the fulfilment of certain conditions, including the conditions precedent set out above. There is no certainty or assurance as at the date of this announcement that the Placement will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors should exercise caution when trading in the Shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

On behalf of the Board

Dennis Au
Executive Director

27 August 2026

Notification under Section 309B of the Securities and Futures Act 2001 of Singapore: The Placement Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).