Frencken Group Limited

ANNUAL REPORT 2024

Resilience and sustainable growth

INSIDE THIS REPORT

The Annual Report's cover design reflects Frencken's focus on ethical, sustainable and profitable growth, as we leverage teamwork to drive higher returns. The converging blocks symbolise unity, collaboration, sustainability, and digital transformation, driving further efficiency gains and business progress. These blocks also represent Frencken's core competencies, while the vertical arrangement exemplifies our continual efforts to increase our value stack to customers. The seven key icons at the top, which signify our diverse customer markets, emphasise enhanced connectivity. Overall, the design underscores the company's commitment to building business resilience for long-term growth and success.

Annual General Meeting
of Frencken Group Limited

Pan Pacific Hotel, Ocean 6 (Level 2),
7 Raffles Boulevard, Marina Square, Singapore 039595

Friday on
25 April 2025 at 2.30 p.m.

GROUP OPERATING STRUCTURE

Mechatronics Division

Europe
- Frencken Europe B.V.
  Eindhoven, The Netherlands
- Frencken Mechatronics B.V.
  Eindhoven, The Netherlands
- Machinefabriek Gebrs. Frencken B.V.
  Eindhoven, The Netherlands
- Optiwa B.V.
  Reuver, The Netherlands

America
- Frencken America Inc.
  Spokane, USA

Asia
- ETLA Limited
  Singapore
- Avimac Pte. Ltd.
  Singapore
- ETLA Technology (Wuxi) Co., Ltd.
  Wuxi, People's Republic of China
- Frencken Mechatronics (M) Sdn. Bhd.
  Bangi, Malaysia

Integrated Manufacturing Services Division

Europe
- Juken Swiss Technology AG
  Grenchen, Switzerland
- NTZ Nederland B.V.
  Rotterdam, The Netherlands

Asia
- Juken Technology Limited
  Singapore
- Juken Technology Engineering Sdn. Bhd.
  Selangor and Johor, Malaysia
- Juken (Thailand) Co., Ltd
  Bangkok, Thailand
- Juken (Zhuhai) Co., Ltd
  Zhuhai, People's Republic of China
- Frencken (Chuzhou) Co., Ltd
  Chuzhou, People's Republic of China
- Micro-Air (Tianjin) Technology Co., Ltd
  Tianjin, People's Republic of China
- Juken Uniproducts Pvt. Limited
  Noida, India

Other Division

Asia
- Penchem Technologies Sdn. Bhd.
  Penang, Malaysia

OUR BUSINESS

THE FRENCKEN ADVANTAGE

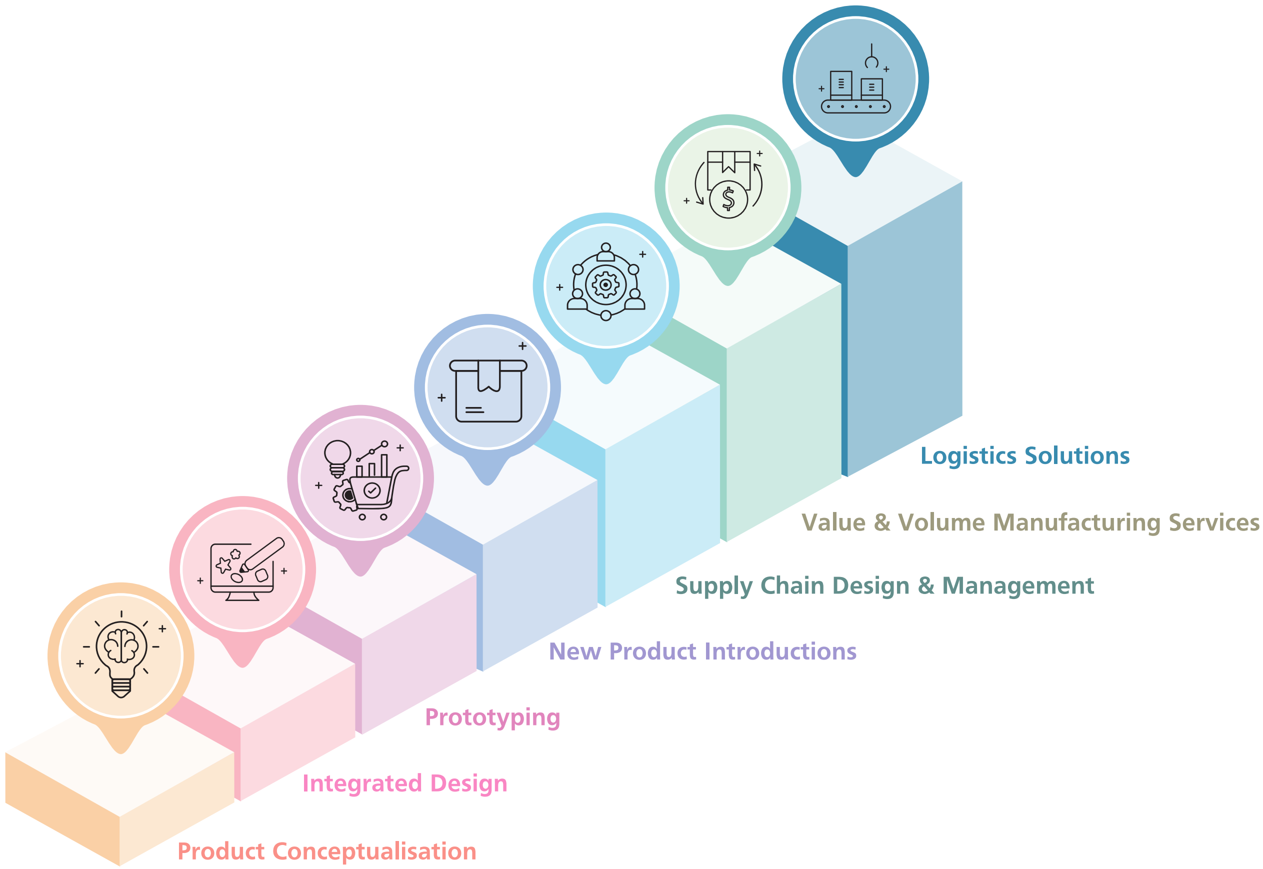
Frencken Group Limited ("Frencken") is a Global Integrated Technology Solutions Company that is listed on the Main Board of the Singapore Exchange.

We provide 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 industries. We also have extensive capabilities in materials engineering to serve a wide range of markets.

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

With 3,600 employees in 19 operating sites across Asia, Europe and the USA, Frencken offers global reach backed by local expertise to our growing base of customers. We unite the strengths of our strategically located businesses to create value for our customers.

INTEGRATED SOLUTIONS



ONE-STOP GLOBAL INTEGRATED TECHNOLOGY SOLUTIONS PROVIDER

MECHATRONICS DIVISION

Frencken designs and manufactures high precision and complex systems for renowned global Original Equipment Manufacturers in the aerospace, analytical life sciences, healthcare, semiconductor and industrial automation markets. We serve market and technology leaders from our operating sites and global centres in Europe, Asia and the USA.

Our Mechatronics Division has core competencies in development & engineering, complex & high precision components, precision cleaning of parts, high level assembly, global supply chain management and process & quality control.

Build to customers' Product Design

- Optimise product design for manufacturability
- Develop a manufacturing process for quality and repeatability
- Optimise the manufacturing process for cost, quality and on-time delivery

Develop and build to customers' Specifications

- Jointly develop product specification
- Product Conceptualisation
- Develop and build prototype
- Develop a manufacturing process for quality and repeatability
- Optimise the manufacturing process for cost, quality and on-time delivery
- Support the product's life cycle

Build to customers' Roadmap

- Good grasp of market drivers and requirements, mapped to the customer's solutions roadmap
- Develop a solution / product from conceptualisation to serial production
- Product fitting into the customer's desired offering
- Production and management of the product's life cycle
- Frencken, your product design partner

GLOBAL CENTRES

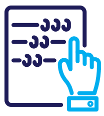
oneMechatronics

Asia	Europe	USA
Bangi, Malaysia Singapore Wuxi, China	Eindhoven, Netherlands Reuver, Netherlands	Spokane, USA

OUR BUSINESS (CONT'D)

IMS DIVISION

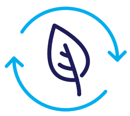
Frencken offers integrated contract design and manufacturing services to the automotive and consumer & industrial electronics segments. With over 30 years of experience, our IMS Division has developed extensive in-house capabilities at our operating sites worldwide.



IMS

Proven track record in product design, tooling design & manufacturing, and manufacturing & finishing of high-precision plastic injection parts conforming to stringent automotive standards.

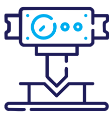
Secondary processes for automotive decorative finishing, modules and final assembly & test.



IMS Coating

Proprietary PVD (Physical Vapour Deposition) solution which was developed in-house and deployed across the IMS Division. "Sustainable Green" environmentally friendly PVD surface coating technologies for plastic.

Cost effective surface coating for automotive functional parts and interior decorative parts using our "Green" coating processes. Metallisation of plastic to replace metal parts in automotive radar antenna.



IMS Insert Molding

High quality insert molding capabilities that encompass automated metal stamping wire mesh, pick-and-place overmolding of metal parts with plastic material.

Deliver more value-added components to customers, by leveraging our competencies in the manufacture of high precision assembly parts and management of tolerance stacking issues.

IMS Filter

Conceptualisation, design and manufacture of high quality, reliable and efficient oil filtration solutions for automotive industry.

Automotive gearbox oil filtration systems for Internal Combustion Engine (ICE), Mild Hybrid Electric Vehicle (MHEV) and Plug in Hybrid Electric Vehicle (PHEV) and engine filters. Designed to customers' needs and specifications for superior filtration. Delivering cost effective performance and superior reliability.

GLOBAL CENTRES

IMS

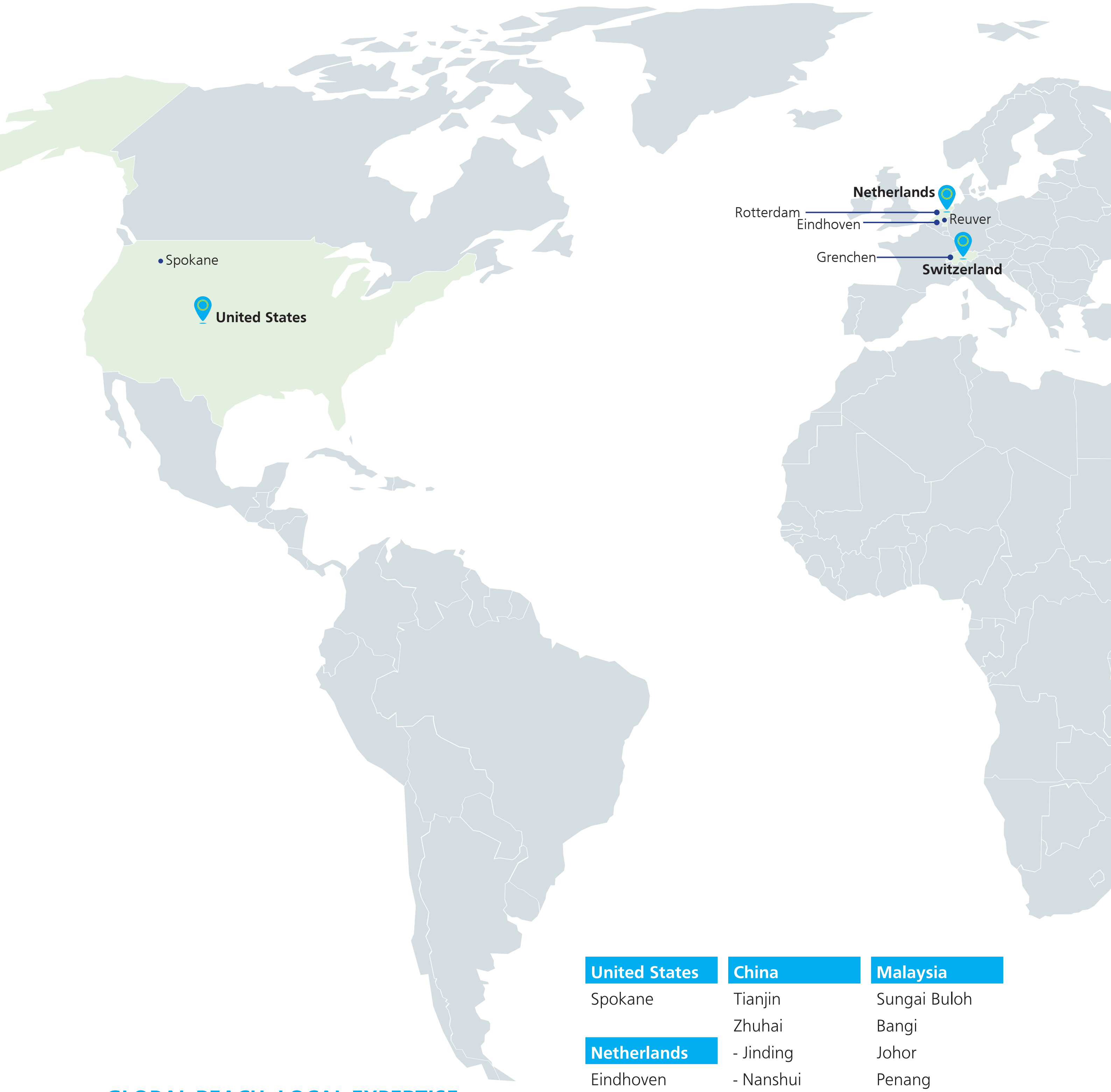
Asia

- Noida, India
- Bangkok, Thailand
- Selangor, Malaysia
- Johor, Malaysia
- Singapore
- Zhuhai, China
- Tianjin, China
- Chuzhou, China

Europe

- Rotterdam, Netherlands
- Grenchen, Switzerland

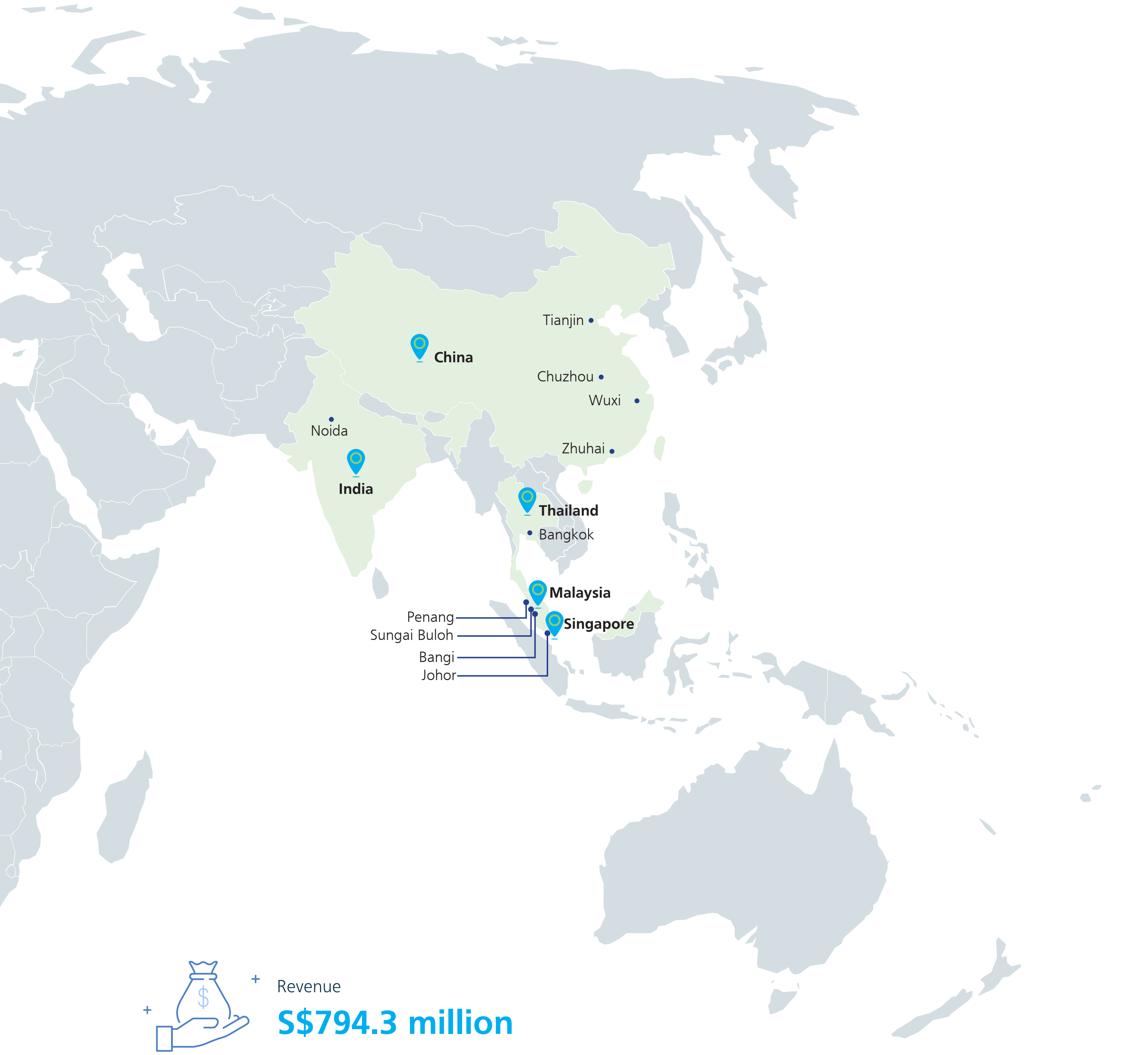
OUR VALUE PROPOSITION



United States	China	Malaysia
Spokane	Tianjin	Sungai Buloh
	Zhuhai	Bangi
Netherlands	- Jinding	Johor
Eindhoven	- Nanshui	Penang
Rotterdam	Chuzhou	
Reuver	Wuxi	**Singapore**
		Singapore
Switzerland	**Thailand**	
Grenchen	Bangkok	**India**
		Noida

GLOBAL REACH, LOCAL EXPERTISE

Frencken has multiple engineering design centers and manufacturing sites spanning Asia, Europe and the USA. Our global footprint and local expertise enhance the value that we bring to customers by facilitating seamless engagement leading to faster time-to-profit.



Revenue

S$794.3 million

Operating Sites

19

Public Corporation listed on

SGX

Employees

3,600

Countries Served

50+

OUR VALUE PROPOSITION (CONT'D)

DIVERSITY BRINGS RESILIENCE AND STABILITY

Frencken operates in a broad array of market segments, end-user markets and geographical regions. Our established presence in the aerospace, analytical life sciences, automotive, healthcare, industrial and semiconductor markets has resulted in growth, resilience and stability for the Group.

The Group's business is built on a model of market diversity and strong partnerships with global companies that are market leaders in their respective industries. This has provided Frencken with a solid and proven foundation to weather headwinds from global economic uncertainties and cyclical fluctuations of certain business sectors.

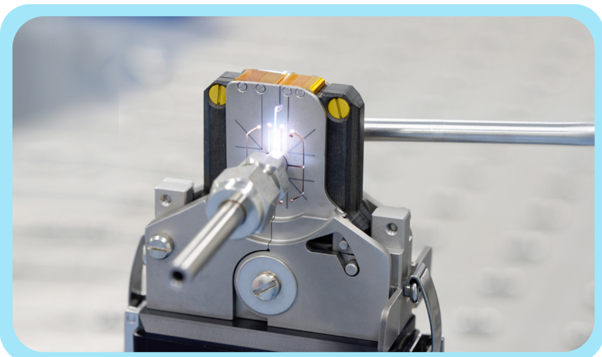
We take pride in our partnerships with customers to create world-class products. Our solutions, while not immediately visible to end-users, enable many of the products that surround us in our everyday lives.

The smart devices you use, the water you drink, the food you eat, the car you drive and even your medical diagnostic tests. These are examples of customers' products to which Frencken has contributed in the design, technology or manufacturing of components, sub-assemblies, or the entire product.

BREADTH OF CAPABILITIES

AUTOMOTIVE

- Filters
- Interior plastic decorative parts
- Dashboard clusters, pointers and clocks
- Radar antennas



ANALYTICAL LIFE SCIENCES

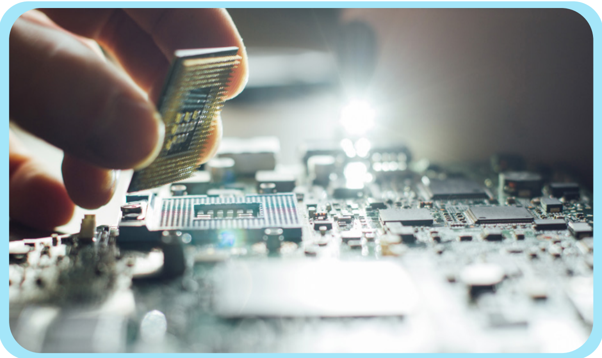
Components and sub-assemblies for
- Scanning electron microscopes
- Mass spectrometers
- Gas / Liquid chromatography systems
- Spectroscopes
- Vacuum systems

OUR VALUE PROPOSITION (CONT'D)

HEALTHCARE

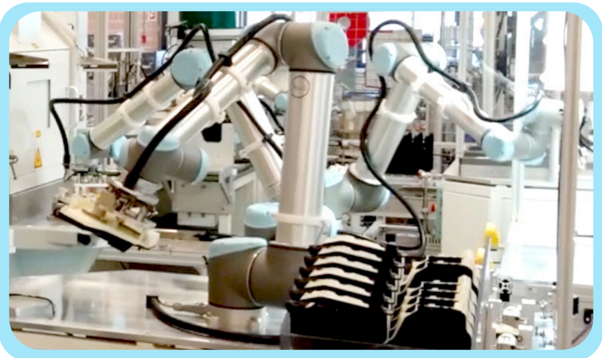
Components and sub-assemblies for
- CV (cardiovascular) tables
- X-ray system
- CT scanner
- Histopathology digital scanner

SEMICONDUCTOR



Components, sub-assemblies and complete equipment build-up for front-end and back-end semiconductor equipment such as:
- Wafer fabrication equipment for lithography, deposition, etch & strip processes
- Die bonders
- IC testers and manipulators
- Metrology tools
- Customised motors, consumables & repair solutions for wafer fabrication equipment

INDUSTRIAL



Components and sub-assemblies for
- Industrial automation for disk drive assembly and testing
- Electric motors for custom applications
- Semiconductor wafer transfer robots
- Electrical switch-gear for industrial and home applications

OUR SOLUTIONS SURROUND AND ENABLE THE PRODUCTS AROUND YOU

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Frencken Group Limited's Annual Report for the financial year ended 31 December 2024 ("FY2024").

Dato' Seri Gooi Soon Chai
Non-Executive Non-Independent Chairman

Navigating a challenging landscape

FY2024 continued to present significant challenges amid global economic uncertainties, geopolitical tensions, inflationary pressures, and an uneven semiconductor industry recovery. Despite these headwinds, Frencken demonstrated resilience and agility as we concluded the year with improved revenue and profitability.

Our ability to deliver these results reflects the Group's steadfast focus on strengthening capabilities and fostering deeper partnerships with customers across diverse industries. This unwavering commitment enhances our readiness to seize growth opportunities as markets recover and fortifies our resilience against future volatility.

CHAIRMAN'S STATEMENT (CONT'D)

Financial performance in FY2024

In FY2024, the Group achieved a 14.3% increase in net profit attributable to equity holders ("PATMI") of S$37.1 million, up from S$32.5 million in FY2023. This was driven by a 6.9% growth in revenue to S$794.3 million, compared to S$742.9 million in FY2023.

The Mechatronics Division revenue grew 9.3% to S$706.1 million, supported by stronger contributions from the semiconductor, medical, and analytical life sciences segments. Revenue for the IMS Division however declined by 8.6% to S$85.7 million, due primarily to lower sales from automotive segment.

At the end of FY2024, the Group maintained a strong financial position with net cash of S$72.6 million and shareholders' equity of S$434.0 million which translated to a net asset value of S$1.01 per share.

In line with our commitment to shareholder returns, the Group has recommended a final tax-exempt (one-tier) dividend of 2.61 cents per share for FY2024. Subject to shareholders' approval at our Annual General Meeting on 25 April 2025, the dividend will be paid on 15 May 2025. Since our listing on the Singapore Exchange in 2005, Frencken has consistently distributed dividends representing at least 30% of PATMI each year.

Strengthening our foundation for future growth

In a volatile environment, we remained committed to strengthening our core competencies and expanding our customer partnerships — a strategy that continues to position us for sustainable growth.

Our semiconductor segment delivered a strong rebound in FY2024. This was particularly evident in Europe, where our semiconductor business expanded steadily even during the industry's downturn in FY2023. The growth was fueled by increased customer demand and new product introduction (NPI) programs.

In Asia, the semiconductor segment's revenue recovered strongly due to improved customer orders and an expanded product range. Our team in Asia also made notable progress with a key USA-based semiconductor front-end equipment customer, as we clinched additional programs that broaden our semiconductor solutions portfolio. This achievement reflects the success of our transformation initiatives, which focus on enhancing the resilience of our semiconductor business in Asia.

To support future growth, we have continued to expand our manufacturing capabilities in Asia. This has also been crucial for program transfers involving major European customers across the semiconductor, analytical life sciences, and medical segments. While these transfers continue, our team in Europe remains focused on developing new programs with our semiconductor and analytical life sciences customers, in addition to working on a next-generation digital pathology scanner for a medical client.

In the USA, we are excited about the upcoming launch of our new facility that will significantly expand our production capacity for motor-related products. This investment aligns with our strategy to better serve customer needs and drive long-term growth.

For the IMS Division, we are actively refining the core services of our automotive segment as part of an ongoing transformation strategy. Notably, Frencken was recently appointed as Gapwaves' production partner to manufacture radar antennas for a leading French global automotive supplier.

Outlook and strategy

The global economic outlook continues to be undermined by mounting fears of a global trade war, geopolitical uncertainties, and prevailing concerns surrounding foreign exchange risks, inflation and interest rate policies. The worldwide semiconductor markets have also experienced varied paces of recovery in the past year. Nonetheless, the chip industry is expected to remain on a long-term growth trajectory even though volatility may continue to persist.

To navigate the shifting landscape, the Group believes in building resilience and ensuring adaptability. We will maintain diverse exposure to multiple market segments and seek to deepen our relationships with key customers who are among market leaders in the high-technology industry. Together with our sound financial status, this strategic focus should provide resilience and enable the Group to thrive over the long term.

Amid economic uncertainties, the Group is cautiously optimistic about its outlook this year as we believe Frencken is in a prime position to capitalise on demand opportunities when business momentum in our primary markets gathers pace.

By constantly aligning our solutions with customers' product roadmap, our Mechatronics Division is poised to achieve growth with our customers, who are market and technology leaders in their respective fields. We believe Frencken offers a compelling and unique value proposition due to our global solutions platform across Europe and Asia that is backed by strong engineering know-how and advanced manufacturing capabilities. We will continue to direct our energies towards strategic thrusts that expand our value stack and raise our wallet share with customers in our core semiconductor, analytical life sciences and medical segments.

In Europe, we will drive the development of new technical capabilities to undertake engineering programs of high complexity and precision. Our Mechatronics team in Asia will continue to execute its strategy to build a more extensive and balanced portfolio, especially in the semiconductor business, by accelerating the development of our people and core competencies. To cater for future business expansion and requirements, the Group is considering enhancing and expanding its production resources in Singapore to raise efficiency and capacity, as well as enhance capabilities. This direction signals the Group's confidence in our long-term business prospects with customers and the continued development of the semiconductor industry in Singapore.

In the near term, our IMS Division may face challenges, especially given the weak outlook for the global automotive industry. Nevertheless, we intend to continue shaping the division's business pillars and exploring opportunities in other sectors to build a stronger growth platform. Concurrently, the Group will work on optimising and consolidating our operations where feasible so that we are on a firmer footing to withstand difficult times and capitalise on upside potential when the new automotive programs shift to higher gear in the coming years.

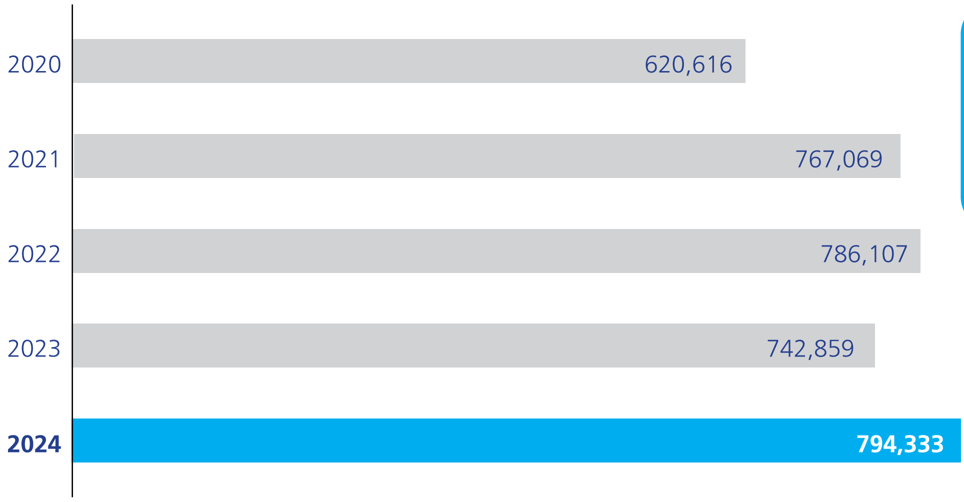
Our unwavering emphasis on resilience through diversity and our relentless drive to elevate core competencies will enable the Group to grow from strength to strength. At Frencken, we remain committed to our goal to deliver ethical, sustainable and profitable growth, and create value for all our stakeholders in the long term.

Appreciation

On behalf of the Board of Directors, I would like to express my gratitude to the management and staff at our operations worldwide for their dedication, perseverance and valuable contributions to the Group. We would also like to thank our valued customers, shareholders, business partners and suppliers for their long-term support and patronage of Frencken.

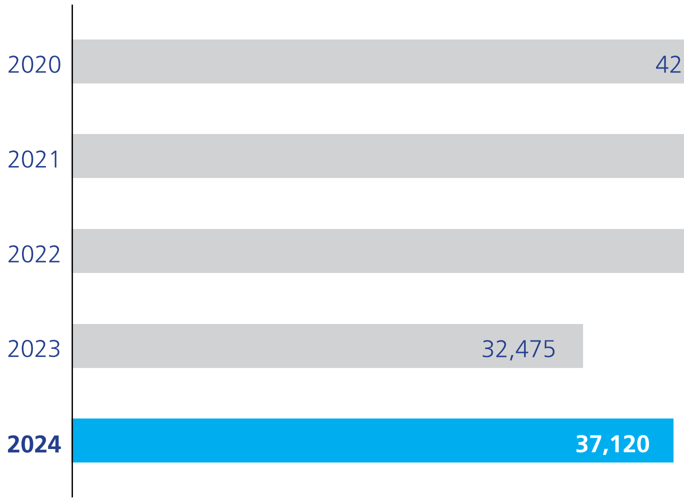
Dato' Seri Gooi Soon Chai
Non-Executive, Non-Independent Chairman

FINANCIAL SUMMARY



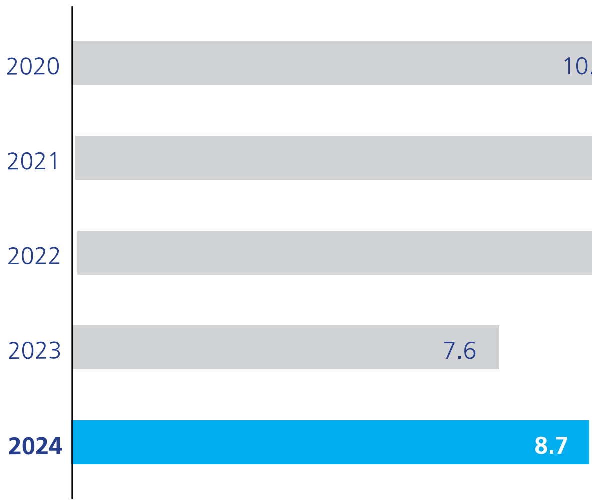
Revenue
($'000)

794,333



Profit attributable to equity holders
($'000)

37,120



Earnings per share - basic (cents)

8.7

FINANCIAL SUMMARY (CONT'D)

FINANCIAL YEAR	2020	2021	2022	2023	2024
Operating Results	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	620,616	767,069	786,107	742,859	**794,333**
Operating profit [1]	58,929	71,924	66,643	46,338	**51,519**
Profit attributable to equity holders	42,571	58,727	51,874	32,475	**37,120**
Financial Position	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Total assets	563,793	688,145	725,208	735,286	**735,144**
Total liabilities	227,510	309,116	328,789	330,008	**297,636**
Shareholders' equity	333,955	376,162	391,888	401,246	**433,964**
Key Ratios					
Net profit on turnover (%)	6.9	7.7	6.6	4.4	**4.7**
Return on average equity (%)	13.5	16.5	13.5	8.2	**8.9**
Net cash to equity (%)	32.1	25.4	14.8	12.6	**16.7**
Earnings per share - basic (cents)	10.0	13.8	12.2	7.6	**8.7**
- diluted (cents)	10.0	13.7	12.1	7.6	**8.7**
Net assets value per share (cents)	78.3	88.1	91.8	94.0	**101.6**
Dividend per share (cents)	3.00	4.13	3.64	2.28	**2.61**
Share Price and Market Capitalisation	**Cents**	**Cents**	**Cents**	**Cents**	**Cents**
Highest	132.0	249.0	197.0	137.0	**174.0**
Lowest	47.5	120.0	77.5	80.0	**109.0**
Average	91.9	182.5	127.0	103.7	**138.9**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Average market capitalisation	391,928	779,321	542,322	442,825	**593,229**
Average shareholders' equity	314,664	355,059	384,025	396,567	**417,605**
Market value differential [2]	77,264	424,262	158,297	46,258	**175,624**

[1] Operating profit represents profit before interest, share of results of an associate (net of tax), tax and exceptional items
[2] This represents the difference between the average market capitalisation and average shareholders' equity for the year

FINANCIAL HIGHLIGHTS

		2023	2024	CHANGE
1.	**Operating Results**	$'000	$'000	%
	Revenue	742,859	**794,333**	6.9
	Profit attributable to equity holders	32,475	**37,120**	14.3
	Net profit on turnover (%)	4.4	**4.7**	6.8
2.	**Divisional Performance**	$'000	$'000	%
	Mechatronics - Revenue	646,219	**706,088**	9.3
	- Operating profit [1]	36,267	**47,067**	29.8
	IMS - Revenue	93,781	**85,675**	(8.6)
	- Operating profit [1]	4,164	**114**	(97.3)
3.	**Solvency Profile**	$'000	$'000	%
	Cash and cash equivalents	142,631	**159,199**	11.6
	Borrowings	92,049	**86,605**	(5.9)
	Net cash	50,582	**72,594**	43.5
	Interest cover ratio [2]	7.9	**7.7**	(2.5)
4.	**Shareholders' Value**			
	Shareholders' equity ($'000)	401,246	**433,964**	8.2
	Earnings per share - basic (cents)	7.6	**8.7**	14.5
	- diluted (cents)	7.6	**8.7**	14.5
	Return on average equity (%)	8.2	**8.9**	8.5
	Net asset value per share (cents)	94.0	**101.6**	8.1
	Dividend payout ratio (%)	30.0	**30.0**	N.M.

[1] Operating profit represents profit before interest, share of results of an associate (net of tax), tax and exceptional items
[2] Interest cover ratio = Profit before interest on borrowings, share of results of an associate (net of tax), tax and exceptional items/interest on borrowings

N.M. Not meaningful

FINANCIAL CALENDAR

FINANCIAL YEAR	31 December 2024	31 December 2025
Announcement of Results		
First half results announcement	14 August 2024	**August 2025**
Second half results announcement	27 February 2025	**February 2026**
Delivery of Annual Report	8 April 2025	**April 2026**
Annual General Meeting	25 April 2025	**April 2026**

BUSINESS REVIEW

GROUP FINANCIAL PERFORMANCE IN FY2024

For the 12 months ended 31 December 2024 ("FY2024"), the Group registered a 6.9% increase in revenue to S$794.3 million, driven mainly by higher revenue from its Mechatronics Division.

The Group's gross profit in FY2024 increased 17.7% to S$115.3 million. Gross profit margin expanded to 14.5% in FY2024 compared to 13.2% in FY2023 due to better operating leverage.

Other income, net of other operating expenses, decreased 40.9% to S$4.5 million in FY2024, due mainly to higher foreign exchange loss and reduced project income.

Selling and distribution expenses rose 18.5% to S$11.5 million in FY2024, owing mainly to higher manpower costs. Administrative and general expenses were also up 14.6% to S$56.8 million in FY2024 due mainly to an increase in staff-related expenses as well as IT systems upgrading and maintenance costs. Finance costs increased 13.9% to S$6.9 million in FY2024 in line with higher utilisation of working capital financing during the year under review.

As a result of the above, the Group reported net profit attributable to equity holders of S$37.1 million in FY2024, up 14.3% from S$32.5 million in FY2023.

As at 31 December 2024, the Group had shareholders' equity of S$434.0 million, equivalent to a net asset value of S$1.01 per share based on the total number of issued shares of 427.1 million shares.

Revenue

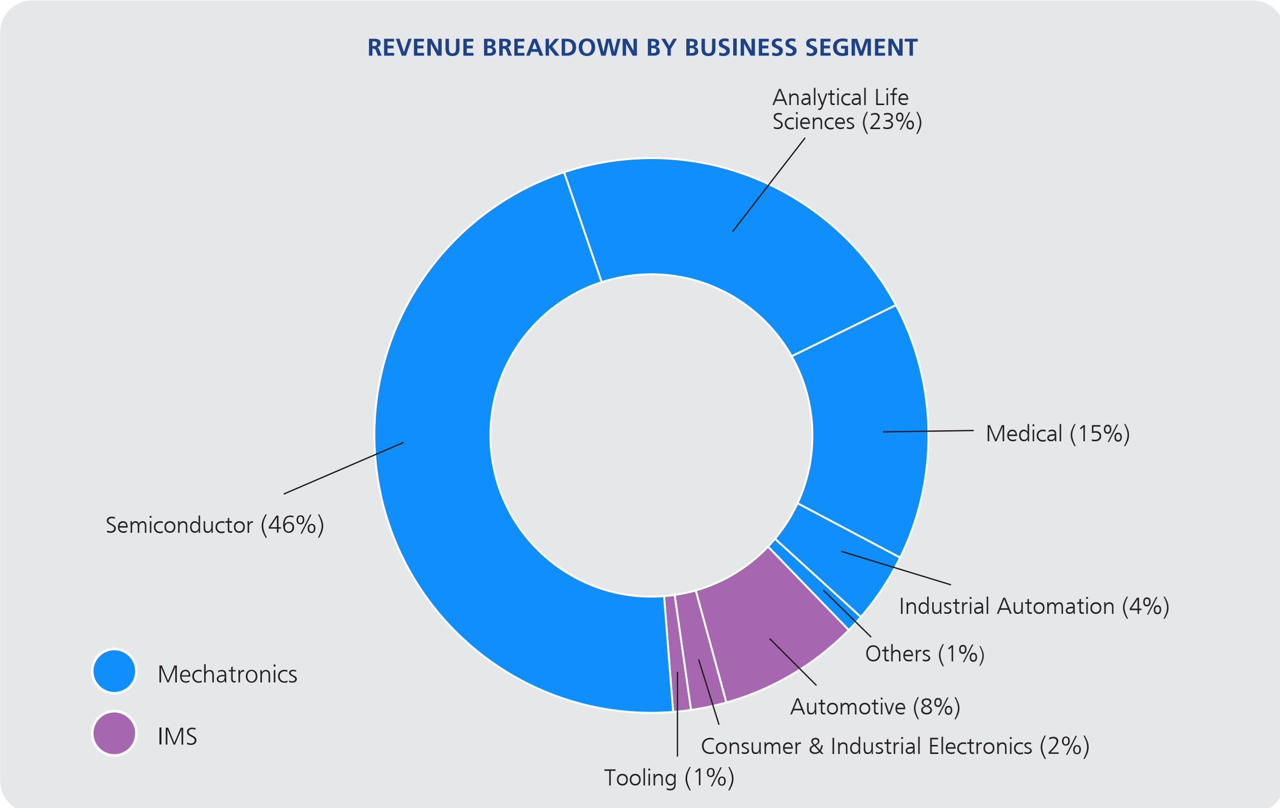
S$794.3million

Gross profit

S$115.3million

Profit before income tax

S$46.0million



Total assets as at 31 December 2024 stood at S$735.1 million compared to S$735.3 million as at 31 December 2023.

Property, plant and equipment as at 31 December 2024 declined to S$120.0 million from S$129.8 million as at 31 December 2023. During FY2024, the Group incurred capital expenditures of S$13.9 million. Depreciation of property, plant and equipment amounted to S$23.1 million for FY2024. As at 31 December 2024, the Group's right-of-use assets decreased to S$47.3 million from S$49.3 million as at 31 December 2023.

Inventories as at 31 December 2024 increased to S$226.5 million from S$203.4 million as at 31 December 2023 to fulfil customers' orders. Trade receivables as at 31 December 2024 decreased to S$137.8 million from S$171.2 million as at 31 December 2023 in tandem with higher collections during FY2024. Cash and cash equivalents rose to S$159.2 million as at 31 December 2024 from S$142.6 million as at 31 December 2023.

Total liabilities as at 31 December 2024 decreased to S$297.6 million from S$330.0 million as at 31 December 2023.

The Group's lease liabilities declined to S$46.9 million as at 31 December 2024 from S$50.0 million as at 31 December 2023 in tandem with lower right-of-use assets. Total borrowings decreased to S$86.6 million as at 31 December 2024 from S$92.0 million as at 31 December 2023. As a result, the Group had net cash of S$72.6 million as at 31 December 2024. The total debt-to-equity ratio was around 20.0% at the end of FY2024.

During FY2024, the Group generated net cash of S$48.0 million from operating activities. Net cash used in investing activities amounted to S$11.1 million in FY2024, attributable mainly to capital expenditure. Net cash used in financing activities amounted to S$15.6 million in FY2024 due primarily to payment of dividends to shareholders and repayment of lease liabilities. As a result, the Group recorded a net increase in cash and cash equivalents of S$21.3 million during FY2024.

MECHATRONICS DIVISION

The Mechatronics Division recorded a 9.3% growth in revenue to S$706.1 million in FY2024. Higher revenue contributions from the semiconductor, medical and analytical life sciences segments offset a decrease in revenue from the industrial automation segment.

In FY2024, the semiconductor segment's revenue climbed 29.4% to S$365.5 million. This was boosted by increased orders from a key customer in Europe and a continued recovery in sales from the Group's operations in Asia.

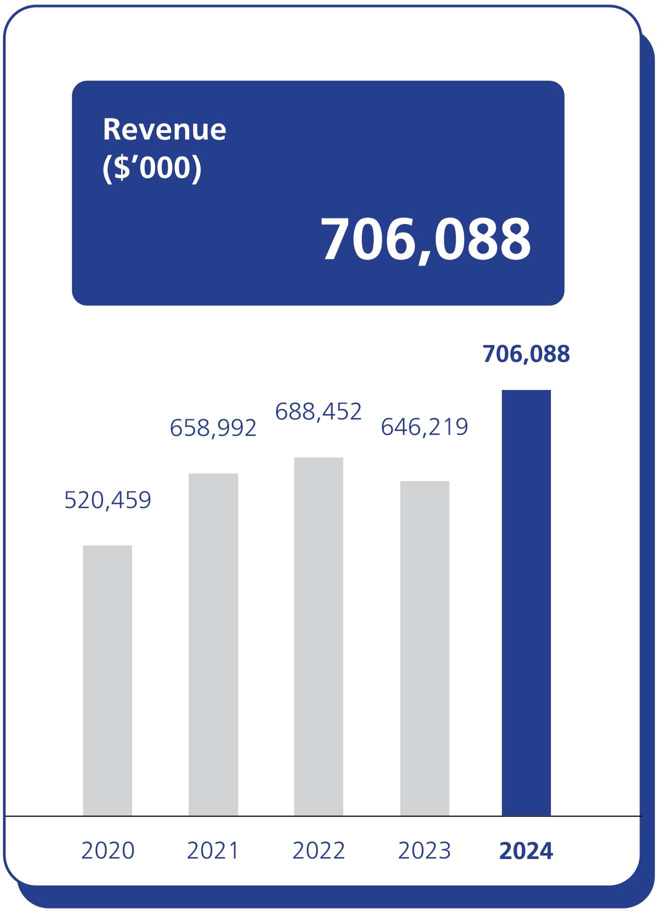
The medical segment's revenue edged up 2.4% to S$123.0 million in FY2024, buoyed by higher sales in Europe and Asia. The analytical life sciences segment also recorded a 6.7% increase in revenue to S$181.2 million in FY2024, led primarily by higher sales in Europe.

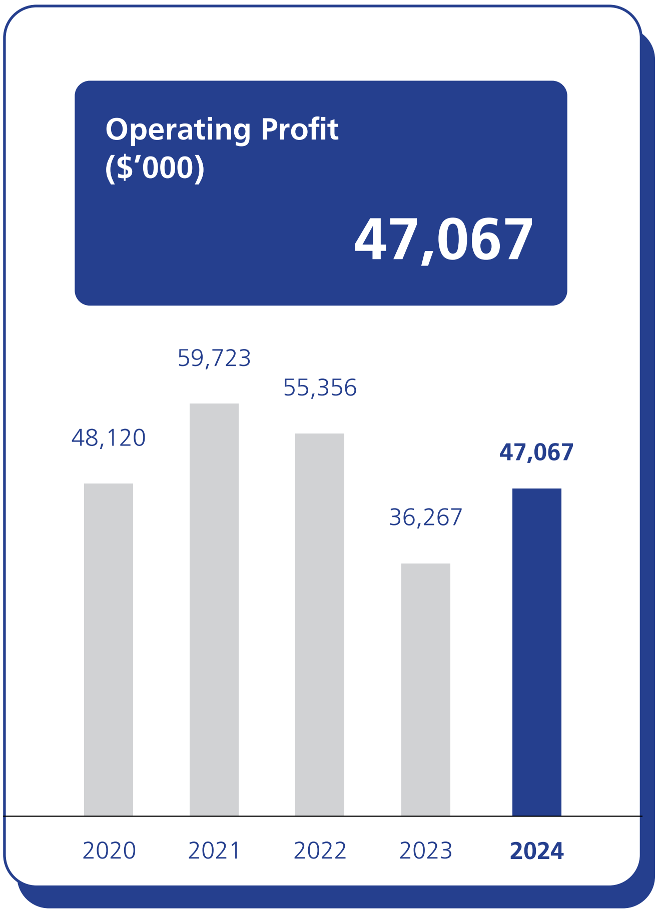
The industrial automation segment's revenue reduced 51.7% to S$29.0 million in FY2024, in line with a marked slowdown in orders from a key customer in data storage solutions. This was due to a fundamental change in the customer's product to higher capacity storage solutions, resulting in a reduction in their unit volume of shipments.

In FY2024, the semiconductor segment contributed 46.0% of the Group's total revenue, while the analytical life sciences segment contributed 22.8%. The medical and industrial automation segments accounted for around 15.5% and 3.7% of the Group's revenue respectively.

The Mechatronics Division attained higher operating profit of S$47.1 million in FY2024 compared to S$36.3 million in FY2023, spurred mainly by higher revenue and gross profit.

MECHATRONICS DIVISION'S PERFORMANCE (FY2020 - FY2024)



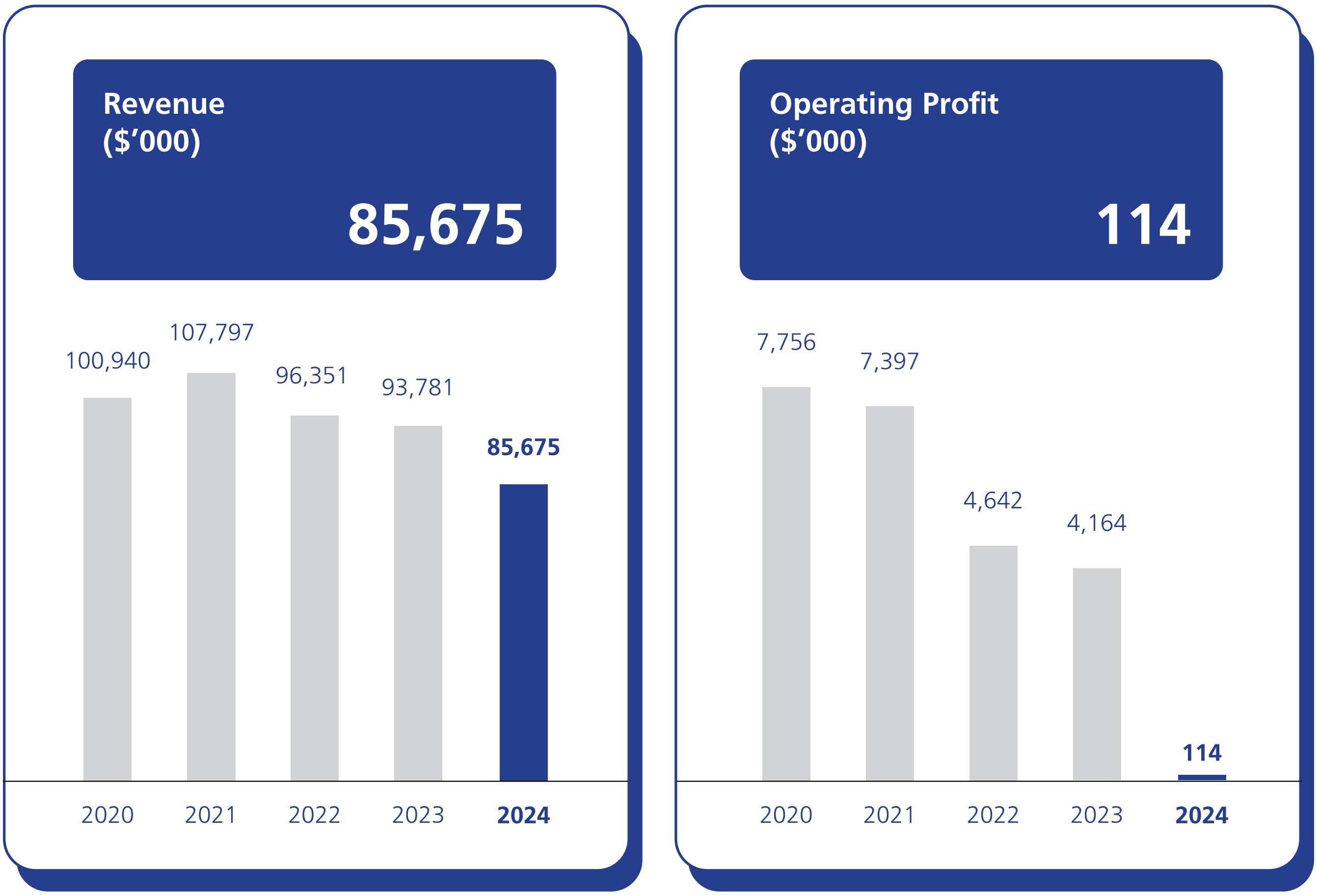


BUSINESS REVIEW (CONT'D)

IMS DIVISION

The IMS Division's revenue softened 8.6% to S$85.7 million in FY2024. This was due mainly to a decline in revenue of the automotive segment by 10.7% to S$62.1 million in FY2024. The automotive segment accounted for around 7.8% of the Group's revenue in FY2024. The consumer and industrial electronics segment recorded stable revenue of S$18.0 million in FY2024, and contributed 2.3% to the Group's revenue in FY2024. The IMS Division reported a lower operating profit of S$0.1 million in FY2024 compared to S$4.2 million in FY2023.

IMS DIVISION'S PERFORMANCE (FY2020 - FY2024)



MECHATRONICS DIVISION

Customer Programs

The Mechatronics Division's stronger performance in FY2024 was boosted by continued revenue growth at our Europe operations, and a recovery in revenue of our Asia operations. Among our core business pillars, the semiconductor segment chalked up robust growth in revenue during FY2024 despite the uneven recovery in the global chip industry.

Our operations in Europe saw higher demand for existing products and incremental revenue from NPI (New Product Introduction) programs with a major wafer-fabrication equipment customer. We have commenced prototype deliveries of a new program involving a critical and complex module, and volume production of another two projects for this key customer in Europe. Additionally, our Europe operations secured a new portfolio of high precision parts which may enter pilot production phase in the latter half of 2025 to 2026.

In Asia, we benefited from increased customer orders and an expanded range of products that was awarded by a USA-headquartered front-end equipment customer. This gain in wallet share is a validation of our Asia operations' transformation strategy to focus on higher-value complex products and broaden its semiconductor solutions portfolio for greater business resilience.

MECHATRONICS DIVISION (CONT'D)

Customer Programs (cont'd)

Our Asia operations is anticipating a gradual pick-up in series production from 2025 to 2026 for a new semiconductor program that has completed the first article (FA) inspection phase in prior years. We are also working with existing customers on new programs that are currently in FA phase.

Our Mechatronics teams in Asia and Europe are working together to enable the production transfer of certain existing modules from the Netherlands to Asia for our key semiconductor customer in Europe. We are also assisting this customer to develop a new generation of tools at our sites in Asia.

Revenue of our analytical life sciences business continued to grow steadily in FY2024, thanks primarily to higher volume production of existing products in Europe. In addition, we have commenced prototype deliveries of a new mass spectrometry platform to our key customer which is a leading instrumentation company in the global analytical life sciences industry. Leveraging on our core competencies and entrenched partnership, our Europe operations continued to be awarded new programs from this key customer in FY2024.

In parallel with the aforesaid developments, our Europe team is also assisting our analytical life sciences customer to transfer the production of parts of an existing platform for electron microscopy to our sites in Asia.

On the medical segment front, our Europe operations benefited from stable orders of existing products related primarily to cardiovascular x-ray systems. These orders are from our major customer that is a leader in the global healthcare technology industry. We have also worked with this customer on a new version of a digital and computational pathology scanner which has entered volume production phase last year.

We remain committed to delivering operational excellence, best-in-class quality and efficient delivery lead time to our customers. As a testament to our capabilities and service standards, our Mechatronics operations in Asia was conferred “Best-in-Class Performance”, “Supplier Excellence Award” and “Best Overall Supplier” accolades from its customers.

Investments

The Mechatronics Division incurred capital expenditures of S$11.8 million in FY2024. At our Europe and Asia operating sites, we continued investing in machining equipment and tools that were necessary to upgrade our competencies and raise our capacity to support customers’ demand requirements.

During FY2024, we have also invested in a larger manufacturing facility in the USA where we will manufacture varied solutions including linear motors that are also used in wafer fabrication equipment. Further investment into ultra cleaning equipment is expected in FY2025 to support existing business and future growth. The relocation to our new USA facility is slated for completion in the first half of 2025. This year, the Group is also considering enhancing and expanding our production resources in Singapore to raise efficiency, capacity and enhance capabilities.

Strategy

The operating environment is expected to remain difficult due to potential implications from geopolitical tensions and trade conflicts. In addition, potential supply chain constraints, tight supply of talent, high labour costs especially in Europe, may continue to exert pressure on businesses.

As we maintain our agility to respond to challenges and opportunities, the Mechatronics Division will continue our strategy of creating innovative and sustainable integrated solutions to grow with our key customers in the semiconductor, analytical life sciences and medical sectors. Central to this strategy is ensuring that we are constantly aligned with our customers’ product roadmaps.

MECHATRONICS DIVISION (CONT'D)

Strategy (cont'd)

As part of our ongoing initiatives, we will continue developing our technology roadmap to deliver engineering excellence, enhance operational and supply chain excellence, and drive our global market approach as well as organisational improvements. These initiatives underpin our strategic thrusts to expand our value stack and raise wallet share with our customer portfolio of market-leading companies.

Our Europe operations will carry on supporting our customers' growth plans in Europe as well as their expansion and program transfers to Asia. In Asia, we will continue to accelerate the development of our core competencies and talent to undertake increasing program transfers from Europe, as well as to increase customer penetration to build a more balanced portfolio and scale the business. We also intend to work on driving higher productivity gains for existing business lines.

IMS DIVISION

The IMS Division's revenue declined in FY2024, due mainly to softer sales from our automotive business segment as market uncertainties have led to a delay in the launch of new platforms.

Nevertheless, our radar antennas which are manufactured using the plastic metallisation process based on our proprietary eco-PVD (Physical Vapour Deposition) technology, continue to gain traction among automotive companies.

Having started limited production for an international automotive supplier in 2024, we expect a ramp-up in production volumes for two radar antenna projects with this customer from 2026 and 2027 respectively. Production volume of radar antennas under a partnership with Gapwaves is expected to scale up significantly from the year 2028. These are intended for ADAS (Advanced driver-assistance systems) applications.

Besides radar antenna contracts, we were also awarded new business in FY2024 to manufacture automotive ventilation pipes, valve filters and oil filter caps. We take pride in our involvement at the design stage with our customers for some of these programs.

The IMS Division incurred capital expenditure of S$1.3 million in FY2024 mainly for equipment maintenance and upgrades, capacity expansion and IT systems.

In the interim, the IMS Division may face near-term challenges, especially in the face of a tepid outlook for the global automotive industry. We will continue to shape the division's business drivers and explore new opportunities beyond the automotive industry to expand revenue streams. Concurrently, the IMS Division is working towards optimising and consolidating some of our operations.

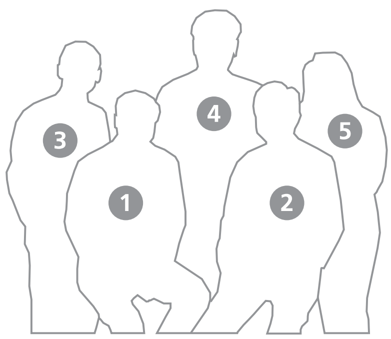
PROFILE OF BOARD OF DIRECTORS

Seated: (from left to right)

1. Dennis Au
2. Dato’ Seri Gooi Soon Chai

Standing: (from left to right)

3. Melvin Chan Wai Leong
4. Foo Seang Choong
5. Dato’ Noorashidah Binti Ahmad



DATO' SERI GOOI SOON CHAI

Non-Executive Non-Independent Chairman

Dato' Seri Gooi Soon Chai is our Chairman and Non-Executive Non-Independent Director. He was appointed as our director on 10 February 2015 and as the Group's Chairman on 10 August 2016. He is also a member of our Remuneration and Nominating Committees.

In an illustrious career over 30 years, Dato' Seri Gooi is a seasoned leader with extensive experience in the technology industry, spanning semiconductor, life sciences, and electronics sectors. He has held multiple global leadership roles and spearheaded numerous successful business transformations - driving exponential growth in the semiconductor, automotive and industrial electronics business under his purview.

Dato' Seri Gooi is a visionary leader with proven track record at nurturing new business ventures, capturing and capitalizing on technology innovation streams.

In recognition of his leadership and business acumen, Dato' Seri Gooi has been awarded the Outstanding Industry Captain of the Year by the Institute of Engineering and Technology and has been named Executive of the Year in technology by the Malaysian Management Excellence Award.

Currently, he serves as the President of Order Fulfillment and Design Software Solutions for Keysight Technologies, overseeing the global operations and leading the expansion of Design Engineering Software business.

He holds a Bachelor of Science degree with first class honors in electrical and electronics engineering from the University of London, and a Master of Science degree in computing science from the Imperial College of Science and Technology, London.

DENNIS AU

President and Executive Director

Dennis Au was appointed as President of our Group on 5 May 2015 and as our Executive Director on 28 April 2016. He is responsible for charting the Group's strategic direction, setting the organisation's goals, overseeing its global operations and driving its performance.

Mr Au also plays a pivotal role in the development of the Group's Mechatronics, IMS and materials business divisions. He steers the divisions' strategies as well as oversees business development and expansion plans, to harness the Group's competencies and strengthen its foundation for continued success.

Mr Au has over 30 years of experience in the high technology industry for aerospace & defense, automotive, communications and semiconductor markets. He was previously Vice President and General Manager of Keysight Technologies for Korea and the South Asia Pacific region. Prior to that, Mr Au was Vice President and General Manager with Agilent Technologies and was also formerly Regional Manager of Hewlett Packard's Hi-Volume Manufacturing Test Solutions for Asia Pacific.

Mr Au holds a Bachelor of Engineering (Electronic, Electrical and Systems) from the National University of Malaysia.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

MELVIN CHAN WAI LEONG

Lead Independent Non-Executive Director

Melvin Chan Wai Leong is our Lead Independent Non-Executive Director. He was appointed as our Director on 27 April 2017. He is also the Chairman of our Audit Committee and a member of our Nominating Committee.

Mr Chan has more than 25 years of operational and business experience in the semiconductor and electronics manufacturing industries, as well as extensive working experience in the Asia Pacific region, Australia, New Zealand, China and India. Mr Chan is currently the Managing Director of Synersys Capital, a firm providing business consultancy and advisory services. Prior to him assuming the advisory role, Mr Chan was the Director and Chief Executive Officer of Ellipsiz Ltd, a SGX Mainboard-listed company. Mr Chan started his career as an engineer at Hewlett Packard and moved on to hold various senior management positions at Electronic Resources Limited (ERL), Ingram Micro, iNETest Resources and Ellipsiz Ltd.

Mr Chan holds a Bachelor's degree in Electrical & Electronics Engineering and a Master of Business Administration degree from the National University of Singapore.

FOO SEANG CHOONG

Independent Non-Executive Director

Foo Seang Choong was appointed to the Board on 31 December 2021, as an Independent Non-Executive Director. He currently serves as the Chairman of the Remuneration Committee and is a member of the Audit Committee.

With over 30 years of experience in finance, business strategy, and organisational transformation, Mr. Foo has built a distinguished career in senior leadership roles within multinational, public listed technology companies. He has consistently driven strategic initiatives and operational efficiencies, delivering significant business growth and transformation.

Mr. Foo brings extensive global expertise, having managed financial operations and led high-impact initiatives across the Americas, Europe, and Asia. He is currently the Vice President of Finance and Corporate Controller at Kulicke & Soffa Industries, where he oversees financial operations and governance to support the company's growth. Additionally, he serves as a Director of BFX Pte Ltd.

Previously, Mr. Foo held senior roles such as Senior Director of Finance at Oracle Asia Pacific and Executive Director of Finance for Asia Pacific and Japan at Dell. In these capacities, he led strategic business transformations, enhanced risk management frameworks, and optimised organisations across complex and competitive markets.

A Fellow of the Institute of Public Accountants and an Accredited Director (SID), Mr. Foo's deep expertise in finance, strategy, and transformation, coupled with his comprehensive understanding of the technology sector and global markets, enhances the Board's strategic oversight and governance capabilities.

DATO' NOORASHIDAH BINTI AHMAD

Independent Non-Executive Director

Dato' Shidah Ahmad is our Independent Non-Executive Director. She was appointed as our Director on 1 March 2024 and is the Chairman of the Nominating Committee and a member of our Audit and Remuneration Committees.

Dato' Shidah has over 30 years of experience holding key global positions in the Semiconductor, Electronic Instrumentation, and Information Technology industries, in Hewlett Packard, Agilent Technologies, as well as Keysight Technologies. She is a seasoned leader in the manufacturing of highly sophisticated and complex products and solutions. She has successfully transformed manufacturing and supply chain operations to achieve operational excellence, which has been lauded as best in class in the industry.

Dato' Shidah currently holds the position of Vice President and General Manager of global manufacturing and supply chain operations - accountable for factories around the world including wafer fabs, test and assembly, and the end-to-end supply chain functions.

Dato' Shidah is also a passionate champion of community outreach programs – with a special interest in STEM education and women development. She currently holds the position of Director and Patron of Women-Focused Programs.

Dato' Shidah holds a Bachelor's degree in Science with a double-major in Computer Science and Mathematics, and an MBA from Ohio University, USA.

PROFILE OF KEY MANAGEMENT

BRIAN TAN CHUEN YEANG
Chief Financial Officer

Brian Tan Chuen Yeang was appointed as Chief Financial Officer on 31 December 2021. He is responsible for leading our Group's finance agenda and management through corporate finance, treasury, financial reporting, audit and tax compliance, and risk management.

Mr Tan's career covers over 20 years of increasingly senior roles in energy logistics, oil and gas, telecommunications, and manufacturing. His career experience included strategic, commercial, and leading roles in financial management, fundraising, restructuring and investments, driving transformation and performance. Before joining the Group, Mr Tan was CFO for Malaysia and Singapore with Knauf-USG Boral, a leading German company in building materials. He has worked with Usaha Tegas, a Malaysian private investment company, NBK Group, a conglomerate in Qatar, and spent the earlier part of his career of more than 12 years with Bumi Armada and Petronas Group in various roles and corporate finance responsibilities.

Mr Tan holds an MBA from Manchester Business School and a Bachelor of Business in Accountancy from RMIT University. He is a fellow of CPA Australia and has a corporate finance qualification from ICAEW.

THEO VAN DE POL
Vice President, Human Resource

Theo van de Pol is the Group's Vice President of Human Resources. He is responsible for leading the Group's human resource strategy and partnering with our senior management to drive programs that foster talent development and keep pace with sustainable growth.

Mr. Van de Pol was appointed to his current position in February 2025. He joined our Group in July 2023 as Human Resources Director of Frencken Mechatronics and was responsible for the human resource functions of our Europe and US operations. With over 25 years of experience in human resource management, Mr. Van de Pol has worked with companies across multiple industries and countries around the world. These include manufacturing, technical services, marine and oil & gas corporations in The Netherlands, Malaysia, UAE and Singapore. He has built an outstanding career track record, having served in senior positions at Stork, Wartsila, Wood Group & AET.

Mr. Van de Pol holds a Bachelor of Human Resources from Radbout University Nijmegen in The Netherlands.

CORPORATE INFORMATION

COMPANY REGISTRATION NO.: 199905084D

BOARD OF DIRECTORS

Dato' Seri Gooi Soon Chai
(Non-Independent Non-Executive Chairman)

Dennis Au
(President, Executive Director)

Melvin Chan Wai Leong
(Lead Independent Director)

Foo Seang Choong
(Independent Director)

Dato' Noorashidah Binti Ahmad
(Independent Director)

AUDIT COMMITTEE

Melvin Chan Wai Leong (Chairman)
Foo Seang Choong
Dato' Noorashidah Binti Ahmad

REMUNERATION COMMITTEE

Foo Seang Choong (Chairman)
Dato' Seri Gooi Soon Chai
Dato' Noorashidah Binti Ahmad

NOMINATING COMMITTEE

Dato' Noorashidah Binti Ahmad (Chairman)
Dato' Seri Gooi Soon Chai
Melvin Chan Wai Leong

AUDITORS

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way
OUE Downtown 2, #33-00
Singapore 068809
Partner-in-charge: Chua How Kiat
Year of appointment: Financial year ended 31 December 2022

REGISTERED OFFICE

9 Raffles Place
#26-01 Republic Plaza
Singapore 048619
Tel: +65 6236 3333

CORPORATE OFFICE

Suite 2.1, Level 2, Wisma Great Eastern
No. 25 Lebuh Light
10200 Penang, Malaysia
Tel: +60 (04) 371 7000

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
9 Raffles Place
#26-01 Republic Plaza
Singapore 048619

PRINCIPAL BANKERS

Coöperatieve Rabobank Eindhoven - Veldhoven
DBS Bank Ltd
AmBank (M) Berhad
United Overseas Bank (Malaysia) Bhd

INVESTOR RELATIONS

Lisa Heng
Email: lisa.heng@frenckengroup.com

COMPANY SECRETARY

Peck Jen Jen, ACIS

WEBSITE

www.frenckengroup.com

SUSTAINABILITY STATEMENT OF OUR PRESIDENT AND EXECUTIVE DIRECTOR

"We establish our ESG priorities according to regulations impacting emissions controls to be on par with ambitions of our global customers."

In 2024, Frencken advanced its ESG milestones, further strengthening Environmental, Social, and Governance (ESG) best practices across geographical boundaries. Our commitment to responsible sustainability management is guided by the ethos of 'Ethical, Sustainable, Profitable Growth,' which underpins our ESG performance — Frencken Sustain Life (FSL).

While last year we achieved full alignment on our operational emissions for Scope 1 and 2, this year we took a significant step forward by addressing third-party ESG risks and conducting an emissions assessment for Scope 3.

Emerging trends and regulations in supply chain compliance, critical raw materials declarations, emissions controls, environmental and social due diligence, and Net Zero ambitions are reshaping how we enhance our resilience and capabilities.

Of primary significance to us are the SGX Core Metrics and the TCFD Recommendations, now aligned with the latest IFRS S1 and S2 standards. We have also strengthened our governance by achieving compliance on Board Diversity with the appointment of an experienced female director.

Recognizing the increasing focus on supply chain and human rights due diligence, we welcome audits from our global customers, as they help reinforce our best practices. Additionally, we continue to strengthen ESG compliance through internal controls review, now entering its second year.

We anticipate a year-on-year increase in engagements with our global suppliers, focusing on supply chain capabilities, decarbonization, and innovation.

In 2024, we have established ESG performance targets across key areas: Energy, Emissions, and Waste (Scope 3 - Environment), Responsible Supply Chain (Scope 3 - Governance), and Competency Training (Social)

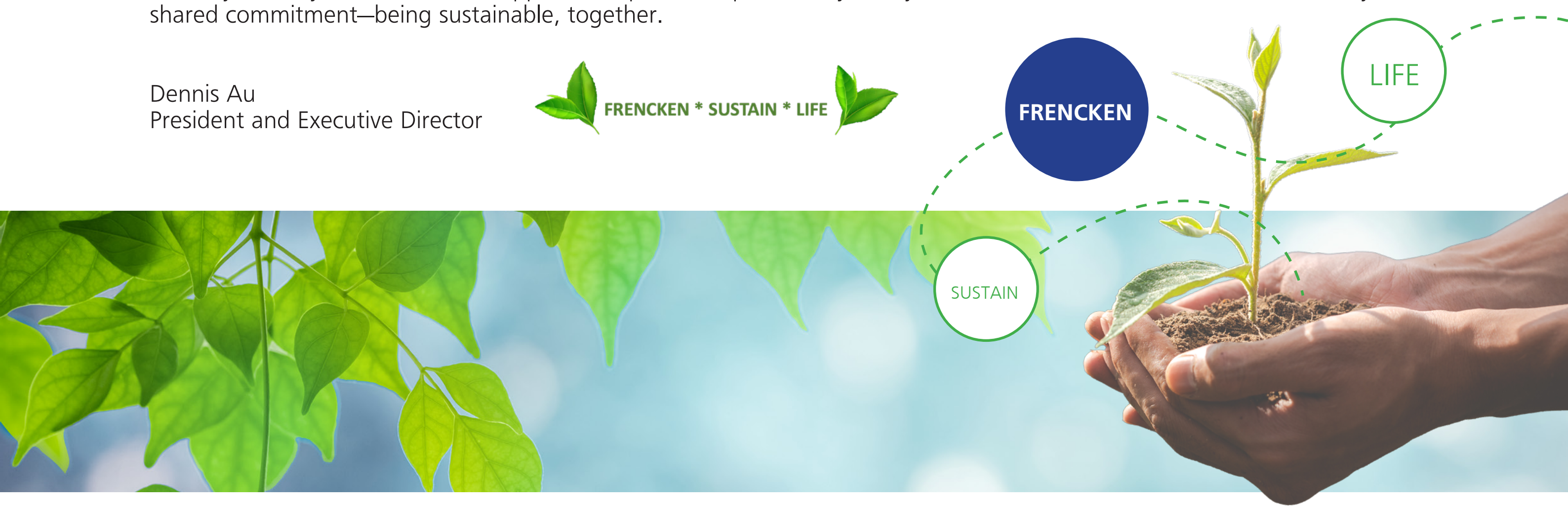
Our commitment to ESG compliance continues to strengthen as we enhance our competencies and capacities. Investors remain informed through multiple channels about our Frencken Sustain Life (FSL) policy, strategy, and KPIs.

ESG has long been embedded in our operations and management decisions. While our formal ESG journey began in 2022, this financial year has seen meaningful progress across all critical aspects of our core business—including mitigating third-party ESG risks within our supplier network

Thank you for your continuous support and partnership on this journey toward a sustainable future. Sustainability is a shared commitment—being sustainable, together.

Dennis Au
President and Executive Director

FRENCKEN * SUSTAIN * LIFE



SUSTAINABILITY REPORT

OUR SUSTAINABILITY APPROACH

About This Report

Frencken Group Limited's ("Frencken", "we", "our", "the Group", "the organisation") sustainability journey, Environmental, Social and Governance ("ESG") performance are communicated through this Sustainability Report which is currently in its eighth year. This report provides an overview of our milestones in ESG performance throughout the reporting period (1 January 2024 to 31 December 2024), unless stated otherwise.

The Report complies with the SGX-ST Listing Rules 711A and 711B and Practice Note 7.6 Sustainability Reporting Guide. The Report has not been externally assured. We relied on our internal verification mechanisms to validate the accuracy of our reporting. We plan to seek external assurance in FY2027 as we have just completed the Scope 3 ESG risk assessment in FY2024. The terms ESG and FSL are used interchangeably in this report. As prescribed by GRI- Economic and Governance is also interchangeably applied in this report.

For FY2024, our disclosures cover 9 Mechatronics sites, 10 sites of Integrated Manufacturing Services (IMS), 1 corporate office which is Frencken International Sdn. Bhd. (FISB) including our Materials segment subsidiary, Penchem Technologies Sdn. Bhd. (PTSB). However, due to an extensive transformation plan in the IMS segment, 2 sites are excluded from year's ESG Performance reporting. JTM and JST are the 2 sites which will become the Centre for Excellence and Regional Sales Hub. We will update ESG disclosures upon completion of this transformation program in FY2026.

Segment/ Region	Mechatronics	Integrated Manufacturing Services
EU/US	• Frencken Europe B.V. Eindhoven, The Netherlands (FEBV) • Frencken Mechatronics B.V. Eindhoven, The Netherlands (FMT) • Machinefabriek Gebrs. Frencken B.V. Eindhoven, The Netherlands (MFE) • Optiwa B.V. Reuver, The Netherlands (OPT) • Frencken America Inc., Spokane, USA (FAM)	• NTZ Nederland B.V. Rotterdam, The Netherlands (NTZ) • Juken Swiss Technology AG, Grenchen, Switzerland (JST)
Asia	• ETLA Limited, Singapore (ETLA SG) • ETLA Technology (Wuxi) Co., Ltd., Wuxi, People's Republic of China (ETLA WX) • Frencken Mechatronics (M) Sdn. Bhd., Bangi, Malaysia (FMMSB) • Avimac Pte. Ltd., Singapore (AVM SG)	• Juken Technology Engineering Sdn. Bhd., Selangor, Malaysia (JTM) • Juken Technology Engineering Sdn. Bhd., Johor, Malaysia (JTJ) • Juken (Thailand) Co., Ltd., Bangkok, Thailand (JTH) • Juken (Zhuhai) Co., Ltd., Zhuhai, People's Republic of China (JZH) • Frencken (Chuzhou) Co., Ltd., Chuzhou, People's Republic of China (FCZ) • Micro-Air (Tianjin) Technology Co., Ltd., Tianjin, People's Republic of China (JMAT) • Juken (Zhuhai) Co., Ltd., Jinding Branch, People's Republic of China (JJD) • Juken Uniproducts Pvt. Ltd., Noida, India (JUI)

OUR SUSTAINABILITY APPROACH (CONT'D)

Our Methodology

As per the listing requirements of Singapore Stock Exchange (SGX), we have adapted relevant standards in our sustainability reporting approach, namely the Global Reporting Initiative (GRI) Standards and the SGX-ST "Core ESG Metrics".

SGX-ST prescribes listed companies to report on company level policies, practices, performance and targets related to material ESG factors according to the Listing Rule 711B on a 'comply or explain' basis. SGX-ST mandates companies to comply with the sustainability reporting principles and corporate governance rules of "comply-or- explain" about ESG performance management.

As this is our third report upon embarking on a full spectrum group level sustainability reporting journey since FY2022, we adhere to the principles in our ESG performance disclosures by incorporate Listing Rule 711B(1)(aa) is to disclose information on climate-related risks and opportunities that apply all the requirements in IFRS S2 (other than the disclosure of Scope 3 GHG emissions as set out in paragraph 4.23)

We are cognizant of the SGX RegCo's climate reporting requirements. We have established our four years energy and emissions data in this FY2024 report as prescribed by the International Sustainability Standards Board (ISSB).

This report is coherent to the requirements of European Sustainability Reporting Standards (ESRS) and the United States' Securities and Exchange Commission's (SEC) climate disclosures.

Frencken with is global footprint and trading partnerships, have aligned ESG Performance reporting with requirements of these regions.

Frencken is cognizant over the developments in two major aspects; reporting Scope 3 GHG emissions and obtaining external assurance for sustainability disclosures from FY2026 as mandated by SGX. In this report we have included Frencken's Scope 3 emissions – waste and supply chain. We will adhere to the regulatory requirements in future reports.

FSL (ESG) Aligned with ESRS and SGX Core Metrics	FSL (ESG)	ESRS	SGX
Environment	1. Responsible sourcing 2. Materials 3. Energy 4. Water 5. Emissions 6. Waste	1. Climate Change 2. Pollution 3. Water & marine resources 4. Biodiversity & ecosystems 5. Resource use & circular economy	1. Emission 2. Energy consumption & intensity 3. Water consumption & intensity 4. Waste
Social	1. Employment & Labour 2. Health & Safety 3. Training 4. Gender Equality, Diversity & Inclusion 5. IT Security	1. Own workforce 2. Workers in the value chain 3. Affected communities 4. Consumers & end users	1. Employment: - Current workforce by gender and age - New hires & turnover by gender 2. Training: - Average training hours per employee by gender 3. Occupational safety and health: - Reportable loss days due: - Injuries/illness - Fatalities (if any)
Governance	1. Market presence 2. Procurement & Responsible Supply Chain 3. Anti Corruption 4. Anti Competition	1. Governance, risk management & internal control 2. Business conduct	1. Board composition: - Independent board members (%) - Female board members (%) 2. Management diversity: - Women in Management roles (%) 3. Ethical behaviours: - Anti corruption policy - Anti corruption training for employees. 4. Certificates for the business. Example ISO14001/ 45001 5. Company report aligned with international ESG framework- GRI, TCFD, IFRS, SDGs 6. Limited Assurance (as per timeline prescribed by SGX)

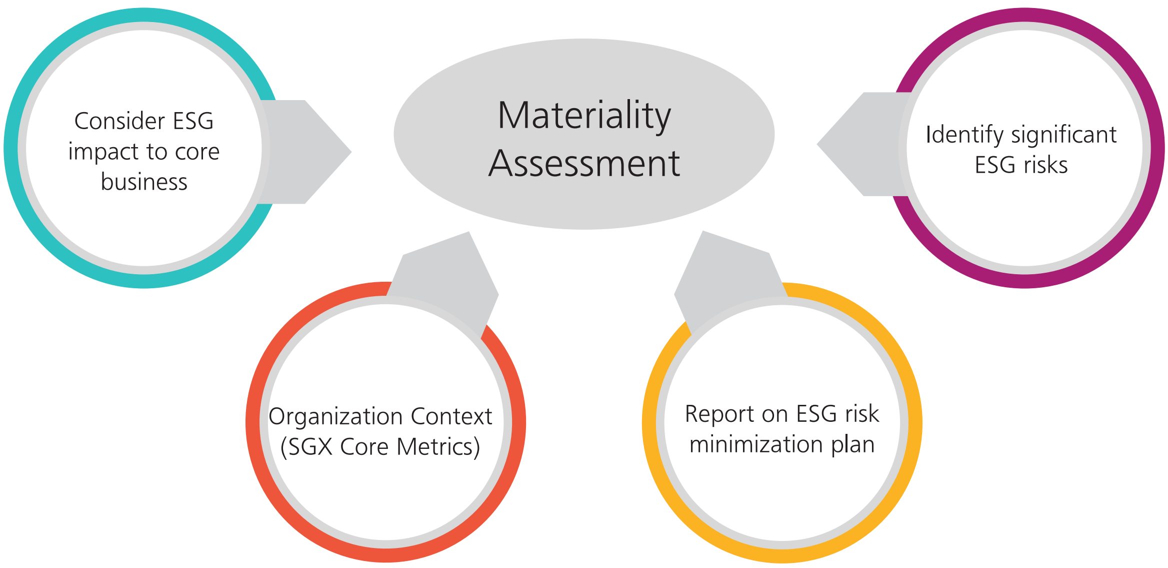
OUR SUSTAINABILITY APPROACH (CONT'D)

Materiality Analysis

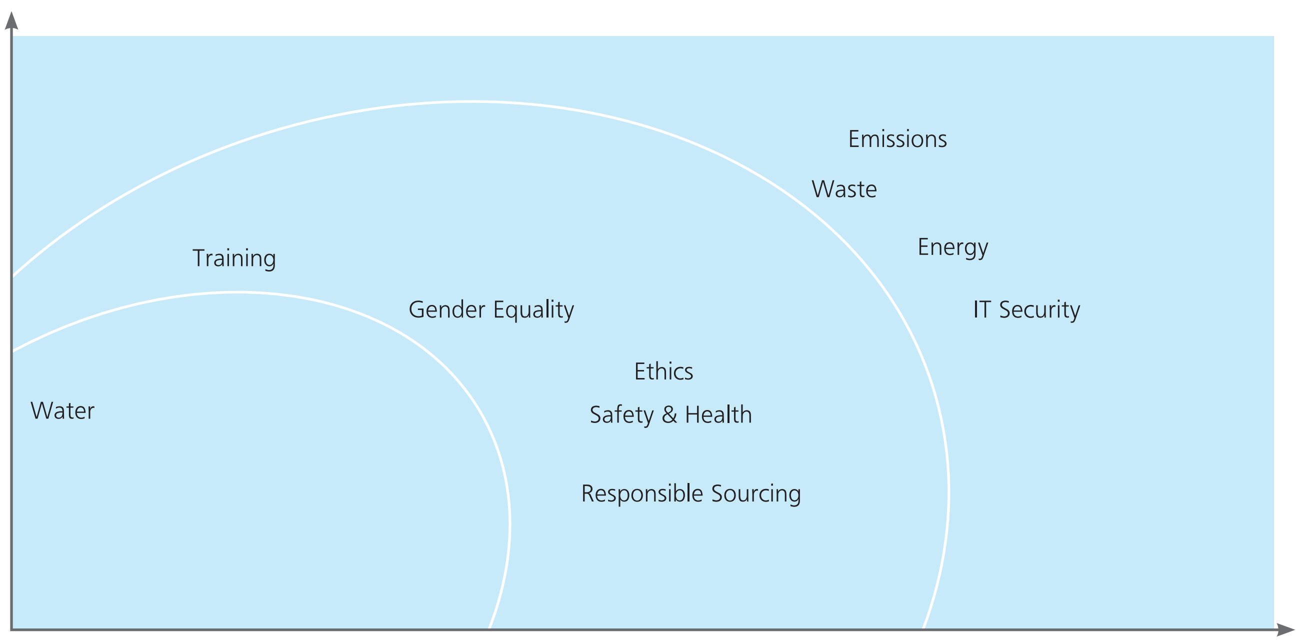
As per the ESG Core Metrics Framework – ESG data collection and analysis of ESG performance inherent to our business operations helps to lay out all the relevant ESG risks and mitigations measures.

Regular engagements with our Sustainability Governance Leaders, Sustainability Working Committee, Global customers, third party supply chain auditors, representatives of our global customers from various departments – sales, product design, innovation, engineering, supply chain, as well as suppliers and investors are the few stakeholders who are directly involved in assisting us ensure significant ESG matters are addressed.

Starting from FY2024, ESG performance will be monitored based on year-over-year changes until FY2030.



Our Materiality Matrix

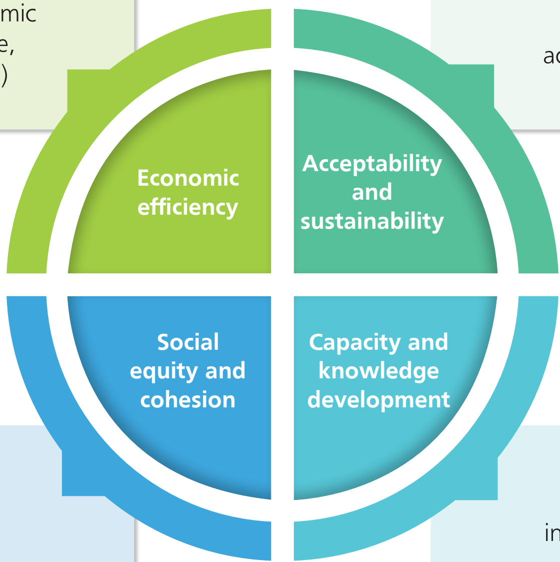


OUR SUSTAINABILITY APPROACH (CONT'D)

Stakeholder Engagement Benefits

Cost-saving (value for money), time-saving, broader economic benefits (policy coherence, synergies across projects)

Effective implementation; proper enforcement of regulation; political acceptability, ownership of decision and outcomes



By building trust and confidence; customers' satisfaction, fostering corporate social responsibility

Awareness-raising; information-sharing; opinion forming

Key Topics	Stakeholders
• Financial results • Product & Innovation • Critical raw material sanctions • Net Zero ambitions of global customers • Ethics and Compliance	• Investors • Employees • Suppliers • Global Customers • Employees

Supply Chain Benchmarks	Responsible Business Alliance	CDP	ecovadis
Risk rating (%)	>80% (Low risk)	45%-80% (Medium risk)	> 65% (Low Risk)

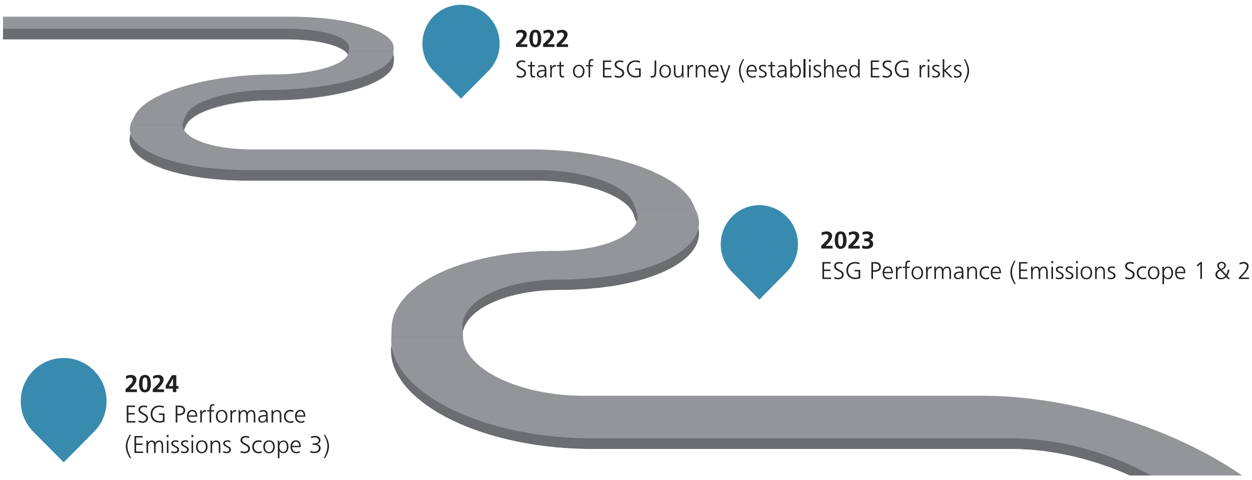
Note:

1. Responsible Business Alliance (RBA) revised its Code of Conduct Assessment to Version 8.0 on 1 January 2024. Scores above 80% is Low Risk.
2. Minimum score of 45, represents 'good' performance in the EcoVadis Methodology revised as at 15 October 2024.

OUR SUSTAINABILITY APPROACH (CONT'D)

ESG Performance Roadmap and Framework

FRENCKEN * SUSTAIN * LIFE is a comprehensive ESG strategy, framework and performance indicator.



ESG Performance Roadmap of FY2024 (to establish carbon neutral operations from FY2025 to FY2030)

Environmental	Social	Governance
• Materials & Waste • Energy & Emissions • Water	• Employment & GDEI • Safety, Health & Training • IT Security	• Responsible Supply Chain • Market Presence • Anti Bribery Corruption • Anti Competition

Corporate Governance

According to Rule 710A(1) of the SGX Listing Rules (Mainboard), issuers must maintain a board diversity policy. Provision 2(d) specifies that this policy must address gender, skills, experience, and any other relevant diversity aspects. On 1 March 2024, we appointed a female director to align with our company's strategic plans.

Our Board Diversity Policy recognizes the importance of hybrid competencies that drive strategic foresight and innovation within Frencken's business segments.

As a global partner in the supply chain for semiconductor, medical devices, industrial automation, automotive, and analytical life sciences industries, our company requires a unique blend of competencies to excel strategically in these sectors.

While we continue to minimize gender dominance in manufacturing and supply chain by promoting equality and diversity in our hiring, placement, training, appraisals and project inclusions. We emphasize on Standard of Business Conduct- trainings for all new hires and existing employees, managers and directors.

OUR SUSTAINABILITY APPROACH (CONT'D)

Our Board Competencies

Board Committee	Director (since)	Domain Expertise	Domain Knowledge
Chairman	Non-Executive and Non-Independent (2015)	Global Technology, Supply Chain and IT	Science Computing
President	Executive Director (2016)	Business Development and Expansions	Engineering (E&E)
Nomination Committee Chair	Independent & Non- Executive (2024)	Supply Chain & Computer Science	Supply Chain Manufacturing
Audit Committee Chair	Lead Independent Director and Non-Executive (2017)	Technology Industry	Engineering (E&E)
Remuneration Committee Chair	Independent & Non- Executive (2021)	Strategy and Finance	Accounting and Finance

Note: The above is information of the Board Committee in FY2024

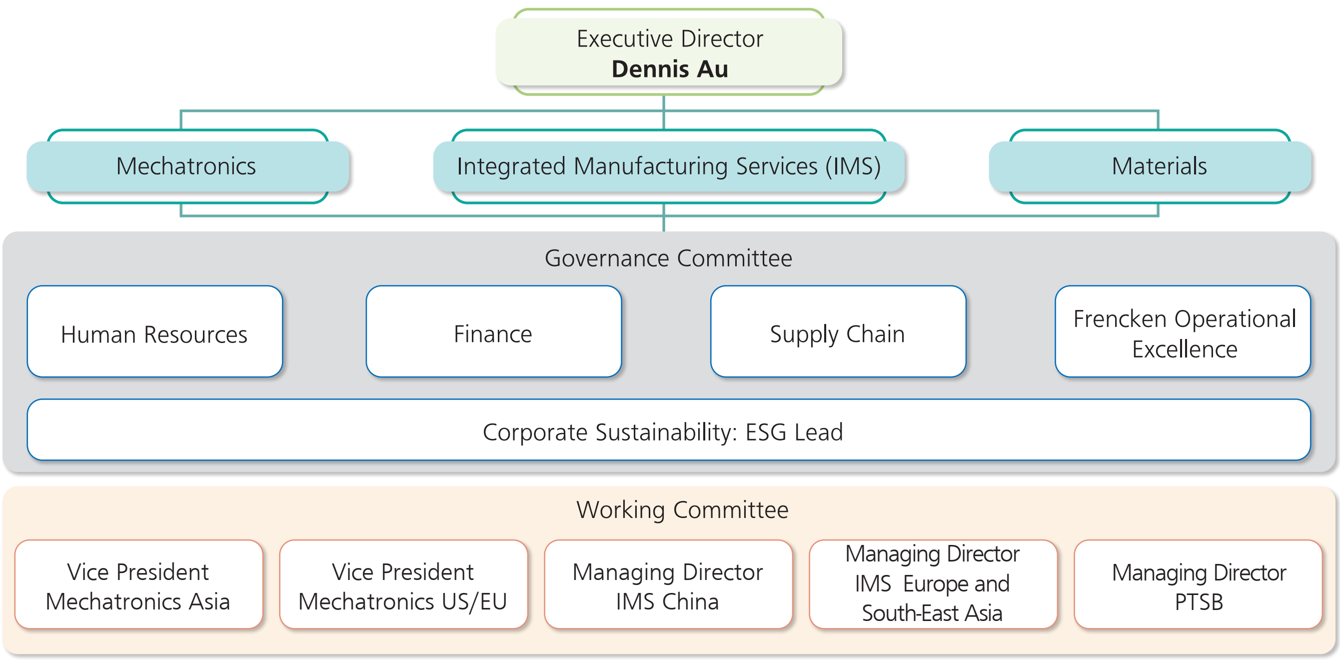
Our Board members represent cumulative years experience with significant core competencies suited to the diversified business of Frencken. Directors are highly experienced, renowned for their integrity in domain expertise and innovations in Science Computing, Electronics and Electrical Engineering, Accounting, and Finance. Their wide range of capabilities and intelligence spans across various domains including regional and global roles in high and advanced technology, supply chain manufacturing and hyper scale supply chain management.

In accordance with SGX recommendations, our board members actively participated in board-related trainings organized by Singapore Institute of Directors (SID).

FSL Governance Structure

Frencken's ESG performance management is closely aligned with the Listing Manual issued by the Singapore Exchange Securities Trading Limited (SGX-ST). With full support from Frencken's Board of Directors, sustainability objectives are communicated and implemented by accountabilities in the Sustainability Governance Committee and Sustainability Working Committee. .

The Sustainability Governance Leaders oversee the review and approval of FSL performance information reported in this Sustainability Report, which accompanies the Annual Report 2024.



OUR SUSTAINABILITY APPROACH (CONT'D)

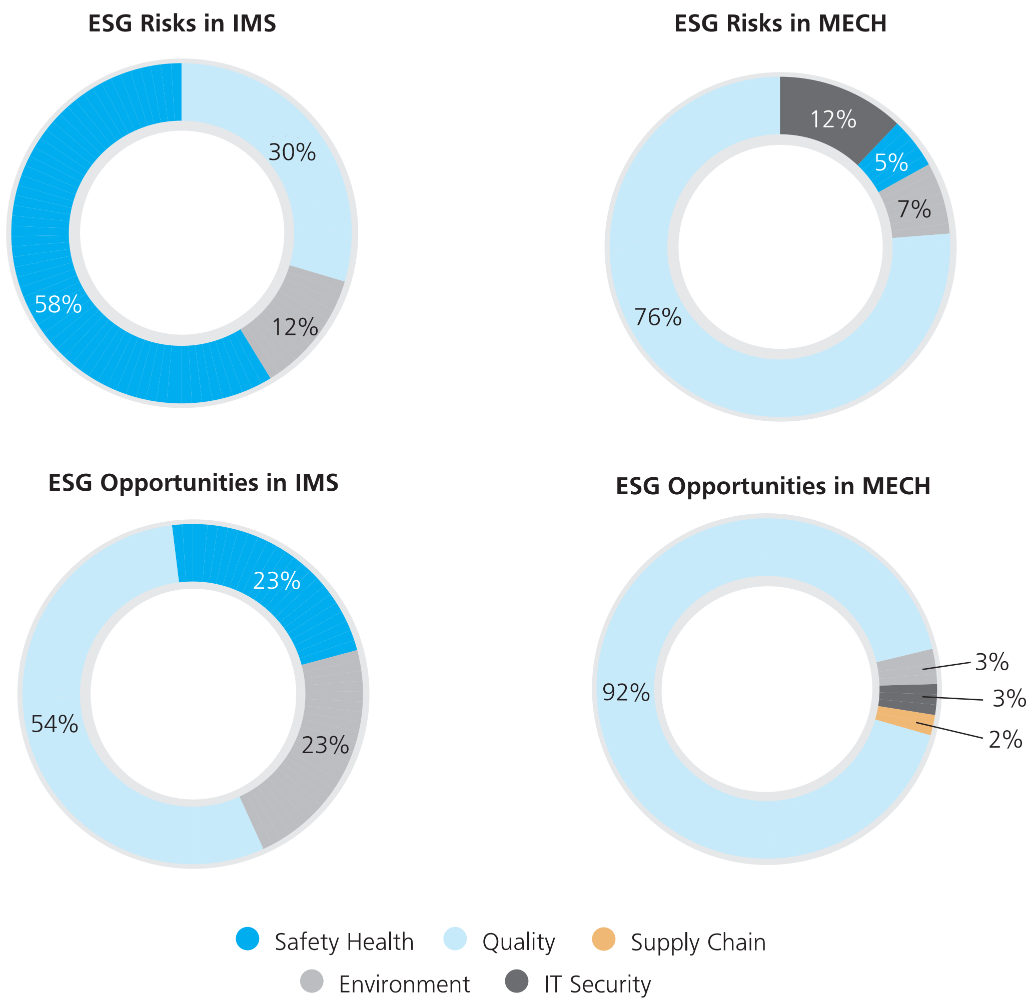
ESG Risk Management

In FY2024, we continue to conduct risk assessments across global operations (including climate risk). This is aligned with SGX requirements for climate reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) guidelines.

The methodology has been integrated into our existing risk register to ensure that all sites consider risks and opportunities according to their relevant significance and urgency. We have deployed dashboard tools to give General Managers at each site access to monitor and minimize risks immediately. Site level operations often engage with the relevant stakeholders to optimize arising opportunities.

Risk minimization requires continuous and proactive approach that identifies potential vulnerabilities before they lead to costly consequences. Regular audits from customers, comprehensive risk assessments, and ongoing digitalized monitoring are essential procedures in place to pinpoint weaknesses in processes, compliance, and safety practices. By addressing these risks early, we have implemented preventive measures, such as updated procedures or enhanced training programs, to reduce exposure and ensure regulatory adherence.

Frencken fosters a culture of accountability and preparedness. Clear communication of compliance requirements, consistent enforcement of safety standards empowers operational teams to make informed decisions that prioritize risk avoidance. Frencken Operational Excellence strategy leverages on technology, such as real-time reporting tools and unified platforms, to provide the visibility needed to respond quickly to emerging risks and maintain operational resilience.



OUR SUSTAINABILITY APPROACH (CONT'D)

Our Supplier ESG Risk Management

In FY2023, Frencken initiated the Responsible Supply Chain Policy, which aims to engage suppliers in mitigating ESG risks within our supply chain. This program was launched as part of an initiative aligned with the requirements of our global customers in the Mechatronics sector.

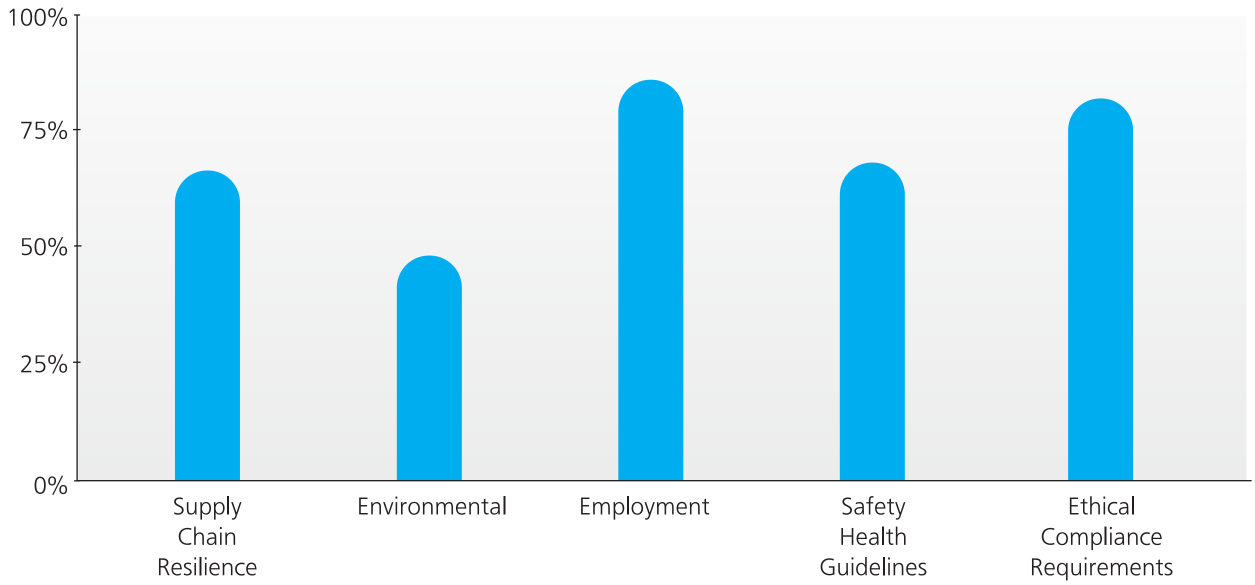
Concurrently implementation of Frencken's Responsible Supply Chain Program involved revising policies, including suppliers and launching a Supplier ESG Survey for key global suppliers as well as new onboarded suppliers in Asia Mechatronics. Additionally, we updated our Supplier Selection and Audit criteria to integrate ESG assessments.

As a resilient supply chain partner for global customers, we are cognizant of risks and methods to minimize them. Frencken has utilized digital tools to establish visibility of supply chain risks across all operating sites as well as our subsidiary Penchem.

Suppliers' ESG Risk survey was aligned to also track Scope 3 emissions attributed by supply chain partners. An average score of 80% compliance was evidenced in 70% of the survey respondents from a population of about 1200 suppliers worldwide in FY2024. 10% of these global suppliers have alignment with global supply chain emissions measurements.

Notably, compliance scores were 86% for Employment, 81% on Ethics, 69% for Safety and Health, 68% for Supply Chain Resilience, demonstrating preparedness in the event of a supply chain disruption. Furthermore, we observed average scores of 49% for Environment protection, thus making future supplier engagements significant for improvements.

Supplier ESG Risk Assessment FY2024



Our Materiality FSL Phase 1 and Phase 2

During FY2022, we conducted an internal materiality review to pinpoint specific Environmental, Social, and Governance (ESG) topics deemed significant by stakeholders and with a notable impact on Frencken. These identified material factors remained pertinent throughout FY2024. In FY2026, we will initiate a fresh round of materiality review to align with the standards set by the International Sustainability Standards Board (ISSB) under IFRS S1 and S2.

Our Sustainability Performance Strategy

Our materiality assessment for FY2024 identified eight priority indicators, similar to FY2022. We maintain an ongoing vigilance over and integration, recognizing their significant operational impact on our business.

OUR SUSTAINABILITY APPROACH (CONT'D)

Global ESG Reporting Trends beyond FY2024

From the beginning of our FSL Journey, in FY2022, we conducted an internal materiality review to pinpoint specific Environmental, Social, and Governance (ESG) topics deemed significant by stakeholders and with a notable impact on Frencken's business. Those material factors remain pertinent throughout FY2024.

Frencken continues to improve its sustainability related risks and opportunities and disclosing material information. As per SGX Practice Note 7.6, item 4.10 Frencken will establish alignment with IFRS Sustainability Disclosure Standards according to the four pillars of the TCFD recommendations: governance, strategy, risk management, and metrics and targets in FY2024. It will continue to study and report its climate-related risks associated with both physical and transitional risks impacting its operations globally in the future taking into consideration scenario analysis to assess climate resilience.

We acknowledge there are global trends in sustainability reporting that would impact future disclosures. GRI Standards is being revised to accommodate sector level disclosures including manufacturing.

In FY2026, we will initiate a fresh round of materiality review to align with latest standards and framework in ESG Reporting. The Corporate Sustainability Reporting Directive (CSRD) is mandating ESG disclosures integrating European Sustainability Reporting Standards. There are emerging compliance disclosure for plastic waste and emissions reduction roadmap.

In FY2024 we acknowledge introduction of IFRS S1 and S2 framework to complement TCFD reporting.

International Sustainability Standards Board (ISSB) have set guidance for recommendation statements on sustainability and climate* under IFRS S1 and S2 respectively.

Taskforce for Nature Related Financial Disclosure (TNFD) although launched in 2021, will become a reporting requirement for businesses. We will adhere to the guidelines of SGX to state relevant disclosures.

In FY2024, we acknowledge the launch of Taskforce on Inequality and Social-related Financial Disclosures (TISFD) – a framework prescribing disclosures about impacts, dependencies, risks, and opportunities related to social issues.

Board Audit Committee of Frencken Group is cognizant of the latest standard for sustainability assurance launched in FY2024 by the International Audit Assurance Standards Board which will become an applied framework for ESG assurance audit process after December 2026.

In FY2024, we maintained ongoing vigilance over sustainability reporting trends impacting our business. We integrated where applicable adherence to ESG laws, permits and claims relevant to significant operational and management impact on business.

Note :

Climate* refers to:
Acute physical risk: arising from weather-related events like storms, floods or heatwaves.
Chronic physical risk: longer-term shifts in climatic patterns like sea level rise.
Transition risk: arising from efforts to transition to a lower-carbon economy-include policy, technology and reputation.

OUR SUSTAINABILITY APPROACH (CONT'D)

Our ESG Performance

Frencken's ESG performance shapes decisions made by leaders in operations and management, to drive long-term value creation for global customers and other key stakeholders. FSL strategy and ESG performance has been extended in the past two years to its full spectrum.

We launched the FSL framework in FY2022 and expanded it to include Energy, Water, Emissions, Gender Diversity, Customer Privacy, Anti- Corruption, and Responsible Supply Chain (including Supplier ESG risks) in FY2023.

In FY2024, supplier ESG risks as well as Scope 3 waste have been included as part of the overall impact to our business and supply chain. The ESG targets were reviewed this year to match improvements made year on year for transparency.

As a listed company under SGX, we adhere to sustainability reporting framework SGX "ESG Core Metrics" and comply with reporting standards-Global Reporting Initiative(GRI). We have aligned ESG related investments to the United Nation's Sustainable Development Goals (UN SDGs).

Frencken, monitors ESG Performance via digital technology and tools. Automation and innovative communication technology helps site General Managers to be updated on the ESG performance impacting operations and management decisions. Frencken Operation Excellence strategy have created dashboards for ESG performance, Gender Diversity, Quality Environment Safety & Health, Integrated Risk Assessment, Supplier ESG Risks, Compliance Materials Declaration and traceability.

In FY2024 to keep up with emerging trends on sanctions in supply chain – critical raw materials and Carbon Border Adjustment Mechanism (CBAM) traceability have been set up. These technology tools aid in responding to customers requests for information, third party supply chain audits and regular management systems certification monitoring.

In FY2024, it was an instrumental year for us to establish our carbon data. ESG data patterns reveal alignment with carbon neutrality as we maintain emissions intensity below 1 basis point. This corresponds also with Net Zero emission controls prescribed by our global customers*.

Frencken's Carbon Inventory	FY2022	FY2023	FY2024
Scope 1 (in tonnes of CO2 eq)	9,700	10,085	22,906
Scope 2 (in tonnes of CO2 eq)	28,871	25,959	26,163
Scope 3 Waste (in tonnes of CO2 eq)	247	233	248
Scope 3 Upstream transportation and distribution (in tonnes of CO2 eq)	Not applicable	9,922	To be confirmed
Total Emissions (in tonnes of CO2 eq)	38,818	46,199	49,317
Revenue (in SGD '000)	786,107	742,859	794,333
Emissions Intensity	0.00005	0.00006	0.00006

Note :

Scope 1 FY2023 increased to 10,085 tonnes as all operating sites got on board to understand emission attributes.
Full data coverage and consistency was established in FY2024.

Scope 3 Upstream transportation and distribution refers to Scope 1 and 2 of our supply chain partners.
In FY2023 engagements with suppliers on Frencken's Responsible Supply Chain Policy was initiated to explain expectations on Scope 1 and 2 data collation.
In FY2024 data was collated from all operating sites of Frencken, globally.
In FY2025 engagements with suppliers will continue to emphasize data adequacy.

Emissions Factors and Global Warming Potential used to establish Scope 1, 2 and 3 emissions refer to the latest GHG Protocol.
GHG Protocol is a globally recognized framework and accounting standard used by businesses to measure, report, and manage greenhouse gas (GHG) emissions.
The Singapore Exchange (SGX) recognizes GHG Protocol for ESG reporting

Scope 1 Emissions include combustion fuel, heating gas. Cooling gases were excluded due to minor impact.
FY2024 Scope 1 cooling gas was less than 1.0 tons.
Scope 3 Supplier data exclude cooling gas as the emissions were less than 0.5 tons.

Scope 3 Emissions from Waste include hazardous and non-hazardous waste by category.
Emission factors for Waste was obtained from GHG Protocol

Scope 3 Emissions Upstream include Supplier Scope 1 and 2.
Downstream transportation was excluded due to minor impact to operations.
Emissions impact from operations measured "to gate" due to capital product manufacturing as supply chain partner.

Scope 3 Exclusions due to Low Impact: Business travel and Employee commute
Scope 3 Exclusion due to Unknown Estimates on Emission Factors: Purchased goods and services and capital goods.
Scope 3 Exclusions due to Non-Relevance: Fuel-and-energy-related activities, Upstream leased assets, Investments,
Processing of sold products, Use of sold products, End of life treatment of sold products,
Downstream transportation and distribution, Downstream leased assets, Franchises.

Customers * refers to The Zero Carbon Program. JTJ recorded 53% intensity reduction for FY2024 (Scope 1 and 2) from base year FY2021.

OUR SUSTAINABILITY APPROACH (CONT'D)

Our ESG Performance (cont'd)

Diagram below illustrates our ESG performance overview.

FSL Performance Indicator	FY2022 (%)	FY2023 (%)	FY2024 (%)
Environment	69	76	67
Social	50	71	78
Governance	73	71	82

Note :

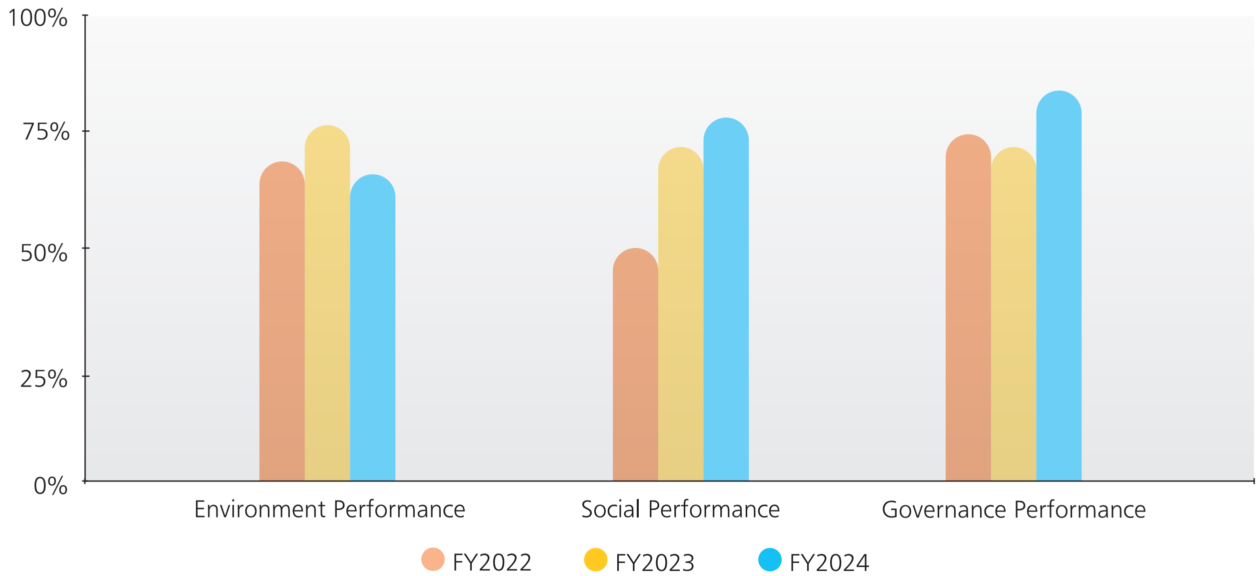
FY2022 sites included under Mechatronics were FMMSB, ETLA SG, ETLA WX, FEBV (comprises of OPT, MFE, FMT) FAM and AVM SG.

FY2022 sites includes under IMS were JST, NTZ, JUI, JTH, JTJ, JTM, JMAT, FCZ, JJD and JZH.

FY2023 PTSB was added to the list of sites.

FY2024 JST and JTM were excluded as these 2 sites are undergoing transformation as Centre of Excellence and Regional Sales Hub

FSL Performance Overview



From the above diagram, it is evidenced that Frencken's ESG performance encompasses all its operating sites. Significant improvements in Social and Governance for FY2024 while Environment aspects are being improved via various transformation plans across our global operations.

In FY2024 we established our Scope 3 emissions (Environment), we also have visibility on the overall Equality in Gender and Diversity (Social) within talent of Frencken, and this year also marks the second year in supplier engagement as part of the global supply chain transformation plan and Responsible Supply Chain initiatives (Governance).

SUSTAINABILITY REPORT (CONT'D)

OUR SUSTAINABILITY APPROACH (CONT'D)

Frencken's FSL Performance

FY2024 results reflect on the improvements we have made in ESG performance Year on Year for material items below.

Environment	Social	Governance
• Direct Material • Energy • Water • Emission Scope 1 • Emission Scope 2 • Emission Scope 3 (Waste and Upstream)	• Employee Training • Employee Turnover • Employee Safety	• Local Supplier • Locally Hired Senior Management • Standardized Minimum Wage • Policy inclusion & engagement Anti Bribery Corruption Anti Competition

Our ESG Performance Overview FY2024

ESG FSL	Entities														
	IMS									MECH ASIA			MECH EU & US		OTHER
	JZH	FCZ	JJD	JMAT	JTH	JUI	JTJ	NTZ	ETLA SG	AVM SG	FMMSB	ETLA WX	FEBV *	FAM	PTSB
Environment															
Direct Material in Value	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	In Progress	Improvement needed	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	In Progress	Positive ESG Performance
Hazardous Waste	Improvement needed	Positive ESG Performance	In Progress	Positive ESG Performance	Improvement needed	In Progress	Improvement needed	Improvement needed	Improvement needed	Positive ESG Performance	Improvement needed	Improvement needed	Positive ESG Performance	Improvement needed	Positive ESG Performance
Non-hazardous Waste	Positive ESG Performance	Improvement needed	In Progress	Not applicable	Positive ESG Performance	In Progress	Improvement needed	Improvement needed	Positive ESG Performance	Positive ESG Performance	In Progress	Improvement needed	Positive ESG Performance	Positive ESG Performance	In Progress
Scope 1 Total Emission	Positive ESG Performance	Not applicable	Not applicable	Not applicable	Improvement needed	Improvement needed	Improvement needed	Not applicable	Positive ESG Performance	Improvement needed	Improvement needed	Improvement needed	Positive ESG Performance	Improvement needed	Improvement needed
Scope 2 Total Emission	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Improvement needed	Improvement needed	Improvement needed	Not applicable	Improvement needed	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance
Scope 2 Electricity (KwH)	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Improvement needed	Improvement needed	Improvement needed	Positive ESG Performance	Improvement needed	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance
Renewable Energy (KwH)	In Progress	Positive ESG Performance	In Progress	In Progress	Positive ESG Performance	In Progress	In Progress	Positive ESG Performance	In Progress	In Progress	In Progress	In Progress	Positive ESG Performance	Positive ESG Performance	In Progress
Water Consumption	Positive ESG Performance	Positive ESG Performance	In Progress	Positive ESG Performance	Positive ESG Performance	Improvement needed	Improvement needed	In Progress	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Improvement needed	Improvement needed	Positive ESG Performance	Improvement needed
Social															
Employee Training	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	In Progress	Positive ESG Performance
Employee Retention	Improvement needed	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Improvement needed	Positive ESG Performance	Improvement needed	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Improvement needed	Improvement needed	In Progress	Positive ESG Performance
Employee Safety	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	In Progress	Positive ESG Performance	Improvement needed	Positive ESG Performance	Improvement needed	Improvement needed	Positive ESG Performance	Positive ESG Performance	Improvement needed	In Progress	Positive ESG Performance
Economic**															
Local Supplier	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Improvement needed	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance
Locally Hired Senior Management	Improvement needed	Not applicable	Positive ESG Performance	Improvement needed	Improvement needed	Improvement needed	Positive ESG Performance	Positive ESG Performance	In Progress	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance
Standard Entry Level Wage	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Not applicable	Not applicable	Not applicable	Positive ESG Performance	Positive ESG Performance	Not applicable	Not applicable	Positive ESG Performance

Improvement needed   Positive ESG Performance   In Progress   Not applicable

* *FEBV consists of 4 Europe Units which are FEBV, FMT, OPT and MFE.*

** *Economic/Economy and Governance is used interchangeably.*

OUR SUSTAINABILITY APPROACH (CONT'D)

FSL Environment

ESG Performance Environment was recorded at 67% as compared to 76% the previous year. In FY2024 Environment Performance is monitored by change year on year. Any downward movement in consumption of natural resources and emission discharges is considered positive ESG Environment Performance.

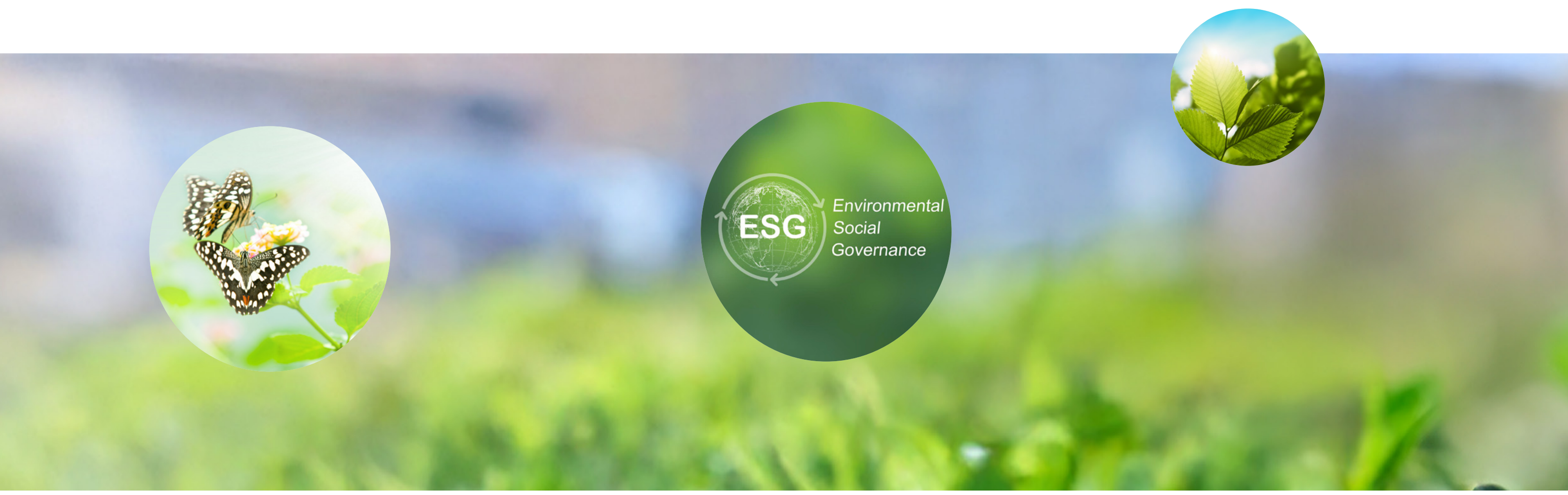
As strategic partners in global manufacturing, our operations' environmental performance is intricately tied to the diverse industry segments we serve and the growth of business demand in those segments. This encompasses possible increase in materials sourcing, consumption of natural resources, generation of waste, and the generation of emissions and effluents.

In FY2024, emissions Scope 1 (from facility-based fuel combustion in company vehicles, forklifts, and gases utilized in heating processes) and Scope 2 (attributed by electricity consumption) has been included. Scope 3 (from hazardous and non hazardous waste as well as upstream supply chain emissions) was the new addition to FY2024 Environment disclosures. This is indicative of aligning with global sustainability requirements around emission controls.

Our commitment to responsible supply chain practices is underscored by our ongoing efforts to monitor direct materials utilized in production to keep track of material compliance. We have traceability over CMRT, PFAS, Rare Earth Minerals and CBAM materials.

ESG FSL	Entities														
	IMS									MECH ASIA			MECH EU & US		OTHER
	JZH	FCZ	JJD	JMAT	JTH	JUI	JTJ	NTZ	ETLA SG	AVM SG	FMMSB	ETLA WX	FEBV	FAM	PTSB
Environment															
Direct Material in Value	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	In Progress	Improvement needed	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	In Progress	Positive ESG Performance
Hazardous Waste	Improvement needed	Positive ESG Performance	In Progress	Positive ESG Performance	Improvement needed	In Progress	Improvement needed	Improvement needed	Improvement needed	Positive ESG Performance	Improvement needed	Improvement needed	Positive ESG Performance	Improvement needed	Positive ESG Performance
Non-hazardous Waste	Positive ESG Performance	Improvement needed	In Progress	Not applicable	Positive ESG Performance	In Progress	Improvement needed	Improvement needed	Positive ESG Performance	Positive ESG Performance	In Progress	Improvement needed	Positive ESG Performance	Positive ESG Performance	In Progress
Scope 1 Total Emission	Positive ESG Performance	Not applicable	Not applicable	Not applicable	Improvement needed	Improvement needed	Improvement needed	Not applicable	Positive ESG Performance	Improvement needed	Improvement needed	Improvement needed	Positive ESG Performance	Improvement needed	Improvement needed
Scope 2 Total Emission	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Improvement needed	Improvement needed	Improvement needed	Not applicable	Improvement needed	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance
Scope 2 Electricity (KwH)	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Improvement needed	Improvement needed	Improvement needed	Positive ESG Performance	Improvement needed	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance
Renewable Energy (KwH)	In Progress	Positive ESG Performance	In Progress	In Progress	Positive ESG Performance	In Progress	In Progress	Positive ESG Performance	In Progress	In Progress	In Progress	In Progress	Positive ESG Performance	Positive ESG Performance	In Progress
Water Consumption	Positive ESG Performance	Positive ESG Performance	In Progress	Positive ESG Performance	Positive ESG Performance	Improvement needed	Improvement needed	In Progress	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Improvement needed	Improvement needed	Positive ESG Performance	Improvement needed

Improvement needed | Positive ESG Performance | In Progress | Not applicable



OUR SUSTAINABILITY APPROACH (CONT'D)

FSL Social

Employee Training, Turnover and Safety

Within Frencken, we prioritize the well-being and health of our employees in the workplace. Our overall performance on social topics reached 78% as compared to 71% in the previous year. Such improvements are underscored by the ongoing HR digital transformation and improved coverage in employee inclusions for competency trainings and well-being management.

As an organization, Frencken maintains around 3600 headcount annually to navigate production demand and management strategies. Frencken has built a stronger foundation in our people by emphasizing on safe work conditions, and competency trainings which results in stable retention rates of our diverse talent pool.

Social Performance is monitored by improvements in employee training hours, retention rates and safer working conditions with zero safety related incidences. Any upward movement in maintaining safety and health in the workplace, reducing turnover and increasing training for competency development is considered positive ESG Social Performance.

ESG FSL	Entities														
	IMS									MECH ASIA			MECH EU & US		OTHER
	JZH	FCZ	JJD	JMAT	JTH	JUI	JTJ	NTZ	ETLA SG	AVM SG	FMMSB	ETLA WX	FEBV	FAM	PTSB
Social															
Employee Training	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	In Progress	Positive ESG Performance
Employee Retention	Improvement needed	Positive ESG Performance	Positive ESG Performance	Improvement needed	Positive ESG Performance	Improvement needed	Positive ESG Performance	Improvement needed	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Improvement needed	Improvement needed	In Progress	Positive ESG Performance
Employee Safety	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	Positive ESG Performance	In Progress	Positive ESG Performance	Improvement needed	Positive ESG Performance	Improvement needed	Improvement needed	Positive ESG Performance	Positive ESG Performance	Improvement needed	In Progress	Positive ESG Performance

Improvement needed   Positive ESG Performance   In Progress

OUR SUSTAINABILITY APPROACH (CONT'D)

FSL Social (cont'd)

Gender Diversity and Equality (GDEI Performance)

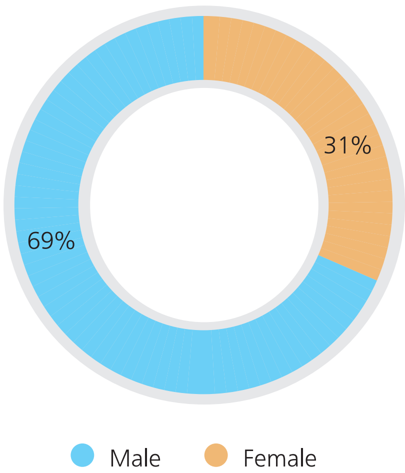
In FY2024 we continue to gain insights on Social - ESG Performance, underscored by significant diversity and equality value to the business described below.

Gender Diversity and Equality performance index (GDEI) is aimed to demonstrate balance across demography- gender (G), age composition (D), and average basic salary (E).

FY2024 GDEI data is aligned with our value proposition of Breadth of Capabilities, where we demonstrate the strength in competencies of talent in Frencken talent by number of roles in Profit and Loss departments (P&L functions) as well as number of roles in Science, Technology, Engineering and Mathematics (STEM functions). Inclusion efforts were directed towards fostering employment opportunities based on merits of the surrounding societal demography.

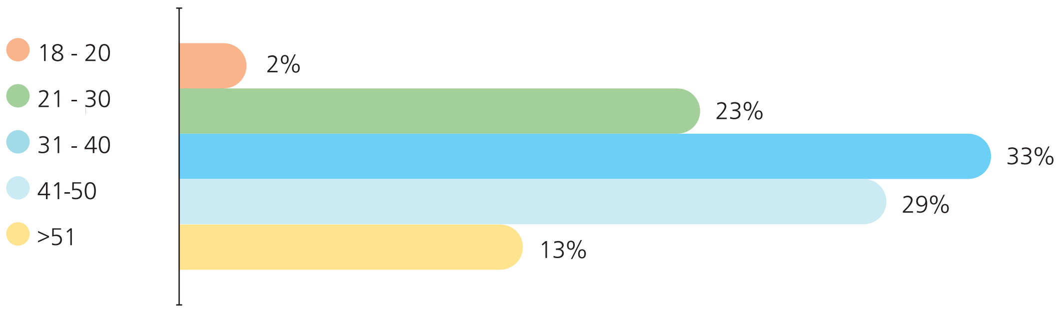
Across Frencken's core business segments Mechatronics and IMS we maintain a gender balance of of 69:31 (Male: Female).

Total Employees by Gender



Frencken maintains a balanced talent pool for manufacturing sector where 85% of our workforce are within the 21 to 50 age group.

Total Employees by Age



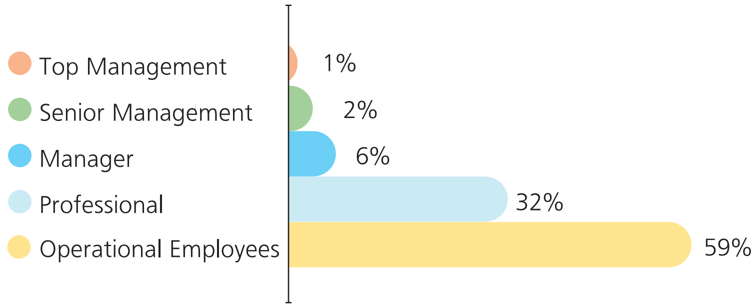
OUR SUSTAINABILITY APPROACH (CONT'D)

FSL Social (cont'd)

Gender Diversity and Equality (GDEI Performance) (cont'd)

We acknowledge the high value contributions of expertise and experiences, to the growth of the business, therefore balancing 91% of professionals and operation workforce with Management teams.

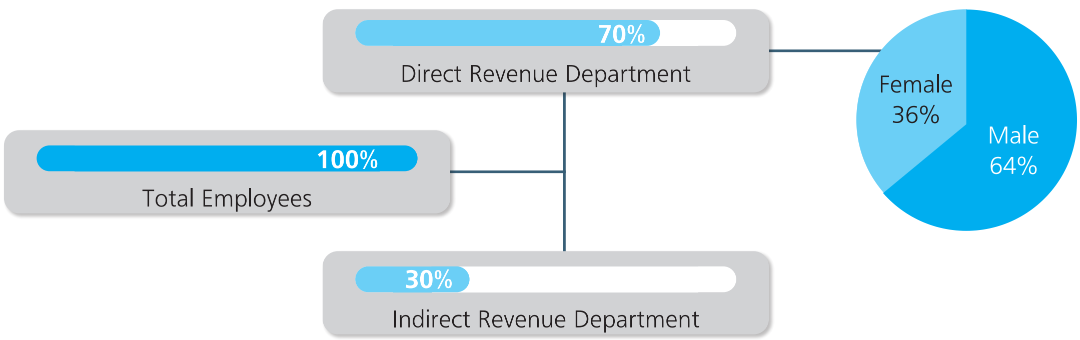
Total Employees by Position Class



GDEI – Total Employees by Direct and Indirect Revenue Department

Frencken's manufacturing capabilities is well renown in the industry networks. We promote gender inclusion in all customer led engagements. We have also conducted several cross exposure programs in FY2024 which mandated participation of female employees.

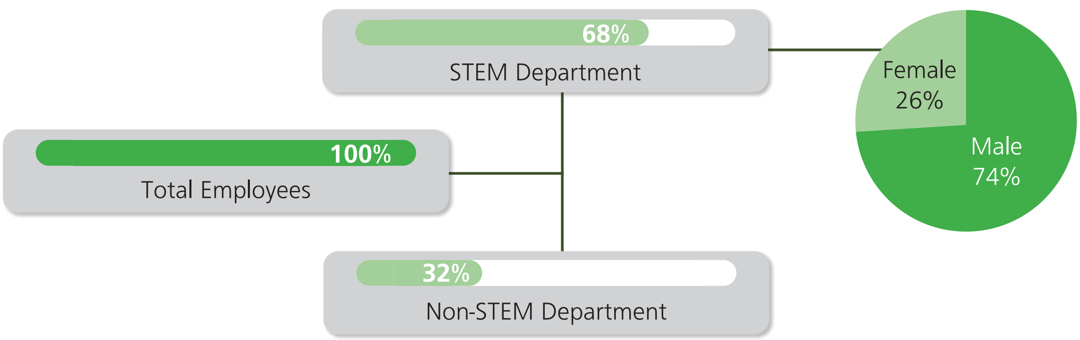
Direct and Indirect Revenue Department



GDEI – Total Employees by Direct and Indirect STEM Department

Frencken's business support innovation and technology developments of global customers. We promote gender inclusion in Science, Technology, Engineering and Mathematics related roles within Departments of all operating sites. We have had customer- led training opportunities to raise STEM competencies around Quality, Production, Technical knowledge in FY2024, which mandated participation of female employees.

STEM and Non-STEM Department



OUR SUSTAINABILITY APPROACH (CONT'D)

FSL Social (cont'd)

Data Privacy and IT Security

In FY2024, Frencken was focused on strategic consolidation, primarily to enhance efficiency, security and operational cohesion across entities and geographies.

This includes unifying all Frencken's system profiles and productivity tools under a single common platform to reinforce consistent security protocols and streamline collaboration.

Additionally, key system management tools were centralized to enable a more robust oversight, while security controls were harmonized across the organization to strengthen our cybersecurity posture.

These ongoing initiatives serve as a critical foundational framework for the advancements of our long-term digital transformation.

In addition we had deployed policies aligned with international standards ISO27001 and TISAX, Risk and Crises Management, Capacity Development, Customer Collaboration and Expert Vendor Deployment in FY2024. Frencken has intensified investments for IT Security this year.

Management Systems Compliance (Quality, Environment, Safety and Health)

Frencken in FY2024 raised the bar for visibility and compliance traceability monitoring in operations by integrating digital tools.

These tools inform key stakeholders- customers and third- party auditors of the validity of management system certification programs, compliance rates for specific supply chain benchmarks such as RBA, Ecovadis, CDP and M2030.

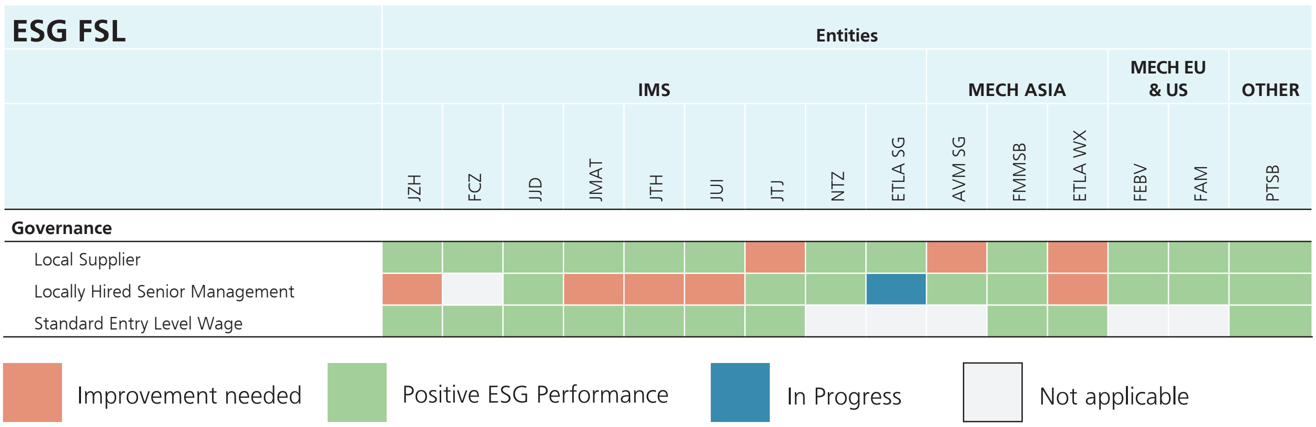
QESH	Entities														
	IMS									MECH ASIA			MECH EU & US		OTHER
	JZH	FCZ	JJD	JMAT	JTH	JUI	JTJ	NTZ	ETLA SG	AVM SG	FMMSB	ETLA WX	FEBV	FAM	PTSB
Quality															
Validity of IATF 16949	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Compliant
Validity of ISO9001	Not applicable	Not applicable	Not applicable	Not applicable	Compliant	Not applicable	Not applicable	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Validity of ISO45001	Not applicable	Compliant	Not applicable	Compliant	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Validity of 14001	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	In Progress	In Progress	In Progress	In Progress	Compliant	Not applicable	Compliant
Validity of Other Certification (AS9100D/Green Industry/ ISO13485/TISAX)	Not applicable	Not applicable	Not applicable	Not applicable	Compliant	Not applicable	Compliant	Compliant	Compliant	Compliant	Not applicable	Compliant	Compliant	Not applicable	Not applicable
Intergrated Risk Assessment	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	In Progress	Compliant	Compliant	Compliant	Compliant	In Progress	Not applicable
RBA/Ecovadis/CDP Rating/SAQ/M2030	Compliant	Compliant	Not applicable	Not applicable	Not applicable	Not applicable	Compliant	Compliant	Compliant	Not applicable	Compliant	Compliant	Compliant	Not applicable	Not applicable
Environment															
ROHS/REACH	Compliant	Not applicable	Not applicable	Not applicable	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
PFAS	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress
CMRT (Conflict Mineral Reporting)	Compliant	Not applicable	Not applicable	Not applicable	Not applicable	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Safety & Health															
Promotion of employee's health	Compliant	Compliant	Compliant	Compliant	Compliant	In Progress	Compliant	Compliant	Compliant	In Progress	Compliant	Compliant	In Progress	In Progress	Compliant
Training (Q.E.S.H) - Competency Certificate	Compliant	Compliant	Compliant	Compliant	Compliant	In Progress	Compliant	Compliant	Not applicable	In Progress	Compliant	Compliant	Compliant	Compliant	Compliant

Compliant   In Progress   Not applicable

OUR SUSTAINABILITY APPROACH (CONT'D)

FSL Governance

ESG Performance Governance was recorded at 82% as compared to 71% the previous year. In FY2024 Governance Performance is monitored by change year on year. Any upward movement in local supplier, locally hired senior management and increase in number of employees receiving standardized minimum wage is considered positive ESG Governance Performance. Other Governance related policy inclusions are for Anti Bribery and Anti Competition. Policy engagements include publishing the declaration on Frencken's website as well as employee and stakeholder engagement.



Responsible Supply Chain

In FY2024 we made improvements as a responsible supply chain partner to global customers by assessing the ESG risks of third-party suppliers indicated as part of supply chain risk management. Refer to page 35.

Anti Competition

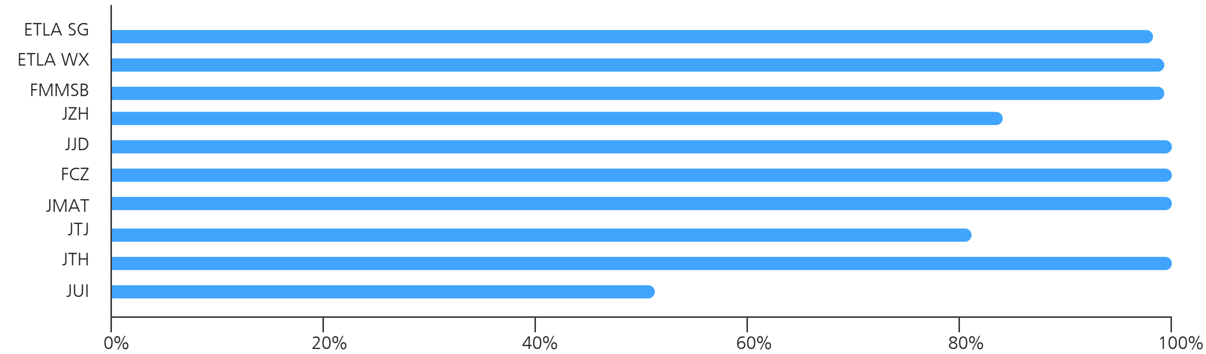
In FY2024 under the purview of Legal Division, Frencken Group published a declaration statement for Anti-Competitive Behaviour. We acknowledge Competition Law is designed to guard against anti-competitive activities. Such are activities that could lead to higher prices, reduced quality and levels of service, or less innovation. Failure to comply with competition law may lead to significant fines, compensation claims or agreements being unenforceable.

In Frencken we adhere to the Singapore Stock Exchange (SGX) Anti-Competition policy which is governed by the Singapore Competition Act, prohibiting practices that could substantially lessen competition within the market, including price fixing, market sharing, bid-rigging, and mergers that significantly reduce competition within business sectors.

Anti Bribery Corruption

In FY2024 Frencken Group continues to strengthen Anti-Bribery and Corruption (ABC) policy engagements through revisions of the online learning and assessment modules. This on-going activity has resulted in zero reported cases related to ABC. For Europe sites we are embarking on a new digital technology which expands coverage on the online platform.

Employees who completed the online assessment in FY2024



OUR SUSTAINABILITY APPROACH (CONT'D)

Our TCFD Reporting

Frencken has taken a proactive approach in ensuring our operations and management align with TCFD Recommendations since the launch of our sustainability journey. We acknowledge climate risks causes financial impact- to financial performance and financial position statements

The objective of the Task Force's Recommendations is for companies to evaluate and disclose, material climate related risks and opportunities that are most pertinent to core business.

Climate risks consists of risks related to the transition to a low-carbon economy and those risks related to the physical impacts of climate change.

Further sub-categories of transition and physical risks which impacts our core business was examined. As risks were assessed, climate-related opportunities emerged, categorized as below.

Physical Climate Risk	Climate Transition Risk
• Acute • Chronic	• Policy and Legal • Technology • Market • Reputation
Climate Related Opportunities	
• access to new markets • resource efficiency and cost savings • adoption of low-emission energy sources • development of new products and services • strengthen resilience along the supply chain	

ESG and Emissions Related Financial Impact	
Financial Performance	**Financial Position**
Revenue a) Physical and Transition Risk affect product demand and pricing. b) Potential opportunities to collaborate with supply chain partners who are aligned with ESG requirements open up new market access.	**Assets and Liabilities** a) Climate risk impacts valuation of assets and raises potential for new technology adoption. b) Decisions made on new investments, process replanning, new material inputs, write-downs, or impairment has to correspond with appropriate increase in new business.
Expenditure a) Lower-cost suppliers may be more resilient to changes and agile to address ESG requirements quickly. b) Agility and adaptation, to short and medium- term changes paves the way to attract investment potential in both opex and capex. c) Transparency of ESG plan provides greater access to capital markets or improved financing terms.	**Capital and Financing** a) Climate-related risks and opportunities may change the profile of an organization's debt and equity structure. b) Decisions made to on change in capital and reserves from operating losses or asset write downs should be appropriately evaluated and with validated emissions related impairment. c) Decisions made to raise new equity to meet investment needs should be appropriately considered for long term value creation to the core business.

OUR SUSTAINABILITY APPROACH (CONT'D)

Our TCFD Reporting (cont'd)

Types of Transition Risks	Climate Related Risks	Financial Impact	Impact to Frencken
Policy and Legal	• Increased pricing of GHG emissions • Enhanced emissions-reporting obligations • Mandates on and regulation of existing products and services	• Increased operating costs (e.g., higher compliance costs)	High
Technology	• Substitution of existing products and services with lower emissions options • Costs to transition to lower emissions technology	• Capital investments in technology development • Costs to adopt/deploy new practices and processes	High
Market	• Customers' compliance • Increased cost of raw materials	• Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment) • Abrupt and unexpected shifts in energy costs • Unexpected change in revenues margins	High
Reputation	• Stigmatization of sector • Increased stakeholder concern- suppliers/ investors	• Reduced revenue margins due to unaccounted cost of compliance and audits	High

Types of Physical Risks	Climate Related Risks	Financial Impact	Impact to Frencken
Chronic	• Changes in extreme weather patterns • Rising mean temperatures • Rising sea level	• Information not available	• Information not available
Acute	• Severe weather events- floods/storms/ winds	• Reduced revenues from decreased production capacity (e.g., transport difficulties, supply chain interruptions) • Reduced revenues and higher costs from negative impacts on workforce (e.g., health, safety, absenteeism) • Write-offs due to assets (e.g., damage to property and assets in "high-risk" locations) • Increased operating costs. • Increased capital costs • Reduced revenues from lower sales/output • Increased insurance premiums	• Low risk due to "low-climate risk" locations

OUR SUSTAINABILITY APPROACH (CONT'D)

Our TCFD Reporting (cont'd)

Types of Climate Related Opportunities		Financial Impact	Impact to Frencken
Resource Efficiency	• Increased recycling rates • Move to more efficient buildings	• Reduced operating costs	Medium
Energy Efficiency	• Use of lower-emission sources • Tap into supportive policy incentives • Use of new lighting	• Reduced GHG exposure • Investors prefer lower emission operations	Medium
Product and Services	• Product emissions compliance • Potential collaboration with customers through R&D and innovation	• Potential increase in revenue due to agile operations (i,e transfer products to lower risk locations) • Potential in competitive position as lower emissions operations	Medium
Market	• Access to new global customers	• Potential increase in revenues through access to new and emerging markets – Europe, US	High
Resilience	• Participate in global customer audits and leverage on transition plans.	• Potential increase in market valuation due to resilience and reliability of supply chain • Potential increase in revenue	High

Frencken is cognizant of the latest risk and opportunities assessment prescribed under IFRS S1 (ESG Risk) and S2 (Climate Risk)

	IFRS S1: General Sustainability Disclosures	IFRS S2: Climate-Related Disclosures
Objective	Information about **significant sustainability-related risks and opportunities**. Disclosures should be useful to the primary users of general purpose financial reporting in making decisions related to providing resources to the entry.	Information about **climate-related risks and opportunities**. Disclosures should assist users in understanding the use of resources and evaluating strategies, business model, and operational adaptation abilities.
Key Disclosure Topics	Governance – Processes, controls, and procedures to monitor and manage **sustainability-related** risks and opportunities. Strategy – Approach for addressing **sustainability-related** risks and opportunities that could affect business model and strategy over the short, medium, and long term. Risk management – Processes to identify, assess, and manage **sustainability-related** risks. Metrics and targets – information used to assess, manage, and monitor performance of **sustainability-related** risks and opportunities.	Governance – Processes, controls, and procedures to monitor and manage **climate-related** risks and opportunities. Strategy – Approach for addressing **climate-related** risks and opportunities that could affect business model and strategy over the short, medium, and long term. Risk management – Processes to identify, assess, and manage **climate-related** risks. Metrics and targets – Cross-industry metrics, **industry-based** metrics, and other metrics used to measure **progress toward targets**.

OUR SUSTAINABILITY APPROACH (CONT'D)

Our TCFD disclosure aligned to IFRS S1 and S2

Type	Climate-Related Opportunities	Frencken's Response
Governance	a. Describe the board's oversight of climate- related risks and opportunities. b. Describe management's role in assessing and managing climate-related risks and opportunities.	• Board interacts with key internal and external stakeholders on ESG Performance on a quarterly basis. • CEO and Sustainability Governance Leaders determine, ESG reviews and guide if there are major actions on major actions, such as significant capital expenditures, across the Group. • Sustainability Working Committee and ESG Lead monitors ESG strategy and implementations at site level. • Site level General Managers are accountable for operation level ESG performance and targets.
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term. b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	• ESG Performance and targets are determined to reduce ESG risks. • Annually material financial impact related to ESG matters on the financial position statement is assessed to identify risks and opportunities could have a material financial performance impact on the business. • Our ESG performance includes direct materials, energy, emissions, water, employment, turnover, equality and diversity, safety health, training, IT privacy, anti bribery, market presence, responsible supply chain practices that are interdependent, and help to create value over time for Frencken's financials • We seek to collaborate with government stakeholders for biofuel and renewable subsidies. • Board is kept up to date on emerging ESG issues that may have potential impact on our financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities).
Risk Management	a. Describe the organisation's processes for identifying and assessing climate-related risks. b. Describe the organisation's processes for managing climate- related risks. c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	• Sustainability Working Committee at operating sites updated the climate-related risk and opportunities assessment in FY2024 • We have a risk hazard and opportunities dashboard to trace risk minimization plans within short, medium and long term. • Sustainability Governance Leaders monitor ESG risks matters with ESG Lead on quarterly basis.
Metrics and Targets	a. Describe the metrics used by the organisation to assess climate- related risks and opportunities in line with its strategy and risk management process. b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c. Describe the targets used by the organisation to manage climate-related risks of the business.	• In FY2024 we continue to track changes in use of resources – electricity and water, maintaining reduction trajectory which also applies to Emissions Scope 1, 2 and 3 (Waste and Upstream supply chain).

OUR SUSTAINABILITY APPROACH (CONT'D)

INTERNAL AUDIT REVIEW OF ESG CONTROLS

SGX Listing Rule 719 mandates companies to establish adequate and effective internal controls and risk management systems. Frencken has launched an internal review procedure to complement our existing internal audit process.

The internal audit function primarily monitors compliance with policies, processes, and internal controls to ensure the accuracy, consistency, and comparability of reported data with internal department functions.

Internal audit ensures internal controls regarding ESG performance reporting.

This internal review procedure conducted by Internal Audit serves as an additional measure under Governance, ensuring the provision of adequate and effective controls and risk management.

Frencken adheres to this internal review procedure to ensure management and the board are responsible for the company's sustainability reporting.

As a Group, Frencken will continue providing internal assurance for our ESG Performance while monitoring developments in competent external audit assurance, including the latest International Standard on Sustainability Assurance (ISSA) 5000.

During our ESG Observations internal review in FY2024, ten low-risk findings were observed across seven operating sites. By December 2024, site Management had swiftly closed 60% of these findings. The remaining findings are categorized as open items, subject to Group-level engagement and technology integration planned in FY2024 and FY2025.

Business Segment-Sites	Key Findings	Management Action	External Impediments
• Mechatronics Asia (1) • Mechatronics EU/US (2) • IMS Asia (3) • IMS EU (1)	• To include supplier ESG risk to align with Responsible Supply Chain Policy. • To integrate systems and technology to tag materials for compliance declaration. • Waste related impact.	• Engage with Frencken Group for launch of Supplier ESG risk survey in FY2024. • Engage with Frencken Group on digital tool for materials traceability. • Engage with licensed waste vendors.	• Waste vendor is not mandated by the local authority to measure and support with company's Scope 3 emission numbers.

FSL Performance: UN SDGs Alignment

Frencken has taken a step forward in aligning its Corporate Social Responsibility (CSR) investments with long term value creation. Every operating site is encouraged to improve social impact.

A total of SGD 525,000 was invested in managing employees and other key stakeholder engagements in FY2024, while in FY2023, only SGD 195,000 was allocated. In FY2022 it amounted to SGD 154,000.

A majority of these initiatives were aimed to enhance employee welfare, foster community engagement, and facilitate employees' wellbeing.

The substantial escalation in our CSR investments in FY2024 signifies a concerted and unified endeavor towards advancing social impact programs all throughout our global footprint.

OUR SUSTAINABILITY APPROACH (CONT'D)

FSL Performance: UN SDGs Alignment (cont'd)

Throughout 2024 our continuous focus is in bolstering employee skills and fostering a cohesive work environment through various engagement programs, team-building activities, and comprehensive training sessions. These efforts, aimed at nurturing morale and camaraderie within the Frencken Family, play a pivotal role in enhancing our employees' and communities' overall health and well-being.

FY2024 results for Workers' Health indicates a reduction, as mandatory health screens have periodical assessment requirements for specific employees within related departments- such as vision, audiometry and respiratory tests.

Notably employee engagement activities has increased in FY2024. There were more country specific festivities, community events such as sporting activities, and Frencken family trips which supports diversity. These avenues provide a sense of work life balance to Frencken employees. All activities were coordinated via the Global and site level HR teams. Inclusion was exercised with employees' consensus, careful planning and coordination which ensured all activities adhered with safety protocols in place.

CSR Activities	CSR Investments		
	FY2022 (SGD)	FY2023 (SGD)	FY2024 (SGD)
Employee Engagement	15,290	75,316	205,090
Community Services	9,595	53,519	88,957
Training Teambuilding	4,857	48,558	223,014
Workers' Health	9,624	18,496	7,902

Furthermore, we remain steadfast in our commitment to aligning with the United Nations Sustainability Development Goals. These efforts by our HR teams across all operating sites, transcend into broader sustainability impact to goals 3, 8, 9, 10 and 17, demonstrating our dedication to fostering a healthier, more inclusive and resilient ecosystem. SDG 12 and SDG 13 are reflections of commitment towards emissions Scope 1, 2 and 3.

OUR SUSTAINABILITY APPROACH (CONT'D)

GRI Standards	Disclosures	Page Number(s) and/or Remark(s)
102-1	Name of the organization	Annual Report page 2
102-2	Activities, brands, products, and services	Annual Report page 3 - 9
102-3	Location of headquarters	Annual Report page 26
102-4	Location of operations	Annual Report page 2
102-5	Ownership and legal form	Annual Report page 3 - 9
102-6	Markets served	Annual Report page 6 - 7
102-7	Scale of the organization	Annual Report page 6 - 7
102-8	Information on employees and other workers	Annual Report page 41 - 43
102-9	Supply chain	Annual Report page 35, 45
102-10	Significant changes to the organisation and its supply chain	N/A
102-11	Precautionary Principle or Approach	Annual Report page 30 - 34
102-12	External initiatives	Annual Report page 50
102-13	Membership of associations	N/A
102-14	Statement from senior decision-maker	Annual Report page 27
102-15	Key impacts, risks, and opportunities	Annual Report page 32 - 33, 46 - 49
102-16	Values, principles, standards, and norms of behavior	Annual Report page 56 - 85
102-17	Mechanisms for advice and concerns about ethics	Annual Report page 32 - 33, 45
102-18	Governance structure	Annual Report page 32 - 33
102-19	Delegating authority	Annual Report page 32 - 33
102-20	Executive-level responsibility for economic, environmental, and	Annual Report page 32 - 33
102-21	social topics	Annual Report page 41 - 43
102-22	Consulting stakeholders on economic, environmental, and social topics	Annual Report page 30 - 34
102-23	Composition of the highest governance body and its committees	Annual Report page 32 - 33
102-24	Chair of the highest governance body	Annual Report page 10 - 13
102-25	Nominating and selecting the highest governance body	Annual Report page 56 - 85
102-26	Conflicts of interest	Annual Report page 56 - 85
102-27	Role of highest governance body in setting purpose, values, and strategy	Annual Report page 10 - 12
102-28	Evaluating the highest governance body's performance	Annual Report page 56 - 85
102-29	Identifying and managing economic, environmental, and social impacts	Annual Report page 30 - 34
102-30	Effectiveness of risk management processes	Annual Report page 46 - 49
102-31	Review of economic, environmental, and social topics	Annual Report page 30 - 34
102-32	Highest governance body's role in sustainability reporting	Annual Report page 27
102-33	Communicating critical concerns	Annual Report page 30 - 34
102-34	Nature and total number of critical concerns	Annual Report page 30

OUR SUSTAINABILITY APPROACH (CONT'D)

GRI Standards	Disclosures	Page Number(s) and/or Remark(s)
102-35	Remuneration policies	Annual Report page 68
102-36	Process for determining remuneration	Annual Report page 68
102-37	Stakeholders' involvement in remuneration	Annual Report page 68
102-38	Annual total compensation ratio	Annual Report page 68
102-39	Percentage increase in annual total compensation ratio	Annual Report page 68
102-40	List of stakeholder groups	Annual Report page 31, 54
102-41	Collective bargaining agreements	N/A
102-42	Identifying and selecting stakeholders	Annual Report page 31, 54
102-43	Approach to stakeholder engagement	Annual Report page 31, 54
102-44	Key topics and concerns raised	Annual Report page 30
102-45	Entities included in the consolidated financial statements	Annual Report page 91 - 171
102-46	Defining report content and topic boundaries	Annual Report page 28 to 29
102-47	List of material topics	Annual Report page 31
102-48	Restatements of information	N/A
102-49	Changes in reporting	N/A
102-50	Reporting period	Annual Report page 28, 78
102-51	Date of most recent report	Annual Report page 15
102-52	Reporting cycle	Annual Report page 15
102-53	Contact point for questions regarding the report	Annual Report page 26
102-54	Claims of reporting in accordance with the GRI Standards	Annual Report page 28 - 29
102-55	GRI content index	Annual Report page 52 - 53
102-56	External assurance	N/A
103-1	Explanation of the material topic and its boundary	Annual Report page 31
103-2	The management approach and its components	Annual Report page 28 - 29
103-3	Evaluation of the management approach	Annual Report page 10 - 21
201	Economic Performance	Annual Report page 10 - 21
202	Market Presence	Annual Report page 2 - 7, 28, 45
204	Procurement Practices	Annual Report page 35
205	Anti-Bribery & Corruption	Annual Report page 45
301	Materials	Annual Report page 40
306	Waste	Annual Report page 40
307	Environmental Compliance	Annual Report page 40
401 & 402	Employment & Labour Management	Annual Report page 41 - 45
403	Occupational Health & Safety	Annual Report page 41 - 45
404	Training & Education	Annual Report page 41 - 45
419	Socioeconomic Compliance	Annual Report page 41 - 45

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the "Board") and Management of Frencken Group Limited (the "Company" and together with its subsidiaries, the "Group") are committed to maintain high standards of corporate governance in order to protect and enhance the interest of shareholders value. It strongly supports the principles of transparency, accountability and integrity as set out in the Code of Corporate Governance 2018 (the "Code").

The Board and Management have taken steps to align the governance framework with the recommendations of the Code, where applicable, and where there are deviations from the Code, appropriate explanations are provided.

This report discusses the Company's corporate governance framework and practices in place for the financial year ended 31 December 2024.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1 The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company

Principal Duties of the Board

The Directors are fiduciaries who act objectively in the best interests of the Group and are responsible for overall management of the Group. The Board establishes the corporate strategies of the Group, including putting in place a code of conduct and ethics, setting the appropriate tone-from-the-top and desired organisational culture, and ensuring proper accountability within the Group. The Board is responsible for the overall corporate governance of the Group.

The principal functions of the Board, in addition to carrying out its statutory responsibilities, inter alia, are as follows:

(a) overseeing and approving the formulation of the Group's overall long-term strategic objectives and directions, corporate strategy and objectives as well as business plans, taking into consideration sustainability issues;
(b) overseeing and reviewing the management of the Group's business affairs and financial controls, performance and resource allocation, including ensuring that the required financial and human resources are available for the Group to meet its objectives;
(c) establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
(d) reviewing management and financial performance of the Group;
(e) identifying the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
(f) setting the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;
(g) considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulations;
(h) to approve the release of the Group's financial results, annual reports and announcement to the shareholders; and
(i) to assume the responsibilities for corporate governance.

Each Director is required to promptly disclose any actual, potential and perceived conflict of interest, in relation to a transaction or proposed transaction with the Group as soon as practicable after the relevant facts have come to his/her knowledge. Directors who face conflicts of interest must recuse themselves from discussions and decisions involving the issues of conflict.

Director Development and Training

The Directors understand the Company's business as well as their directorship duties (including their roles as Executive, Non-Executive and Independent Directors). The Company provides Directors with opportunities to develop and upgrade their skills and knowledge. The Company also provides opportunities for Directors to attend seminars and training to enable them to keep pace with regulatory changes, where changes to regulations and accounting standards have a material bearing on the Company and to enable them to discharge their duties with due care and diligence.

THE BOARD'S CONDUCT OF AFFAIRS (CONT'D)
Principle 1 (cont'd)

Director Development and Training (Cont'd)

All newly appointed Directors are given appropriate training and briefings by Management on the history, business, corporate governance practices, relevant statutory and regulatory compliance issues of the Group, as well as visits to major plants to familiarise with the Group's operations. Any newly appointed Director who has had no prior experience as a director of a listed company must also undergo training in the role and responsibilities of a listed company director.

All Directors have completed the course on sustainability matters organised by the Singapore Institute of Directors.

Matters Requiring Board Approval

Although the day-to-day management of the Company is delegated to the Executive Director(s), the approval of the Board is required for matters such as corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, major corporate actions such as share issuance, the release of the Group's results and announcement to shareholders, declaration of dividends and interested person transactions.

Board Processes

To assist in the execution of its responsibilities, the Board has established an Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). All these three (3) committees are chaired by an Independent Director and consist mainly of Non-Executive Directors, the majority of whom are independent of Management. These committees' function clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly reviewed by the Board. Please refer to Principles 4, 6 and 10 in this Corporate Governance Report for further information on the activities of AC, NC and RC respectively.

The full Board meets on a quarterly basis and more often when required to address any specific significant matters that may arise. In between Board meetings, other important matters will be tabled for the Board's approval by way of circulating resolutions in writing.

The Company's Constitution provides for Directors to participate in meetings by means of conference telephone, video conferencing, audio visual, or other similar communication equipment by means of which all persons participating in the meeting can hear each other, without a Director being in the physical presence of the other Directors.

The number of Board and Board Committee meetings held during the financial year ended 31 December 2024 and the attendance of each Director, where relevant, are as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of meetings	4	4	1	1
Dato' Seri Gooi Soon Chai	4	N/A	1	1
Mohamad Anwar Au (also known as Dennis Au)	4	N/A	N/A	N/A
Melvin Chan Wai Leong	4	4	1	N/A
Foo Seang Choong	4	4	N/A	1
Dato' Noorashidah Binti Ahmad [1]	3	3	N/A	N/A
Chia Chor Leong [2]	1	1	1	1

1 Dato' Noorashidah Binti Ahmad was appointed to the Board, Chairman of NC and member of AC and RC respectively on 1 March 2024.

2 Mr Chia Chor Leong had resigned from the Board and ceased to be the Chairman of NC and member of AC and RC respectively on 1 March 2024.

THE BOARD'S CONDUCT OF AFFAIRS (CONT'D)
Principle 1 (cont'd)

Complete, Adequate and Timely Information

The Board and Management are given opportunities to engage in open and constructive debate on the quarterly performance and direction of the Group, as well as on an ongoing basis to enable them to make informed decisions. All Board members are supplied with relevant, complete, adequate and timely information prior to Board meetings. The Management also consults with Board members regularly whenever necessary and appropriate.

The Directors may challenge the validity of Management's assumptions and provide guidance to Management as needed in the best interests of the Company. Directors may, at any time, request for further explanation, briefings or informal discussions on any aspect of the Group's operations or business issues from Management.

Separate and Independent Access

The Directors have separate and independent access to senior Management and the Company Secretary at all times. Management ensures that the Board is dealt with in a timely manner, and the Board is kept informed of all material events and transactions as they occur.

In fulfilling its responsibilities, the Board may, collectively or individually, instruct the Company to engage professional adviser to render professional advice with the expenses borne by the Company.

Company Secretary

The Company Secretary or representative from the Company Secretary's office administers, attends and prepares minutes of all Board and Board Committee meetings. The Company Secretary assists the Chairman to ensure that Board procedures are followed and regularly reviewed, which helps the Board functions effectively. The Company Secretary also ensures compliance with the Company's Constitution and the relevant rules and regulations applicable to the Company.

The appointment and removal of the Company Secretary are subject to the Board's approval.

BOARD COMPOSITION AND GUIDANCE
Principle 2 The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board have diversity in category of directorship which comprises five (5) Directors of whom one (1) is Executive Director, one (1) is Non-Executive Non-Independent Director and three (3) are Independent Directors. The Directors of the Company as at the date of this statement are:

Dato' Seri Gooi Soon Chai	(Non-Executive Non-Independent Chairman)
Dennis Au	(Executive Director)
Melvin Chan Wai Leong	(Lead Independent Director)
Foo Seang Choong	(Independent Director)
Dato' Noorashidah Binti Ahmad	(Independent Director)

The Directors receive regular updates on relevant changes in laws and regulations including the Code and financial reporting standards from the Company's relevant advisors.

All Board committees are constituted with clear Terms of Reference to assist the Board in discharging its functions and responsibilities. The Terms of Reference are provided to each newly appointed Director.

The profile of the Directors are found on pages 22 to 24 of this Annual Report.

The Independent Directors form at least one-third of the Board composition. The independence of each Director is reviewed by the NC. In its review, the NC adopts the Code definition of what constitutes an Independent Director. As the Chairman is not an Independent Director, the NC is reviewing the composition of Independent Directors on the Board to ensure that the Independent Directors constitute a majority of the Board to comply with the requirements of the Code. Currently, the Independent Directors constitute a majority of the Board, and Non-Executive Directors also form a majority of the Board's composition.

BOARD COMPOSITION AND GUIDANCE (CONT'D)
Principle 2 (cont'd)

Policy on the independence of Independent Board and its Directors

The Company is committed to have a strong independent element on the Board and has adopted a policy and established a process to obtain and maintain the requisite degree of independent representation for good and sound governance. As prescribed by the policy, the process:

- Establishes the methodology the Board shall use to assess the independence of each Independent Director bearing in mind the definition of independence in the Code;

- Identifies the information that shall be collected from each Independent Director to make the assessment of independence; and

- Fixes the elements of disclosure to shareholders with regard to the assessment to be made, including the disclosure of any relationships and associations that may be perceived to affect the independence or objectivity of an Independent Director.

The process requires the NC to make a formal assessment and report to the Board their findings as to whether the Independent Directors are independent of Management and independent in conduct, character and judgement and whether there are any business or other relationships that could materially affect or interfere with the exercise of objective, unfettered or independent judgement by the Independent Director or the Independent Director's ability to fulfill their mandate and duties. The Board's rigorous review of the process is an important element in this process. The key features of the process are briefly set out below.

On an annual basis, the NC shall require each Independent Director to complete, confirm and sign a Confirmation of Independence, the content and form of which has been approved. Each declaration shall be reviewed by the other NC members based on the standards of independence in the Code. This forms the basis of the assessment. All relevant facts and circumstances shall be considered in making the assessment. Generally (but without limiting the scope of the factors which may be taken into account), in accordance with the Code, independence is, prima facie, established if the criteria set out below are met.

Independent Directors are obliged to update the Board with any new information in relation to interests or relationships relevant to independence. The Board shall re-assess the independence as and when any new interests or relationships are disclosed or come to light as well as annually.

Following this process, the NC shall report to the Board, drawing to its attention in particular any failure to meet any of the above criteria and to any other relevant circumstances and the NC shall make recommendations. However, it is the Board's duty and prerogative to determine the sufficiency or otherwise of independence and to determine its composition. In accordance with the Code, the Board shall provide a justification if the Director fails to meet any of the criteria above but the Board still considers the Director an Independent Director.

Policy on Board Diversity

With the introduction of Rule 710(A) of the Listing Rules effective from 1 January 2022, the Board has maintained a Board diversity policy that addresses skills and experience, gender, independence and age. The Company subscribes to improving the diversity demographic of the Board composition and believes that such diversity is necessary to ensure that Board is able to perform their obligations effectively in today's competitive business landscape.

BOARD COMPOSITION AND GUIDANCE (CONT'D)
Principle 2 (cont'd)

Policy on Board Diversity (Cont'd)

Targets to achieve diversity on the board and its accompanying plans and timeline for achieving the targets.

- **Skills and Experience**

  To uphold a team of experts in the relevant industry, domain and fields on the Board.

  Currently, Board members of the Company possesses a diverse expertise in various fields bringing together a vast knowledge and experiences within the digital technology space, manufacturing, and finance just to name a few. These experiences from individuals on the Board provides a significant advantage to run a global integrated technology solutions company.

  In addition, the Executive Directors possesses good industry knowledge while the Non-Executive Directors, who are professionals and experts in their own fields, can take a broader view of the Group's activities, contribute their valuable experiences and provide independent judgement during Board deliberations. The Non-Executive Directors are involved in reviewing the corporate strategies, business operations and practices of the Group, and are also involved in reviewing and monitoring the performance of Management in achieving agreed goals and objectives.

  The Company will continue to maintain individuals on the Board with valuable insights to provide a wealth of expert industry knowledge to achieve the optimum decision-making process. The relevant skillsets required (e.g. sustainability) will be determined on an annual basis during the Board appointment/ re-appointment process.

- **Gender**

  To achieve at least 20% of women representation on the Board by Year 2025.

  The Board recognises that women bring different perspectives and voices to the table, debate, and decision-making. This can improve the quality of dialogues and the ability to evaluate issues from several angles.

  As stated in the Company's Annual Report for FY2022, the Board aimed to have at least 20% of women representation on the Board by year 2025. The Board has since achieved this target with Dato' Noorashidah Binti Ahmad's appointment as an Independent Director on 1 March 2024.

  Similar to age diversity, the Company will take a gender-neutral approach and carefully evaluate whether the skills, background and experiences of the candidates are appropriate for the Board and the Company's development.

  To ensure this, the Company will continuously improve its candidate search process to be more inclusive including working with specialised executive search firms, increase the pool in personal network searches, expand searches with diverse professional background etc.

- **Independence**

  To maintain at least three (3) Independent Directors and comprise majority of the entire Board.

  An Independent Director is one who is independent in conduct, character and judgement, and have no relationships which may interfere with his/her business judgment to make decisions in the best interests of the Company.

  Rule 210(5)(c) of the Listing Rules requires Independent Directors to make up at least one-third of the Board. However, in the case of the Board Chairman being non-independent, the Independent Directors shall make up at least a majority of the Board.

BOARD COMPOSITION AND GUIDANCE (CONT'D)
Principle 2 (cont'd)

Policy on Board Diversity (Cont'd)

- **Independence (Cont'd)**

  The emphasis on independence stems from concerns over the Board's ineffective and biased oversight of the independent audit process, the Directors' excessive deference to senior Management, the Directors' affiliated companies' individual business relationships with the Group, the Directors' other financial, familial, or professional relationships with the Group that may compromise their objectivity and vigilance, and the interconnected directorships, amongst others.

  Currently, the Board has five (5) Directors comprising one (1) Non-Executive and Non-Independent Chairman, one (1) President and Executive Director, two (2) Independent and Non-Executive Director, and one (1) Lead Independent and Non-Executive Director. This will remain as a constant ongoing target.

- **Age**

  To include key personnel from diverse age group during key decision-making where appropriate.

  The Board acknowledges that age is an important aspect of diversity as it allows for different viewpoints on issues and concerns that are important to all age groups. While veteran directors may contribute a wealth of experience to the boardroom, younger directors may be more in tune with the requirements of a rapidly changing environment.

  The Board has a progressive view based on the wider global integration and will look towards the inclusion of young directors in order to provide greater representation of all stakeholder groups (including consumer and employee) on the Board. The Company will take on an age-neutral stance, i.e. Board members selection is determined based on relevant skills requirements (e.g. technology advancement) and not deemed skills and experiences based on age.

Taking into account the scope and nature of the Group's businesses and operations, the requirements of the business and the need to avoid undue disruptions from changes to the Board composition and Board Committees, the Board considers the current Board size is appropriate for the facilitation of decision-making. The Board believes that its current Board size and composition serves the Group effectively without being unwieldy. It provides sufficient diversity without interfering with efficient discussion and decision-making. The Company has majority Independent Directors on its Board which allows diversity of viewpoints that are independent of the Management to prevail. However, the Board will continue to review the size of the Board on an ongoing basis.

The Directors come from diverse background and collectively bring a wide range of experiences such as accounting and finance, industry knowledge, customer-based knowledge, strategic planning, business and management experience with age groups spanning a range of approximately 5 years. In particular, the Executive Director possesses strong industry knowledge while the Non-Executive Directors, who are professionals and experts in their own fields, can take a broader view of the Group's activities, contribute valuable experiences and provide independent judgement during Board deliberations. The Non-Executive Directors are involved in reviewing the corporate strategies, business operations and practices of the Group, as well as reviewing and monitoring the performance of Management in achieving agreed goals and objectives. The NC reviews the Board's composition annually to ensure sufficient diversity in terms of composition, age, balance of knowledge, skills, experience, and independence. The Board concurs with the NC's view that the Board has the appropriate diversity of expertise to lead and govern the Group effectively, avoid herd thinking and foster constructive debate.

Where necessary the Non-Executive Directors may meet without the presence of the Management of the Company.

None of the Directors have served on the Board for a period exceeding nine years from the date of their appointments.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3 ***There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

The Chairman and President (equivalent to the position of Chief Executive Officer) are separate persons and not related. There is a clear division of responsibilities between the Chairman and President, which ensures there is a balance of power and authority, such that no one individual represents a considerable concentration of power.

The Board subscribes to the principles set in the Code on the separation of roles of the Chairman and the President.

The Chairman bears responsibility for the conduct of the Board and is also a member of the RC and NC. The President bears executive responsibility for the Company's business.

The Chairman is responsible to, among others:

(a) lead the Board to ensure its effectiveness on all aspects of its role;
(b) promote a culture of openness and debate at the Board;
(c) ensure effective communication with shareholders;
(d) encourage constructive relations within the Board and between the Board and Management;
(e) facilitate the effective contribution of Non-Executive Directors in particular; and
(f) promote high standards of corporate governance.

The Chairman also ensures that the Board meetings are held when necessary and sets the board meeting agenda in consultation with the President. The Chairman reviews the board papers together with the President, prior to presenting them to the Board. The Chairman and the President ensure that Board members are provided with complete, adequate and timely information on a regular basis to enable them to be fully cognisant of the affairs of the Group.

Lead Independent Director, Mr Melvin Chan Wai Leong, is available to shareholders should they have concerns for which contact through the Chairman is inappropriate.

Where necessary the Independent Directors shall meet without presence of the other Directors and the Lead Independent Director shall provide feedback to the Chairman after such meetings.

BOARD MEMBERSHIP

Principle 4 ***The Board has a formal and transparent process for the appointment and re-appointment of directors taking into account the need for progressive renewal of the Board.***

All NC members are Non-Executive, majority of whom are independent of Management. The NC comprises the following members:

Dato' Noorashidah Binti Ahmad	(Chairman & Independent Director)
Melvin Chan Wai Leong	(Lead Independent Director)
Dato' Seri Gooi Soon Chai	(Non-Executive Non-Independent Chairman)

The Chairman of the NC is not, and is not directly associated with, a substantial shareholder.

BOARD MEMBERSHIP (CONT'D)
Principle 4 (cont'd)

The NC is responsible for the following:

(a) to make recommendations to the Board on all board appointments, including re-nominations, having regard, to the director's contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an Independent Director;

(b) to determine annually, and as and when circumstances required, whether or not a Director is independent, having regard to the circumstances set forth in Provision 2.1 of the Code, and makes the appropriate disclosures;

(c) to decide whether or not a Director who has multiple board representations on various companies, is able to and has been adequately carrying out his/her duties as Director, having regard to the competing time commitments that are faced when serving on multiple boards;

(d) to decide how and by whom the Board's performance may be evaluated and propose objective performance criteria, as approved by the Board that allows comparison with its industry peers, and address how the Board has enhanced long-term shareholders' value;

(e) the review of board succession plans for directors, the President and key Management to ensure the progressive and orderly renewal of the Board and key Management; and

(f) to review and recommend the training and professional development programmes for the Board.

None of the Directors are appointed for any fixed term. In accordance with the Company's Constitution, one-third (1/3) of the Directors are required to retire at every Annual General Meeting ("AGM") of the Company and all Directors are required to retire from office at least once every three (3) years, and such Directors will be eligible for re-election at the meeting at which he/she retires. In addition, the Company's Constitution states that a Director newly appointed by the Board during the financial year must retire and submit himself/herself for re-appointment at the next AGM following his/her appointment. The NC has recommended the nomination of Melvin Chan Wai Leong and Foo Seang Choong retiring at this forthcoming AGM for re-election, which has been accepted by the Board.

Melvin Chan Wai Leong and Foo Seang Choong are the Directors seeking for re-election at the forthcoming AGM of the Company to be convened on 25 April 2025 (collectively, the "Retiring Directors" and each a "Retiring Director").

BOARD MEMBERSHIP (CONT'D)
Principle 4 (cont'd)

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Name of Director	Melvin Chan Wai Leong	Foo Seang Choong
Date of appointment	27 April 2017	31 December 2021
Date of last re-appointment	27 April 2023	22 April 2022
Age	63	60
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Melvin Chan Wai Leong for re-appointment as Independent Director of the Company. The Board have reviewed and concluded that Melvin Chan Wai Leong possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Foo Seang Choong for re-appointment as Independent Director of the Company. The Board have reviewed and concluded that Foo Seang Choong possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Non-Executive Director, Chairman of the AC and a member of the NC.	Independent Director, Chairman of the RC and a member of the AC
Professional qualifications	• Bachelor's Degree in Electrical & Electronics Engineering, National University of Singapore. • Master of Business Administration degree, National University of Singapore.	Institute of Public Accountants, Aust. FIPA FFA
Working experience and occupation(s) during the past 10 years	Melvin Chan Wai Leong was formerly a Director and Chief Executive Officer of Ellipsiz Ltd, a SGX Mainboard-listed company. Mr Melvin Chan is presently the Managing Director of Synersys Capital, a firm providing business consultancy and advisory services.	Vice President Finance & Corporate Controller, Kulicke & Soffa Industries (2019 – Present) Senior Director – Finance, Oracle Asia Pacific (2014 – 2019) Executive Director – Finance, Dell Asia Pacific & Japan (2007 – 2014)
Shareholding interest in the listed issuer and its subsidiaries	439,500 ordinary shares (Deemed interest)	15,400 ordinary shares (Deemed interest)

BOARD MEMBERSHIP (CONT'D)
Principle 4 (cont'd)

Name of Director	Melvin Chan Wai Leong	Foo Seang Choong
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments *(including Directorships#) * The term "principal commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	Nil	Nil
Past Directorship (for the last 5 years)	iNETest Resources (Thailand) Ltd Excellent Scientific Instruments (M) Sdn. Bhd.	Nil
Present Directorship	Frencken Group Limited Synersys Capital Pte Ltd Synersys Pte Ltd Yoong Lee Enterprises Pte Ltd Dioptrax Pte Ltd	Frencken Group Limited BFX Pte. Ltd.

BOARD MEMBERSHIP (CONT'D)
Principle 4 (cont'd)

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

Name of Director	Melvin Chan Wai Leong	Foo Seang Choong
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

BOARD MEMBERSHIP (CONT'D)
Principle 4 (cont'd)

Name of Director	Melvin Chan Wai Leong	Foo Seang Choong
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

BOARD MEMBERSHIP (CONT'D)
Principle 4 (cont'd)

Name of Director	Melvin Chan Wai Leong	Foo Seang Choong
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

BOARD MEMBERSHIP (CONT'D)
Principle 4 (cont'd)

Disclosure applicable to the appointment of Director only		
Name of Director	**Melvin Chan Wai Leong**	**Foo Seang Choong**
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N/A	N/A

Each member of the NC shall abstain from voting on any resolutions, making any recommendation and participating in respect of matters in which he has interest.

The date of initial appointment and last re-election as Directors are set-out below:

Directors	**Date of initial appointment**	**Date of last re-election**
Dato' Seri Gooi Soon Chai	10 February 2015	25 April 2024
Dennis Au	28 April 2016	25 April 2024
Melvin Chan Wai Leong	27 April 2017	27 April 2023
Foo Seang Choong	31 December 2021	22 April 2022
Dato' Noorashidah Binti Ahmad	1 March 2024	25 April 2024

Please refer to Profile of Board of Directors' section of this Annual Report for the profile of each Director's academic and professional qualifications.

The NC reviews annually the time commitments of Directors. Notwithstanding that some of the Directors have multiple board representations, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company.

Thus, there are no compelling reasons to impose a cap on the number of board representations each Director may hold since these Directors are able to and have adequately carried out their duties as Directors of the Company.

Currently, the Company does not have any alternate directors.

The NC held one (1) meeting during the year under review.

In the search for potential new Directors, the NC will seek to identify the competence required for the Board to fulfil its responsibilities. The NC may engage recruitment consultants or engage other independent experts to undertake research on or assess candidates for new positions on the Board.

Recommendations for new Board members are put to the Board for its consideration and approval.

BOARD PERFORMANCE

Principle 5 ***The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors***

The NC examines the Board's size to satisfy that it is appropriate for effective decision-making, taking into account the nature and scope of the Company's operation. The Directors bring to the Board their related experiences and knowledge and also provide guidance in the various Board Committee as well as to the Management of the Group.

The NC will review and evaluate the performance of the Board as a whole and its board committees in view of the complementary and collective nature of directors' contributions. The NC has established objective performance criteria such as board structure, conducts of meetings, corporate strategy and planning, risk management and internal control, measuring and monitoring performance, compensation, financial reporting and communication with shareholders to evaluate the Board's performance as a whole.

The Board reviews the assessment conducted by the NC and where necessary makes changes to further improve the effectiveness of the Board. Following the review, the Board is of the view that the Board and its Board Committees operate effectively.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6 ***The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

All RC members are Non-Executive, majority of whom are independent of Management. The RC comprises the following members:

Foo Seang Choong	(Chairman & Independent Director)
Dato' Seri Gooi Soon Chai	(Non-Executive Non-Independent Chairman)
Dato' Noorashidah Binti Ahmad	(Independent Director)

The RC is responsible for the following:

(a) to review and recommend to the Board a framework of remuneration and guidelines for the Directors and key management personnel;

(b) to review and make recommendations to the Board on specific remuneration packages for each Director as well as for the key management personnel and submit such recommendations for endorsement by the entire Board covering all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, share options, share awards and benefits-in-kind;

(c) in the case of service contracts, to consider what compensation commitments the Directors' contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance; and

(d) to manage the Employee Share Option Scheme 2008, Employee Share Option Scheme 2020 and Employee Share Award Scheme 2020 and administered by the Employee Share Option and Award Scheme Committee comprising of the following members:

Dennis Au	(President and Executive Director)
Brian Tan Chuen Yeang	(Chief Financial Officer)

The duration of the Employee Share Option Scheme 2008 was 10 years commencing on 18 April 2008 and accordingly, it had expired on 17 April 2018. The share options previously granted will remain valid until the expiry, cancellation or exercise of the share options.

Employee Share Option Scheme 2020 and Employee Share Award Scheme 2020 for executive directors and employees of the Group were approved by members of the Company at an Extraordinary General Meeting on 29 June 2020.

During the financial year, the Company granted 5,482,000 options under the Employee Share Option Scheme 2020 and no awards granted under the Employee Share Award Scheme 2020.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (CONT'D)
Principle 6 (cont'd)

If necessary, the RC shall seek expert advice on remuneration of all directors and key management personnel. The RC shall ensure that any relationship between the appointed consultant and any of its Director or Company will not affect the independence and objectivity of the remuneration consultant. The RC has not engaged external remuneration consultants in FY2024.

The RC reviews all aspects of remuneration including the service contracts of the executive directors to ensure that the contracts, including any termination clauses, are fair and reasonable.

No directors participate in decisions on their own remunerations.

The RC held one (1) meeting during the year under review.

LEVEL AND MIX OF REMUNERATION
Principle 7 ***The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.***

Executive Directors' remuneration package and key management personnel's remuneration framework is structured in a way that links rewards to corporate and individual performance and takes into account industry benchmarks. The review of remuneration packages also takes into consideration the pay and employment conditions within the industry, comparable companies and the broad guidelines recommended by the Singapore Institute of Directors and the long-term interests of the Group. The review covers all aspects of remuneration including salaries, fees, allowances, bonuses, share options, share awards and benefits-in-kind. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board.

The remuneration of Non-Executive Directors will also be reviewed to ensure that the remuneration commensurate with the contribution and responsibilities of the Non-Executive Directors, taking into account factors such as effort, time spent, and responsibilities. The Company believes that the current remuneration of Non-Executive Directors is appropriate to the level of contribution and at a level that will not compromise the independence of the Directors.

The Company will submit the quantum of Directors' fees of each year to the shareholders for approval at each AGM.

The Company currently does not have any contractual provisions to allow the Company to reclaim incentive from executive directors and key management personnel in exceptional cases of wrongdoings.

DISCLOSURE ON REMUNERATION

Principle 8 ***The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

A breakdown showing the level and mix of each individual Director's remuneration payable for financial year 2024 is as follows:

Name of Director	Total Remuneration $	Salary %	Bonus %	Fringe Benefits %	Directors Fees %	Total %	Employee Share Option Scheme: Shares Granted and Accepted	Employee Share Option Scheme: Value [3] $
$1,250,001 to $1,500,000								
Dennis Au	1,310,268	47	38	15	-	100	300,000	252,150
Below $250,000								
Dato' Seri Gooi Soon Chai	109,000	-	-	8	92	100	-	-
Melvin Chan Wai Leong	104,000	-	-	9	91	100	-	-
Foo Seang Choong	89,000	-	-	10	90	100	-	-
Dato' Noorashidah Binti Ahmad [1]	81,996	-	-	8	92	100	-	-
Chia Chor Leong [2]	17,004	-	-	13	87	100	-	-

1 Dato' Noorashidah Binti Ahmad was appointed to the Board on 1 March 2024
2 Mr Chia Chor Leong had resigned from the Board on 1 March 2024
3 Refer to the total fair value of share option granted during the financial year, estimated using the Black-Scholes Option Pricing Model.

Remuneration of the top six (6) key management personnel are as follows:

Name of Key Management Personnel	Salary %	Bonus %	Fringe Benefits %	Total %	Employee Share Option Scheme: Shares Granted and Accepted	Employee Share Option Scheme: Value [1] $
$500,001 to $750,000						
Wang Liang Horng	54	14	32	100	450,000	378,225
Rutger van Galen	55	20	25	100	250,000	210,125
$250,000 to $500,000						
Brian Tan Chuen Yeang	32	38	30	100	250,000	210,125
Dominic Lee Sie Yong	67	6	27	100	250,000	210,125
Teh Kok Keng	68	25	7	100	30,000	25,215
Ron Borger	66	13	21	100	20,000	16,810

1 Refer to the total fair value of share option granted during the financial year, estimated using the Black-Scholes Option Pricing Model.

DISCLOSURE ON REMUNERATION (CONT'D)
Principle 8 (cont'd)

The aggregate of total remuneration paid or accrued to the top six (6) key management personnel of the Company (who are not directors or the Chief Executive Officer) for financial year 2024 is $2,805,173.

The Company decided to disclose the remuneration in bands of each key management as the Board is of the view that full disclosure of the remuneration of each key management personnel in dollar terms is not in the best interests of the Company. This is due to the sensitive and confidential nature of the matter as well as potential competitive pressures resulting from such disclosure.

For financial year 2024, the Company and its subsidiary companies do not have any employees who are substantial shareholders, immediate family members of a Director or the Chief Executive Officer or a substantial shareholder of the Company, whose remuneration exceeds $100,000.

Information on the Company's Employee Share Option Scheme 2008, Employee Share Option Scheme 2020 and Employee Share Award Scheme 2020 such as size of grants, exercise price of options that were granted as well as outstanding and vesting period of option are set out on pages 79 to 82 of the Annual Report.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS
Principle 9 ***The Board is responsible for the governance of risk and ensure that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.***

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC and Board.

The Board oversees Management in the area of risk management and internal control system. The Board regularly reviews and improves the Company's business and operational activities to identify areas of significant risks as well as take appropriate measures to control and mitigate these risks.

The Board has received assurance from:

(a) the President and Chief Financial Officer as well as the internal auditors that the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2024 give true and fair view of the Group's operations and finances; and

(b) the President and the key management personnel regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The AC and Board are in the opinion that the Group's internal controls, maintained by the Company's management that was in place throughout the financial year and up to the date of this report provides reasonable, but not absolute, assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational and compliance risks.

The Board notes that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error losses, fraud or other irregularities.

Based on reports submitted by the external and internal auditors, and the system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems maintained by the management that was in place throughout the financial year and up to date of the Annual Report for the financial year ended 31 December 2024, the Board, with the concurrence of the AC and the assurance of the Management (including the President and Chief Financial Officer as well as the internal auditors) are of the opinion that the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective.

ACCOUNTABILITY AND AUDIT (CONT'D)

RISK MANAGEMENT AND INTERNAL CONTROLS (CONT'D)
Principle 9 (cont'd)

In line with Rule 1207(19) of the Listing Manual on Dealing in Securities, the Company has adopted an internal code on dealings in securities which is applicable to the Company, all Directors and employees of the Group and its subsidiaries with regards to dealing in the Company's securities. The Company, all Directors and employees of the Group should not deal in Company's securities on short-term considerations or when they are in possession of unpublished price sensitive information. They are also not allowed to deal in the Company's securities during the period commencing two weeks before the announcement of the Company's quarterly business update and one month before the announcement of the Company's half year and full year financial statements, ending on the date of the announcement of such business update and financial results. The Directors and employees are also required to adhere to the provisions of the Companies Act, and any other relevant regulations with regard to their securities transactions. The Company has complied with Rule 1207(19) of the Listing Manual.

AUDIT COMMITTEE
Principle 10 The Board has an Audit Committee ("AC") which discharges its duties objectively.

The role of the AC is to assist the Board with regard to the discharge of its responsibility to safeguard the Group's assets, maintain adequate accounting records, develop and maintain effective systems of internal controls with an overall objective to ensure that the Management has created and maintained an effective control environment in the Group.

All AC members are independent Non-Executive Directors. The AC comprises the following members:

Melvin Chan Wai Leong	(Chairman and Lead Independent Director)
Foo Seang Choong	(Independent Director)
Dato' Noorashidah Binti Ahmad	(Independent Director)

The AC members have many years of experience and expertise in their respective fields of accounting, audit, financial management, law and business. The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC.

None of the AC members is a former partner or director of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC meets at least quarterly to discuss and review the following where applicable:

(a) review the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function;

(b) review with the external auditors the audit plan, their evaluation of the system of internal controls relevant to the audit, their audit report, their management letter and our management's response;

(c) review with the internal auditors, the scope and the results of internal audit procedures and their evaluation of the overall internal control systems including financial, operational and compliance controls and risk management;

(d) review the quarterly business update, half yearly and annual financial statements before submission to the Board for approval, focusing in particular, on significant financial reporting issues and judgements so as to ensure the integrity of the consolidated financial statements of the Group and any formal announcements relating to the Company's financial performance, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

AUDIT COMMITTEE (CONT'D)
Principle 10 (cont'd)

(e) review the internal controls and procedures and ensure co-ordination between the external auditors and management, reviewing the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management);

(f) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant law, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and management's response;

(g) review the adequacy and effectiveness of the Group's internal financial controls, operational and compliance controls and risk management policies and systems;

(h) review the assurance from the President and the Chief Financial Officer on the financial records and financial statements;

(i) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(j) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(k) review and recommend to the Board transactions falling within the scope of Chapter 9 of the Listing Manual;

(l) undertake such other reviews and projects as may be requested by the Board and will report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

(m) generally undertake such other functions and duties as may be required by statute of the Listing Manual, and by such amendments made thereto from time to time. In addition, all future transactions with related parties shall comply with the requirements of the Listing Manual. As required by paragraph 1(9)(e) of Appendix 2.2 of the Listing Manual, the Directors shall abstain from voting in any contracts or arrangements or proposed contracts or arrangements in which they have personal material interests.

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The AC members keep abreast of changes to accounting standards and issues which have a direct impact on financial statements, through advice sought, updates and briefing from the external auditors when they attend the AC meetings quarterly.

The AC has full access to documents and information and the co-operation from management. It has full discretion to invite any Director or Executive Officer to attend its meetings, and has been given adequate resources to enable it to discharge its functions. The AC is satisfied that the internal auditors have adequate resources to perform its functions.

The Board believes that the existing system of internal controls is adequate and recognises that it is responsible for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's business and assets. The effectiveness of the internal financial control systems and procedures are monitored by the management.

The Group's internal audit function is carried out in-house by qualified and experienced internal audit staff. The internal auditor's primary line of reporting is to the Chairman of the AC. The AC confirms that the internal audit function is independent as it reports directly to the Chairman of the Audit Committee who is an independent director as well as other members of the AC who are also independent directors. The AC also decides on the appointment, termination and remuneration of the head of the internal audit function.

AUDIT COMMITTEE (CONT'D)
Principle 10 (cont'd)

The Group co-operates fully with the internal auditor in terms of allowing access to documents, records, properties and personnel. The AC reviews annually the adequacy and effectiveness of the internal audit function and its standing within the Company to ensure it is able to perform its function effectively and objectively. The AC has reviewed and is satisfied with the independence, adequacy and effectiveness of the Company's internal audit function. The Company with the concurrence of the AC is satisfied that the Group's framework of internal controls and procedures is adequate and effective.

During the year, the internal auditor carried out two (2) cycles of internal audit for the Mechatronics Division in Europe, two (2) cycles of internal audit for the Mechatronics Division in Asia and two (2) cycles of internal audit for the IMS Division in Asia. The findings were presented to the AC.

With the assistance of the internal and external auditors, our management has identified the main business processes and the associated financial and operational risks, and have adopted recommendations made to address these risks. Based on the review by the AC, the Board is satisfied that the internal controls and risks management process of the Group are adequate to safeguard shareholders' interest and the Group's assets.

The Company confirms that the appointment of the external auditors is in accordance with Rules 712 and 715 of the Listing Rules.

For details of fees in respect of audit and non-audit services, please refer to Note 7 to the financial statements.

The AC has reviewed the range and value of non-audit services performed by the external auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC had also assessed the quality of work carried out by the external auditors based on ACRA's Audit Quality Indicators Disclosure Framework.

After taking into consideration the above factors, the AC has recommended to the Directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

During the financial year under review, the AC met with the internal auditor and external auditors a total of four (4) times of which, one (1) is without the presence of Management.

Whistleblowing Policy

The Group is committed to high standards of corporate governance that encompass the ethical, moral and legal conduct of its business. An important aspect towards ensuring the adherence of this conduct is to provide an accountability and transparency mechanism that will enable individuals to voice concerns of perceived wrongdoings in a responsible and effective manner.

As part of its corporate governance framework, the Group has adopted a whistleblowing policy that ensures there is an avenue for employees to raise concerns in confidence and provide assurance that the party involved in the whistleblowing will be protected from reprisals, victimisation, harassment or disciplinary proceedings.

The Group's whistleblowing policy reinforces the value that it places on staff to be honest and upright in their dealings and conduct. It should be emphasised that this policy is intended to assist individuals who believe they have discovered malpractice or impropriety. It is not designed to question financial or business decisions taken by the Group nor should it be used to air grievances or as a platform to maliciously attack a superior for personal gain.

The Group's whistleblowing policy applies to all employees of the Group as well as suppliers, customers, outsourced partners, agents and consultants that have dealings with the Group.

AUDIT COMMITTEE (CONT'D)
Principle 10 (cont'd)

The Group has an independent function to investigate whistleblowing reports made in good faith. An email address is available (audit.chair@frenckengroup.com), and this is communicated in our workplace and available on the Company's website. The channel of communicating the whistleblowing event is separated from the management of the Group to ensure there are independent and internal checks. All whistleblowing communications will be directed confidentially to the Chairman of the AC, who shall be an independent director of the board and not involved in the management of the Group. The Group assures that any individual making a whistleblowing report will retain his/her anonymity unless he/she agrees otherwise and there should not be any retaliation against the whistleblower.

All concerns raised will be independently assessed by the Chairman of the AC. The Group internal audit will be assigned to investigate the concerns raised by the whistleblower. The AC will closely oversee and monitors the progress of the investigation, including reviewing the findings in the investigation report from the internal auditors and ensure appropriate follow-up actions are taken to resolve the concerns raised by the whistleblower.

During the financial year 2024 and until the date of this Annual Report, there were four (4) reports received through the whistleblowing mechanism. All reports were investigated and have been addressed by the Company.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS
Principle 11 ***The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

Shareholders are given the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders are informed of the relevant rules and procedures that govern general meetings.

Resolutions to be passed at general meetings are always separate and distinct in terms of issue and are consistent with the Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.

The Company strives to encourage wider shareholder participation by holding its AGMs at central locations in Singapore that can be conveniently reached by public transportation.

At the Company's AGMs, shareholders are given the opportunity to express their views and direct questions to Directors and Management regarding the Company. All Directors will normally be present at AGMs and other general meetings of shareholders to assist the Board in addressing shareholders' questions. The external auditors are also invited to attend the AGM to assist the Directors in answering any queries relating to the conduct of the audit and the preparation and content of the auditor's report.

The number of general meetings held during the financial year ended 31 December 2024 and the attendance of each Director, where relevant, are as follows:

	General Meeting
Number of meetings	1
Dato' Seri Gooi Soon Chai	1
Dennis Au	1
Melvin Chan Wai Leong	1
Foo Seang Choong	1
Dato' Noorashidah Binti Ahmad	1

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS (CONT'D)
Principle 11 (cont'd)

Shareholders can vote in person or appoint not more than two (2) proxies to attend and vote on their behalf at the general meetings. There is no provision in the Company's Constitution that limits the number of proxies for relevant intermediary which includes holding licences in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

All resolutions are put to vote by polls which are conducted in the presence of independent scrutineers. The detailed results of the poll voting showing the number of votes casted for and against each resolution and the respective percentages are published instantaneously at the general meeting.

The Company is not implementing absentia voting methods such as voting by mail, facsimile or email until authentication of shareholders identity information and other related security issues are satisfactorily resolved.

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

Dividend Policy

While the Company has not formally instituted a dividend policy, it has established a good track record of paying annual dividends to shareholders. In proposing any dividend payout and/or determining the form, frequency and/or the amount of such dividend payout, the Board will take into account, inter alia, the Group's financial position, retained earnings, results of operation and cash flow, the Group's expected working capital requirements and capital expenditure, the future expansion, investment plans and other funding requirements, general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group.

The Board strives to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend payout.

ENGAGEMENT WITH SHAREHOLDERS
Principle 12 The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Company does not practise selective disclosure. In line with continuous obligations of the Company pursuant to the Listing Rules, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group.

Information is disseminated to shareholders on a timely basis through:

- Company's corporate website
- SGXNET announcements including half yearly and full year results announcements, quarterly business update and news releases
- Annual Reports or circulars that are prepared and issued to all shareholders

The Company has a dedicated investor relations team which focuses on facilitating communications with shareholders and analysts on a regular basis and attending to their queries or concerns. The Company also enhances its communications with analysts and investors by organising regular briefings, one-on-one meetings and conference calls to keep the market apprised of the Group's corporate developments and financial performance.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13 ***The Board adopts an inclusive and balanced approach towards the needs and interests of key stakeholders by also taking into account the interests of the Company.***

Engaging with stakeholders involves establishing good lines of communication reinforced by sound Management relationships between the Company and its various stakeholders. Through this relationship, stakeholders can have an avenue for proactive communication and a platform to work towards alignment of interests.

The Company has a corporate website, www.frenckengroup.com, to communicate and engage with stakeholders. This website is the key resource of information for stakeholders as it contains an abundance of information about the Group, including financial statements, corporate announcements and annual reports. In addition to these, the following information can be accessed from the Company's website:

(a) Board of Directors and their profiles;
(b) Key Management and their profiles;
(c) Business Overview;
(d) Vision, Mission & Strategy;
(e) Group Operating Structure;
(f) Whistleblowing Policy;
(g) Stock Information; and
(h) Investor Relations Contact

MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the President, any Director or controlling shareholder subsisting at the end of financial year ended 31 December 2024.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

There were no interested person transactions between the Company or its subsidiaries and any of its interested persons subsisting at the end of the financial year ended 31 December 2024.

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
NIL	NIL	NIL	NIL

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of Frencken Group Limited (the "Company") and its subsidiaries (the "Group") and balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2024.

In the opinion of the directors, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 91 to 171 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Dato' Seri Gooi Soon Chai
Mohamad Anwar Au (also known as Dennis Au)
Melvin Chan Wai Leong
Foo Seang Choong
Dato' Noorashidah Binti Ahmad (Appointed on 1 March 2024)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the share options and share awards mentioned in paragraph 4 of the Directors' Statement.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967 except as follows:

	Holdings registered in the name of director			Holdings in which a director is deemed to have an interest		
Name of directors and Company in which interests are held	**At beginning of year or date of appointment, if later**	**At end of year**	**At 21.1.2025**	**At beginning of year or date of appointment, if later**	**At end of year**	**At 21.1.2025**
Frencken Group Limited						
(Ordinary shares)						
Dato' Seri Gooi Soon Chai	7,417,023	7,417,023	7,417,023	93,658,068	93,613,068	93,583,068
Dennis Au	4,010,000	4,010,000	4,010,000	-	-	-
Melvin Chan Wai Leong	-	-	-	439,500	439,500	439,500
Foo Seang Choong	-	-	-	-	15,400	15,400
Dato' Noorashidah Binti Ahmad	361,700	421,700	421,700	-	-	-

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

According to the register of directors' shareholdings, certain director of the Company holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Frencken Group Limited ("Frencken") Employee Share Option Scheme 2008 and Employee Share Option Scheme 2020 as set out below and in paragraph 4 of the Directors' Statement.

	Number of unissued ordinary shares under option		
	At beginning of year	**At end of year**	**At 21.1.2025**
Dennis Au			
- 2017 Options	677,000	677,000	677,000
- 2022 Options	180,000	180,000	180,000
- 2024 Options	-	300,000	300,000

By virtue of section 7 of the Companies Act 1967, only the above directors are deemed to have an interest in all the related corporations of the Company.

4 SHARE OPTIONS AND SHARE AWARDS

(i) Frencken Employee Share Option Scheme 2008 ("ESOS 2008") and Frencken Employee Share Option Scheme 2020 ("ESOS 2020") for executive directors and employees of the Group ("Group Employees") were approved by members of the Company at an Extraordinary General Meeting on 18 April 2008 and 29 June 2020 respectively.

(ii) Frencken Employee Share Award Scheme 2020 ("ESAS 2020") for executive directors and Group Employees was approved by members of the Company at an Extraordinary General Meeting on 29 June 2020.

(ESOS 2008, ESOS 2020 and ESAS 2020 are hereinafter collectively referred to as the "Schemes")

The Schemes are managed by the Remuneration Committee and administered by the Employee Share Option and Award Scheme Committee (the "Committee") comprising of the following members:

Dennis Au	(President and Executive Director)
Brian Tan Chuen Yeang	(Chief Financial Officer)

The Schemes are to provide opportunities for deserving Group Employees to participate in the equity of the Company so as to motivate them to greater dedication and higher standards of performance, and to give recognition to past contribution and services. It is important to acknowledge and secure future contribution by the Group Employees, which is essential to the well-being and prosperity of the Group. The Company, by adopting the Schemes, will give participants a real and meaningful stake in the Company through the exercise of the options or the grant of the awards.

While the Schemes aim to incentivise and retain employees, ESOS 2008 and ESOS 2020 do not achieve this in the same way the ESAS 2020 does. The Company further believes that the ESAS 2020 will be more effective and rewarding than pure cash bonuses as a motivational incentive in the Group Employees' bid to achieve pre-determined goals of the Company. Unlike options granted under the ESOS 2008 and ESOS 2020, the ESAS 2020 contemplates the award of fully-paid shares free of charge to participants after the conditions of the ESAS 2020 have been met. Accordingly, the ESAS 2020 allows the Company to target specific performance objectives and to provide an incentive for participants to achieve these superior targets, which ultimately, will create and enhance economic value for shareholders.

4 SHARE OPTIONS AND SHARE AWARDS (CONT'D)

ESOS 2008 and ESOS 2020 ("ESOS Schemes")

The ESOS 2008 and ESOS 2020 became operative upon the Company granting options to subscribe for 8,960,000 ordinary shares of the Company on 1 December 2008 ("2008 Options"). The Company also granted options to subscribe for 8,880,000, 9,050,000, 6,000,000, 3,000,000, 3,000,000 and 470,000 ordinary shares of the Company on 1 December 2009 ("2009 Options"), 1 December 2010 ("2010 Options"), 7 October 2013 ("2013 Options"), 1 April 2016 ("2016 Options"), 6 December 2017 ("2017 Options") and 26 January 2022 ("2022 Options") respectively. Particulars of the 2008 Options, 2009 Options, 2010 Options, 2013 Options, 2016 Options, 2017 Options and 2022 Options were set out in the Directors' Statement for the financial year ended 31 December 2008, 31 December 2009, 31 December 2010, 31 December 2013, 31 December 2016, 31 December 2017 and 31 December 2022 respectively.

On 6 March 2024, the Company granted options to subscribe for 5,482,000 ordinary shares under the ESOS 2020 at exercise price of $1.30 per share ("2024 Options"). The 2024 Options are exercisable from 6 March 2026 and expire on 5 March 2034. The total fair value of the 2024 Options granted was estimated to be $4,607,621 using the Black-Scholes Valuation Model.

Options granted under the ESOS Schemes

Details of the ESOS 2008 and ESOS 2020 granted to executive directors of the Company are as follows:

	Number of unissued ordinary shares of the Company under option			
Name of director	**Granted in financial year ended 31.12.2024**	**Aggregate granted since commencement of scheme to 31.12.2024**	**Aggregate exercised since commencement of scheme to 31.12.2024**	**Aggregate outstanding as at 31.12.2024**
Dennis Au	300,000	4,180,000	3,023,000	1,157,000

Eligibility

Confirmed Group Employees (including Executive Directors) who have attained the age of twenty-one (21) years on or prior to the relevant date of grant and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have, as of the date of grant, been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the Committee may determine, shall be eligible to participate in the ESOS Schemes at the absolute discretion of the Committee. Controlling shareholders and their associates (as defined in Listing Manual of the Singapore Exchange Securities Trading Limited) are not entitled to participate in the ESOS Schemes.

Size

The aggregate number of new shares in respect of which options may be granted on any date under the ESOS Schemes, when added to all shares, options or awards granted under any other share option scheme, share award scheme or other share-based incentive schemes of the Company, including but not limited to the ESAS 2020, shall not exceed fifteen per cent. (15%) of the number of issued shares of the Company on the day immediately preceding the relevant date of grant (or such other limit as the SGX-ST may determine from time to time). Any shares which are held as treasury shares will be disregarded for the purpose of computing the fifteen per cent. (15%) limit. Notwithstanding the Company being able to deliver treasury shares to holders of options in lieu of new shares, the aggregate number of treasury shares shall not at any time exceed ten per cent. (10%) of the total number of issued shares.

4 SHARE OPTIONS AND SHARE AWARDS (CONT'D)

ESOS 2008 and ESOS 2020 ("ESOS Schemes") (cont'd)

Duration

The ESOS 2020 shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date the ESOS 2020 is adopted.

The ESOS 2008 had expired on 17 April 2018. The share options previously granted will remain valid until the expiry, cancellation or exercise of the share options.

Exercise price and option period

The Committee may grant options with or without a discounted exercise price. In the event that options are granted at a discount, the discount shall not exceed twenty per cent. (20%) of the market price.

Options granted with the exercise price set at market price shall only be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 1,000 shares or any multiple thereof), by a participant after the first anniversary of the date of grant of that option provided always that such options granted with the exercise price set at market price shall be exercised before the10th anniversary of the relevant date of grant, or such earlier date as may be determined by the Committee, failing which all unexercised options shall immediately lapse and become null and void and a participant shall have no claim against the Company.

Options granted with the exercise price set at a discount to market price shall only be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 1,000 shares or any multiple thereof), by a participant after the second anniversary from the date of grant of that option provided always that the options shall be exercised before the 10th anniversary of the relevant date of grant, or such earlier date as may be determined by the Committee, failing which all unexercised options shall immediately lapse and become null and void and a participant shall have no claim against the Company.

Except for Dennis Au, the Executive Director of the Company and Sebastiaan Johannes van Sprang, a former director of the Company, no participant under the ESOS Schemes has received 5% or more of the total number of shares under option available under the ESOS Schemes.

Share options outstanding

The number of unissued ordinary shares of the Company under option in relation to the ESOS 2008 and ESOS 2020 outstanding at the end of the financial year was as follows:

	Number of unissued ordinary shares under option at 31.12.2024	Exercise price	Exercise period
2017 Options	677,000	$0.432	06.12.2019 to 05.12.2027
2022 Options	440,000	$1.370	26.01.2024 to 25.01.2032
2024 Options	5,322,000	$1.300	06.03.2026 to 05.03.2034
	6,439,000		

4 SHARE OPTIONS AND SHARE AWARDS (CONT'D)

ESAS 2020

Eligibility

Confirmed Group Employees (including Executive Directors) who have attained the age of twenty-one (21) years on or prior to the relevant date of grant and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have, as of the date of grant, been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the Committee may determine, shall be eligible to participate in the ESAS 2020 at the absolute discretion of the Committee. Controlling shareholders and their associates (as defined in Listing Manual of the Singapore Exchange Securities Trading Limited) are not entitled to participate in the ESAS 2020.

Size

The aggregate number of shares available under the ESAS 2020, when added to all shares, options or awards granted under any other share option scheme, share award scheme or other share-based incentive schemes of the Company, including but not limited to the ESOS 2020, shall not exceed fifteen per cent. (15%) of the number of issued shares of the Company on the day immediately preceding the relevant date of grant (or such other limit as the SGX-ST may determine from time to time). Any shares which are held as treasury shares will be disregarded for the purpose of computing the fifteen per cent. (15%) limit. Notwithstanding the Company being able to deliver treasury shares to holders of awards in lieu of new shares, the aggregate number of treasury shares shall not at any time exceed ten per cent. (10%) of the total number of issued shares.

Duration

The ESAS 2020 shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date the ESAS 2020 is adopted.

During the financial year, there was no grant of awards under the ESAS 2020.

5 AUDIT COMMITTEE

The role of the Audit Committee ("AC") is to assist the Board with regard to the discharge of its responsibility to safeguard the Group's assets, maintain adequate accounting records, develop and maintain effective systems of internal controls with an overall objective to ensure that the management has created and maintained an effective control environment in the Group.

All AC members are independent Non-Executive Directors. The AC comprises the following members:

Melvin Chan Wai Leong	(Chairman and Lead Independent Director)
Foo Seang Choong	(Independent Director)
Dato' Noorashidah Binti Ahmad	(Independent Director)

The AC members have many years of experience and expertise in their respective fields of accounting, audit, financial management, law and business. The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC.

None of the AC members is a former partner or director of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

5 AUDIT COMMITTEE (CONT'D)

The AC meets at least quarterly to discuss and review the following where applicable:

(a) review the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function;

(b) review with the external auditors the audit plan, their evaluation of the system of internal controls relevant to the audit, their audit report, their management letter and our management's response;

(c) review with the internal auditors, the scope and the results of internal audit procedures and their evaluation of the overall internal control systems including financial, operational and compliance controls and risk management;

(d) review the quarterly business update, half yearly and annual financial statements before submission to the Board for approval, focusing in particular, on significant financial reporting issues and judgements so as to ensure the integrity of the consolidated financial statements of the Group and any formal announcements relating to the Company's financial performance, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

(e) review the internal controls and procedures and ensure co-ordination between the external auditors and management, reviewing the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management);

(f) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant law, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and management's response;

(g) review the adequacy and effectiveness of the Group's internal financial controls, operational and compliance controls and risk management policies and systems;

(h) review the assurance from the President and the Chief Financial Officer on the financial records and financial statements;

(i) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(j) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(k) review and recommend to the Board transactions falling within the scope of Chapter 9 of the Listing Manual;

(l) undertake such other reviews and projects as may be requested by the Board and will report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

(m) generally undertake such other functions and duties as may be required by statute of the Listing Manual, and by such amendments made thereto from time to time. In addition, all future transactions with related parties shall comply with the requirements of the Listing Manual. As required by paragraph 1(9)(e) of Appendix 2.2 of the Listing Manual, the Directors shall abstain from voting in any contracts or arrangements or proposed contracts or arrangements in which they have personal material interests.

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The AC members keep abreast of changes to accounting standards and issues which have a direct impact on financial statements, through advice sought, updates and briefing from the external auditors when they attend the AC meetings quarterly.

5 AUDIT COMMITTEE (CONT'D)

The AC has full access to documents and information and the co-operation from management. It has full discretion to invite any Director or Executive Officer to attend its meetings, and has been given adequate resources to enable it to discharge its functions. The AC is satisfied that the internal auditors have adequate resources to perform its functions.

The Board believes that the existing system of internal controls is adequate and recognises that it is responsible for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's business and assets. The effectiveness of the internal financial control systems and procedures are monitored by the management.

The Group's internal audit function is carried out in-house by qualified and experienced internal audit staff. The internal auditor's primary line of reporting is to the Chairman of the AC. The AC confirms that the internal audit function is independent as it reports directly to the Chairman of the AC who is an independent director as well as other members of the AC who are also independent directors. The AC also decides on the appointment, termination and remuneration of the head of the internal audit function.

The Group co-operates fully with the internal auditor in terms of allowing access to documents, records, properties and personnel. The AC reviews annually the adequacy and effectiveness of the internal audit function and its standing within the Company to ensure it is able to perform its function effectively and objectively. The AC has reviewed and is satisfied with the independence, adequacy and effectiveness of the Company's internal audit function. The Company with the concurrence of the AC is satisfied that the Group's framework of internal controls and procedures is adequate and effective.

During the year, the internal auditor carried out two (2) cycles of internal audit for the Mechatronics Division in Europe, two (2) cycles of internal audit for the Mechatronics Division in Asia and two (2) cycles of internal audit for the IMS Division in Asia. The findings were presented to the AC.

With the assistance of the internal and external auditors, our management has identified the main business processes and the associated financial and operational risks, and have adopted recommendations made to address these risks. Based on the review by the AC, the Board is satisfied that the internal controls and risks management process of the Group are adequate to safeguard shareholders' interest and the Group's assets.

The Company confirms that the appointment of the external auditors is in accordance with Rules 712 and 715 of the Listing Rules.

For details of fees in respect of audit and non-audit services, please refer to Note 7 to the financial statements.

The AC has reviewed the range and value of non-audit services performed by the external auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC had also assessed the quality of the work carried out by the external auditors based on ACRA's Audit Quality Indicators Disclosure Framework.

After taking into consideration the above factors, the AC has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

During the financial year under review, the AC met with the internal auditor and external auditors a total of four (4) times of which one (1) is without the presence of management.

5 AUDIT COMMITTEE (CONT'D)

Whistleblowing Policy

The Group is committed to high standards of corporate governance that encompass the ethical, moral and legal conduct of its business. An important aspect towards ensuring the adherence of this conduct is to provide an accountability and transparency mechanism that will enable individuals to voice concerns of perceived wrongdoings in a responsible and effective manner.

As part of its corporate governance framework, the Group has adopted a whistleblowing policy that ensures there is an avenue for employees to raise concerns in confidence and provide assurance that the party involved in the whistleblowing will be protected from reprisals, victimisation, harassment or disciplinary proceedings.

The Group's whistleblowing policy reinforces the value that it places on staff to be honest and upright in their dealings and conduct. It should be emphasised that this policy is intended to assist individuals who believe they have discovered malpractice or impropriety. It is not designed to question financial or business decisions taken by the Group nor should it be used to air grievances or as a platform to maliciously attack a superior for personal gain.

The Group's whistleblowing policy applies to all employees of the Group as well as suppliers, customers, outsourced partners, agents and consultants that have dealings with the Group.

The Group has an independent function to investigate whistleblowing reports made in good faith. An email address is available (audit.chair@frenckengroup.com), and this is communicated in our workplace and available on the Company's website. The channel of communicating the whistleblowing event is separated from the management of the Group to ensure there are independent and internal checks. All whistleblowing communications will be directed confidentially to the Chairman of the AC, who shall be an independent director of the board and not involved in the management of the Group. The Group assures that any individual making a whistleblowing report will retain his/her anonymity unless he/she agrees otherwise and there should not be any retaliation against the whistleblower.

All concerns raised will be independently assessed by the Chairman of the AC. The Group internal audit will be assigned to investigate the concerns raised by the whistleblower. The AC will closely oversee and monitors the progress of the investigation, including reviewing the findings in the investigation report from the internal auditors and ensure appropriate follow-up actions are taken to resolve the concerns raised by the whistleblower.

During the financial year 2024 and until the date of this Statement, there were four (4) reports received through the whistleblowing mechanism. All reports were investigated and have been addressed by the Company.

DIRECTORS' STATEMENT (CONT'D)

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept reappointment.

ON BEHALF OF THE DIRECTORS

....
Dato' Seri Gooi Soon Chai

....
Dennis Au

Date: 13 March 2025

INDEPENDENT AUDITOR'S REPORT

To The Members Of Frencken Group Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Frencken Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 91 to 171.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in the audit
Impairment assessment of goodwill As at 31 December 2024, the carrying amount of the Group's goodwill arising from its previous acquisition of subsidiaries amounted to $20,348,000 (Note 18), which represents 2.77% of the Group's total assets. The impairment assessment is a key audit matter due to the assumptions and judgement involved in computing the recoverable amount of each cash generating units ("CGU"). The recoverable amounts of CGUs to which goodwill are allocated to have been determined based on value-in-use calculations which requires significant management's assumption about future market conditions, revenue growth rates and discount rates.	Our audit procedures focused on evaluating and challenging the reasonableness of the key assumptions used by management in conducting the impairment review of the goodwill. These procedures include: a) Obtained an understanding of the design and tested the implementation of the Group's relevant key controls related to assessment of recoverable amounts for goodwill; b) assessed the reasonableness of the estimated cash flows by taking into account the relevant CGU's expected future operating performance (including revenue growth rates and profit margins), as well as historical actual performance, accuracy of management forecast in prior years and the general industry outlook;

Key Audit Matters (cont'd)

Key audit matters	How the matter was addressed in the audit
Based on management's assessment, no impairment loss of goodwill was recognised during the year. The accounting policies, key assumptions and sensitivities to the impairment of goodwill are disclosed in Notes 2(f)(i), 3(b)(i) and 18 to the financial statements.	c) engaged our internal valuation specialists to review the appropriateness of the discount rates used by management in the value-in-use calculations and review the impairment assessment model; and d) evaluated management's sensitivity analysis around the key assumptions above to ascertain the impact of reasonably possible changes on the value-in-use calculation from the cashflow forecast and determine whether the Group's assessment is reasonable. Based on our procedures, we noted management's estimates and key assumptions used in the impairment assessment of goodwill to be within a reasonable range of our expectations. We have also assessed the adequacy of the disclosures relating to the key assumptions and sensitivities and found the disclosures in the financial statements to be appropriate.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To The Members Of Frencken Group Limited (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

To The Members Of Frencken Group Limited (CONT'D)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Chua How Kiat.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Date: 13 March 2025

CONSOLIDATED INCOME STATEMENT
For The Financial Year Ended 31 December 2024

	Note	2024 $'000	2023 $'000
Revenue	5	794,333	742,859
Cost of sales		(678,995)	(644,855)
Gross profit		115,338	98,004
Other income	6	7,964	10,938
Selling and distribution expenses		(11,541)	(9,737)
Administrative and general expenses		(56,768)	(49,524)
Other operating expenses		(3,474)	(3,343)
Finance income		1,379	1,210
Finance costs	8	(6,852)	(6,014)
Share of results of an associate, net of tax		(2)	4
Profit before income tax		46,044	41,538
Income tax expense	9	(9,415)	(9,552)
Profit for the year	7	36,629	31,986
Profit attributable to:			
Equity holders of the Company		37,120	32,475
Non-controlling interests		(491)	(489)
		36,629	31,986
Earnings per share			
Attributable to equity holders of the Company (cents per share)	10		
Basic		8.69	7.60
Diluted		8.68	7.60

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2024

	Note	2024 $'000	2023 $'000
Profit for the year		36,629	31,986
Other comprehensive income (loss)			
Item that will not be reclassified subsequently to income statement:			
Remeasurement of defined benefit obligation	29	(204)	70
Item that may be reclassified subsequently to income statement:			
Currency translation differences arising from consolidation		3,606	(7,846)
Other comprehensive income (loss) for the year		3,402	(7,776)
Total comprehensive income for the year		40,031	24,210
Total comprehensive income attributable to:			
Equity holders of the Company		40,519	24,709
Non-controlling interests		(488)	(499)
		40,031	24,210

See accompanying notes to financial statements.

BALANCE SHEETS
As at 31 December 2024

	Note	The Group 2024 $'000	The Group 2023 $'000	The Company 2024 $'000	The Company 2023 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	119,997	129,816	-	-
Right-of-use assets	13	47,312	49,333	-	-
Investment properties	14	1,312	1,259	-	-
Investment in subsidiaries	15	-	-	135,044	133,275
Investment in an associate	16	18	19	-	-
Financial asset at fair value through other comprehensive income	17	1,995	1,995	1,995	1,995
Goodwill and other intangible assets	18	22,017	21,348	-	-
Deferred income tax assets	30	1,485	1,363	-	-
Other receivables, deposits and prepayments	22	1,181	1,676	-	-
Total non-current assets		195,317	206,809	137,039	135,270
Current assets					
Inventories	19	226,465	203,396	-	-
Trade receivables	20	137,774	171,193	-	-
Receivables from subsidiaries	21	-	-	-	65
Dividends receivables from subsidiaries		-	-	12,936	9,644
Other receivables, deposits and prepayments	22	13,401	9,442	47	43
Tax recoverable		2,988	1,815	-	-
Cash and cash equivalents	23	159,199	142,631	17,131	18,752
Total current assets		539,827	528,477	30,114	28,504
Total assets		735,144	735,286	167,153	163,774

BALANCE SHEETS
As at 31 December 2024 (CONT'D)

		The Group		The Company	
	Note	2024	2023	2024	2023
		$'000	$'000	$'000	$'000
LIABILITIES					
Current liabilities					
Trade payables	24	94,503	124,802	-	-
Payable to a subsidiary		-	-	104	236
Other payables, accruals and provisions	25	55,944	52,120	893	1,933
Deferred income	26	11	10	-	-
Borrowings	27	86,458	91,569	-	-
Lease liabilities	28	8,399	7,703	-	-
Income tax payable		5,647	6,036	-	-
Total current liabilities		250,962	282,240	997	2,169
Non-current liabilities					
Other payables, accruals and provisions	25	65	120	-	-
Deferred income	26	53	61	-	-
Borrowings	27	147	480	-	-
Lease liabilities	28	38,549	42,276	-	-
Retirement benefit obligations	29	580	430	-	-
Deferred income tax liabilities	30	7,280	4,401	-	-
Total non-current liabilities		46,674	47,768	-	-
Total liabilities		297,636	330,008	997	2,169
NET ASSETS		437,508	405,278	166,156	161,605
EQUITY					
Share capital	31	104,500	104,444	104,500	104,444
Foreign currency translation reserve		(21,215)	(24,712)	-	-
Merger reserve		2,345	2,345	-	-
Capital reserve		2,015	1,981	2,596	2,562
Statutory reserve fund	32	7,581	6,936	-	-
Share option reserve		2,401	555	2,401	555
Fair value reserve		(4,405)	(4,405)	(4,405)	(4,405)
Other reserve		539	637	-	-
Retained profits		340,203	313,465	61,064	58,449
Equity attributable to equity holders of the Company		433,964	401,246	166,156	161,605
Non-controlling interests		3,544	4,032	-	-
Total equity		437,508	405,278	166,156	161,605

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2024

	Note	Share capital	Foreign currency translation reserve	Merger reserve	Capital reserve	Statutory reserve fund	Share option reserve	Fair value reserve	Other reserve	Retained profits	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group													
Balance 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 year		-	-	-	-	-	-	-	-	37,120	37,120	(491)	36,629
Other comprehensive income (loss):													
Remeasurement of defined benefit obligation	29	-	-	-	-	-	-	-	(204)	-	(204)	-	(204)
Currency translation differences arising from consolidation		-	3,497	-	-	-	-	-	106	-	3,603	3	3,606
Total comprehensive income (loss) for the year		-	3,497	-	-	-	-	-	(98)	37,120	40,519	(488)	40,031
Transactions with owners, recognised directly in equity:													
Transfer to statutory reserve fund	32	-	-	-	-	645	-	-	-	(645)	-	-	-
Employees share option scheme:													
- Issue of share capital	31	56	-	-	34	-	(34)	-	-	-	56	-	56
- Value of employee services		-	-	-	-	-	1,880	-	-	-	1,880	-	1,880
Dividends relating to 2023 paid	11	-	-	-	-	-	-	-	-	(9,737)	(9,737)	-	(9,737)
Total		56	-	-	34	645	1,846	-	-	(10,382)	(7,801)	-	(7,801)
Balance at 31 December 2024		104,500	(21,215)	2,345	2,015	7,581	2,401	(4,405)	539	340,203	433,964	3,544	437,508

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2024 (CONT'D)

	Note	Share capital	Foreign currency translation reserve	Merger reserve	Capital reserve	Statutory reserve fund	Share option reserve	Fair value reserve	Other reserve	Retained profits	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group													
Balance 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 year		-	-	-	-	-	-	-	-	32,475	32,475	(489)	31,986
Other comprehensive income (loss):													
Remeasurement of defined benefit obligation	29	-	-	-	-	-	-	-	70	-	70	-	70
Currency translation differences arising from consolidation		-	(7,799)	-	-	-	-	-	(37)	-	(7,836)	(10)	(7,846)
Total comprehensive income (loss) for the year		-	(7,799)	-	-	-	-	-	33	32,475	24,709	(499)	24,210
Transactions with owners, recognised directly in equity:													
Transfer to statutory reserve fund	32	-	-	-	-	668	-	-	-	(668)	-	-	-
Employees share option scheme:													
- Value of employee services		-	-	-	-	-	193	-	-	-	193	-	193
Transfer arising from forfeited share options		-	-	-	-	-	(105)	-	-	105	-	-	-
Dividends relating to 2022 paid	11	-	-	-	-	-	-	-	-	(15,544)	(15,544)	-	(15,544)
Total		-	-	-	-	668	88	-	-	(16,107)	(15,351)	-	(15,351)
Balance at 31 December 2023		104,444	(24,712)	2,345	1,981	6,936	555	(4,405)	637	313,465	401,246	4,032	405,278

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2024 (CONT'D)

	Note	Share capital $'000	Capital reserve $'000	Share option reserve $'000	Fair value reserve $'000	Retained profits $'000	Total $'000
The Company							
Balance at 1 January 2024		104,444	2,562	555	(4,405)	58,449	161,605
Profit for the year, representing total comprehensive income for the year		-	-	-	-	12,352	12,352
Transactions with owners, recognised directly in equity							
Employees share option scheme:							
- Issue of share capital	31	56	34	(34)	-	-	56
- Value of employee services		-	-	1,880	-	-	1,880
Dividends relating to 2023 paid	11	-	-	-	-	(9,737)	(9,737)
Total		56	34	1,846	-	(9,737)	(7,801)
Balance at 31 December 2024		104,500	2,596	2,401	(4,405)	61,064	166,156

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2024 (CONT'D)

	Note	Share capital	Capital reserve	Share option reserve	Fair value reserve	Retained profits	Total
		$'000	$'000	$'000	$'000	$'000	$'000
The Company							
Balance at 1 January 2023		104,444	2,562	467	(4,405)	63,418	166,486
Profit for the year, representing total comprehensive income for the year		-	-	-	-	10,575	10,575
Transactions with owners, recognised directly in equity							
Employees share option scheme:							
- Value of employee services		-	-	193	-	-	193
Reversal arising from forfeited share options		-	-	(105)	-	-	(105)
Dividends relating to 2022 paid	11	-	-	-	-	(15,544)	(15,544)
Total		-	-	88	-	(15,544)	(15,456)
Balance at 31 December 2023		104,444	2,562	555	(4,405)	58,449	161,605

See accompanying notes to financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For The Financial Year Ended 31 December 2024

	Note	2024 $'000	2023 $'000
Cash Flows From Operating Activities			
Profit for the year		36,629	31,986
Adjustments for:			
Income tax expense		9,415	9,552
Share of results of an associate, net of tax		2	(4)
Exchange differences		1,615	(777)
Employee share option expense	7	1,880	193
Depreciation of property, plant and equipment	12	23,054	21,899
Depreciation of right-of-use assets	13	7,536	7,869
Depreciation of investment properties	14	19	19
Loss/(Gain) on lease modification, net	6	42	(112)
Gain on disposal of property, plant and equipment, net		(67)	(284)
Property, plant and equipment written off	12	29	52
Finance income		(1,379)	(1,210)
Finance costs	8	6,852	6,014
Amortisation of deferred income	26	(10)	(22)
Amortisation of intangible assets	18	257	327
Operating cash flow before working capital changes		85,874	75,502
Changes in operating assets and liabilities:			
Inventories		(25,800)	25,847
Receivables		28,747	(44,881)
Payables		(25,957)	10,291
Cash flows generated from operations		62,864	66,759
Tax paid		(8,125)	(11,752)
Finance costs paid		(6,691)	(6,043)
Net cash generated from operating activities		48,048	48,964

CONSOLIDATED CASH FLOW STATEMENT

For The Financial Year Ended 31 December 2024 (CONT'D)

	Note	2024	2023
		$'000	$'000
Cash Flows From Investing Activities			
Finance income received		1,379	1,210
Additions of intangible assets	18	-	(38)
Purchase of property, plant and equipment	23	(13,101)	(26,845)
Proceeds from disposal of property, plant and equipment		129	527
Loan to a third party		-	(2,500)
Repayment of loan from a third party		476	349
Net cash used in investing activities		(11,117)	(27,297)
Cash Flows From Financing Activities			
Proceeds from issuance of share capital		56	-
Repayment of lease liabilities		(8,622)	(9,910)
Repayment of short-term bank borrowings		(94,596)	(134,601)
Repayment of term loans		(1,120)	(800)
Proceeds from short-term bank borrowings		97,859	124,530
Proceeds from term loans		557	475
Dividends paid to shareholders		(9,737)	(15,544)
Withdrawal of fixed deposits pledged as securities		36	-
Net cash used in financing activities		(15,567)	(35,850)
Net increase/(decrease) in cash and cash equivalents		21,364	(14,183)
Cash and cash equivalents at the beginning of the financial year		91,195	110,268
Effect of exchange rate changes on cash and cash equivalents		3,867	(4,890)
Cash and cash equivalents at the end of the financial year	23	116,426	91,195

See accompanying notes to financial statements.

1 GENERAL

Frencken Group Limited (the "Company") is incorporated in Singapore with its principal place of business at Suite 2.1, Level 2, Wisma Great Eastern, No. 25 Lebuh Light, 10200, Penang, Malaysia and registered office at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars. All financial information presented in Singapore Dollar ("$") has been rounded to the nearest thousand ($'000), unless otherwise stated.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are set out in Note 15.

The consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the year ended 31 December 2024 were authorised for issue by the Board of Directors on 13 March 2025.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 1-16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value-in-use in SFRS(I) 1-36 *Impairment of Assets*.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Adoption of new and revised standards

On 1 January 2024, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are mandatorily effective and are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(c) Group accounting

Subsidiaries

(i) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Please refer to Note 2(d) for the Company's accounting policy on investments in subsidiaries.

(ii) Merger reserve

Merger reserve represents the difference between the nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Group and the nominal amount of the share capital issued, cash and cash equivalents and others as consideration for the acquisition.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(c) Group accounting (cont'd)

Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investment in associates are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Equity method of accounting

Under the equity method, an investment in an associate is recognised initially in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income for the associate. When the Group's share of losses of an associate exceeds the Group's interest in the associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(d) Investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost less accumulated impairment losses (Note 2(f)(ii)) in the Company's balance sheet.

(e) Intangible assets

(i) Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(ii) Other intangible assets

Other intangible assets acquired separately are measured initially at cost. The cost of other intangible assets such as deferred development costs, patents, intellectual properties and software development costs acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, other intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses, if any. Internally generated other intangible assets, excluding capitalised deferred development costs, are not capitalised and expenditure is reflected in income statement in the year in which the expenditure is incurred.

The useful lives of other intangible assets are assessed as finite.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(e) <u>Intangible assets</u> (cont'd)

(ii) Other intangible assets (cont'd)

Other intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the other intangible assets may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on other intangible assets with finite useful lives is recognised in income statement in the expense category consistent with the function of the other intangible assets.

(a) Deferred development costs

Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible assets so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Amortisation of the deferred development costs begin when development is complete and the asset is available to use. Deferred development costs have a finite useful life and are amortised over the period of expected units of production or based on the estimated useful lives of the related projects.

(f) <u>Impairment of non-financial assets</u>

(i) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

NOTES TO FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024 (CONT'D)

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(f) Impairment of non-financial assets (cont'd)

(ii) Property, plant and equipment, right-of-use assets, investment properties, investments in subsidiaries and associates and intangible assets (excluding goodwill).

Property, plant and equipment, right-of-use assets, investment properties, investments in subsidiaries and associates, and intangible assets (excluding goodwill) are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely dependent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the income statement.

(g) Currency translation

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency translation reserve differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the income statement, unless they arise from net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the income statement as part of gain or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;

(b) Income and expenses are translated at average exchange rate (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions);

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(g) Currency translation (cont'd)

(iii) Translation of Group entities' financial statements (cont'd)

(c) All resulting exchange differences are taken to the foreign currency translation reserve within other comprehensive income. This is a non-distributable reserve. Movements in this reserve account are set out in consolidated statement of changes in equity; and

(d) On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to income statement. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to income statement.

(h) Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of goods and moulds
- Installation services
- Rental income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

(i) Sale of goods and moulds

1) Revenue from the sale of goods is recognised when control of the goods are transferred to the customer and all criteria for acceptance have been satisfied. A receivable is recognised by the Group when the control of the goods are transferred to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

2) Revenue from the sale of moulds, which comprise the rendering of services of the design and fabrication of moulds, is recognised over time based on the percentage of completion method. Percentage of completion is measured by reference to the completion of certain pre-determined milestone as certified by engineers.

(ii) Installation services

Revenue from installation services is recognised when the services are completed and satisfactory received by customer. The customer will perform a series of test on the installed equipment to assess whether the installation is properly carried out. This usually includes equipment functional test and production yield test.

(iii) Rental income

Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(i) Property, plant and equipment

(i) Measurement

All property, plant and equipment other than freehold land are stated at historical cost less accumulated depreciation and accumulated impairment losses. Freehold land is stated at historical cost less accumulated impairment losses.

(ii) Component of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to Note 2(x) on borrowing costs).

(iii) Depreciation

Freehold land and capital work-in-progress are not depreciated. Buildings are depreciated on a straight-line basis. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts based on the following annual rates:

Buildings	1% to 5%
Plant, machinery, equipment, piping and electrical installation	5% to 33%
Moulds and toolings	10% to 33%
Office equipment, furniture and fittings and renovation	8% to 100%
Motor vehicles	17% to 30%

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

(iv) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised as expenses during the financial year in which they are incurred.

(v) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the income statement.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(j) Investment properties

Investment properties are property held for long-term rental yields and/or capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of investment properties includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses during the financial year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over the estimated useful lives of 75 years for leasehold buildings and 5 years for building improvements and furniture and fittings.

The residual values and useful lives of investment properties are reviewed and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in income statement when the changes arise.

An investment property should be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal should be calculated as the difference between the net disposal proceeds and the carrying amount of the asset and should be recognised as income or expense in the income statement.

(k) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank, demand deposits and short-term, highly liquid funds which are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Cash and bank balances and fixed deposits are carried at cost.

For the purposes of the cash flow statement, cash and cash equivalents are shown net of outstanding bank overdrafts and deposits pledged as securities.

(m) Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(m) Leases (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate that is applied to the banking facilities of the Group specific to the lessee.

Lease payments included in the measurement of the Group's lease liabilities comprise mainly of fixed lease payments over the lease terms.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the balance sheet.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(f)(ii) – Impairment of non-financial assets policy.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

(n) Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values and measured subsequently at the higher of:

- The amount of the loss allowance determined in accordance with SFRS(I) 9
- The amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with SFRS(I) 15

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(o) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Interest expense calculated using the effective interest method is recognised over the term of the borrowings.

Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the balance sheet date are included in non-current borrowings in the balance sheet.

(p) Taxes

Current income tax for current and prior periods is recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit nor loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the income statement for the period, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(p) Taxes (cont'd)

Revenue, expenses and assets are recognised net of the amount of sales tax except:

(i) when the sales tax that is incurred on purchase of assets or services is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables that are stated with the amount of sales tax included.

(q) Employee compensation

Employee benefits are recognised as an expense in the income statement unless the cost qualifies to be capitalised as an asset.

(i) Retirement benefit costs

Retirement contribution plans - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to income statement. Past service cost is recognised in income statement in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments settlements);
- Net interest expense or income; and
- Remeasurement.

The Group presents the first two components of defined benefit costs in income statement in the line item administration and general expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plan.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(q) Employee compensation (cont'd)

(ii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense in the income statement with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. The movements in the share option reserve account are set out in the consolidated statement of changes in equity.

Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the income statement with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve is credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

(s) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in consolidated income statement on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the balance sheet and transferred to consolidated income statement on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in consolidated income statement in the period in which they become receivable.

(t) Dividends to Company's shareholders

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(u) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are deducted against the share capital account.

(v) Financial assets

(i) Classification and measurement

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Finance income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Finance income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

Finance income is recognised in consolidated income statement under "Finance income" line item.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(v) Financial assets (cont'd)

(i) Classification and measurement (cont'd)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in income statement to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in income statement includes any dividends or interest earned on the financial asset and is included in the "other income" or "other operating expenses" line item. Fair value is determined in the manner described in Note 35(e).

(ii) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the closing rate as at each reporting date. Specifically, for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in income statement in the "other income" or "other operating expenses" line items.

(iii) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(v) Financial assets (cont'd)

(iii) Impairment of financial assets (cont'd)

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date except for assets for which the simplified approach was used.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in income statement.

(w) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(w) Financial liabilities and equity instruments (cont'd)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other income" or "other operating expense" line item in income statement for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in income statement for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in income statement.

(x) Borrowing costs

Borrowing costs are recognised in the income statement using the effective interest method except for those costs that are directly attributable to the construction or the production of the qualifying assets.

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policy, management is of the view that there are no critical judgements involved that have a significant effect on the accounts recognised in the financial statements, apart from those involving estimations (see below).

(b) Critical accounting estimates and assumptions

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of goodwill

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(f)(i). The recoverable amounts of CGUs to which goodwill are allocated to have been determined based on value-in-use calculations which requires significant management's assumption about future market conditions, revenue growth rates and discount rates (Note 18(a)).

As disclosed in Note 18, the carrying amount of goodwill as at 31 December 2024, amounted to $20,348,000 (2023 : $20,492,000), which includes goodwill allocated to the Singapore's Mechatronics and Malaysia CGU of $8,392,000 and $2,697,000 respectively (2023 : $8,392,000 and $2,697,000 respectively). The Group considers the recoverable amount of goodwill allocated to these CGUs to be largely sensitive to future market conditions and the forecasted revenue growth rate. Revenue is forecasted to grow significantly as a result of additional sales contracts secured and anticipated market conditions. These have been considered and assessed based on management's expectations of the respective industries and countries in which the CGUs operate. Whilst the Group is able to manage most of the budgeted cost, the revenue projects are inherently uncertain due to the nature of industry and competitive market conditions.

The sensitivity analysis in respect of the recoverable amount of goodwill allocated to the Singapore's Mechatronics and Malaysia CGU are presented in Note 18(a).

(ii) Impairment of property, plant and equipment

Property, plant and equipment are assessed for impairment whenever there is an indication that it may be impaired. Estimation of recoverable amount using the present value of the future cash flows expected from the assets, the growth rates and discount rates are required for the impairment assessment.

Certain property, plant and equipment in China and Malaysia displayed indicators of impairment. As such, management has assessed the recoverable amount of these property, plant and equipment. Based on the review, no impairment is necessary on these property, plant and equipment.

The carrying amount of the Group's property, plant and equipment as at 31 December 2024 was $119,997,000 (2023 : $129,816,000).

4 RELATED PARTY TRANSACTIONS

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if the person: (i) has control or joint control over the Company; (ii) has significant influence over the Company; or (iii) is a member of the key management personnel of the Group or Company or of the parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions apply: (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); (ii) one entity is an associate of the other entity (or an associate of a member of the Group of which the other entity is a member); (iii) the entity provides post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company; (iv) the entity is controlled or jointly controlled by a person identified in (a); (v) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of the parent of the entity).

Other than those disclosed elsewhere in the financial statements, the following related party transactions took place during the financial year:

(a) Transactions with subsidiaries

	The Company	
	2024	**2023**
	$'000	**$'000**
Management fee charged to subsidiaries	504	594
Management fee charged by a subsidiary	(303)	(215)
Expenses paid on behalf by a subsidiary	(21)	(28)
Expenses paid on behalf for a subsidiary	16	7

(b) Key management personnel compensation

The key management personnel compensation includes fees, salary, bonuses and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group, and where the Group did not incur any costs, the value of the benefits.

The key management personnel compensation is as follows:

	The Group	
	2024	**2023**
	$'000	**$'000**
Salaries, wages and other short-term employee benefits	3,859	4,556
Post-employment benefits - defined contribution plan	106	155
Employee share option expense	551	102

Total compensation to directors of the Company included in above amounted to $1,711,000 (2023 : $2,234,000).

5 REVENUE

The Group derives its revenue from contracts with the customers for the transfer of goods and services at a point in time and over time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 *Operating Segments* (Note 33).

A disaggregation of the Group's revenue for the year by timing of revenue recognition is as follows:

	The Group	
	2024	2023
	$'000	$'000
At a point in time:		
Sale of goods	789,193	733,921
Installation services	1,446	4,291
Rental income	155	255
	790,794	738,467
Over time:		
Sale of moulds	3,539	4,392
	794,333	742,859

6 OTHER INCOME

	The Group	
	2024	2023
	$'000	$'000
Gain on disposal of property, plant and equipment	103	438
Gain on lease modification	-	112
Government grants	1,401	1,383
Foreign exchange gain	1,533	3,123
Amortisation of deferred income (Note 26)	10	22
Scrap sales	1,990	1,632
Others	2,927	4,228
	7,964	10,938

7 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Note	The Group 2024 $'000	The Group 2023 $'000
Audit fees paid and payable to:			
- auditors of the Company		(300)	(273)
- other auditors*		(786)	(794)
Non-audit fees paid and payable to other auditors*		(76)	(66)
Amortisation of intangible assets	18	(257)	(327)
Depreciation of property, plant and equipment	12	(23,054)	(21,899)
Depreciation of right-of-use assets	13	(7,536)	(7,869)
Depreciation of investment properties	14	(19)	(19)
Purchase of raw materials, finished goods, toolings and consumables		(489,564)	(424,035)
Changes in inventories of raw materials, work-in-progress and finished goods		25,153	(29,020)
Transportation		(4,338)	(4,221)
Repairs and maintenance		(11,737)	(9,564)
Utilities		(11,691)	(10,936)
Insurance		(1,531)	(1,340)
Short-term lease expense		(3,455)	(2,713)
Employee compensations:			
- Salaries, wages and other short-term employee benefits		(178,951)	(152,976)
- Employer's contribution to defined contributions plans		(13,562)	(12,848)
- Employee share option expense		(1,880)	(193)
		(194,393)	(166,017)

*Includes other auditors and member firms of Deloitte outside Singapore.

8 FINANCE COSTS

	The Group 2024 $'000	The Group 2023 $'000
Finance costs on:		
- lease liabilities	(1,527)	(1,075)
- bank borrowings	(5,325)	(4,939)
	(6,852)	(6,014)

9 INCOME TAX EXPENSE

	The Group	
	2024	2023
	$'000	$'000
Income tax expense attributable to profit is made up of:		
Current income tax:		
- Singapore	(225)	(518)
- Foreign	(9,357)	(8,580)
Deferred income tax (Note 30)	(743)	29
	(10,325)	(9,069)
Over/(Under) recognition in respect of previous financial years:		
- Current income tax	1,533	431
- Deferred income tax (Note 30)	(295)	(186)
	1,238	245
Withholding tax	(328)	(728)
	(9,415)	(9,552)

The income tax expense on profit before income tax differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	The Group	
	2024	2023
	$'000	$'000
Profit before income tax	46,044	41,538
Tax calculated at Singapore income tax rate of 17% (2023 : 17%)	(7,827)	(7,061)
Effects of:		
- Different income tax rates in other countries	(3,321)	(2,680)
- Expenses not deductible for tax purposes	(490)	(702)
- Income not subject to taxation	737	1,297
- Effects of changes in other deductible temporary differences	(26)	369
- Deferred tax assets not recognised	(384)	(1,260)
- Tax incentives in other countries	1,288	1,590
- Withholding tax	(328)	(728)
- Others	(302)	(622)
Over/(Under) recognition in respect of previous financial years:		
- Current income tax	1,533	431
- Deferred income tax	(295)	(186)
	(9,415)	(9,552)

In March 2022, the Organization for Economic Cooperation and Development ("OECD") released technical guidance on its 15% global minimum tax agreed as the second 'pillar' of a project to address the tax challenges arising from digitalisation of the economy. This guidance elaborates on the application and operation of the Global Anti-Base Erosion Model Rules agreed and released in December 2021 which lay out a co-ordinated system to ensure that Multinational Enterprises (MNEs) with revenues above EUR750 million pay tax of at least 15% on the income arising in each of the jurisdictions in which they operate.

9 INCOME TAX EXPENSE (CONT'D)

As at 31 December 2024, Singapore has enacted the Multinational Enterprise (Minimum Tax) Act 2024 and published the related subsidiary legislations to implement the Global Anti-Base Erosion Model Rules (Pillar Two) relating to top-up tax under the Income Inclusion Rule (IIR) and the Domestic Top-up Tax (DTT), both which will take effect from 1 January 2025.

The Group has applied the temporary exception from the accounting requirements for deferred taxes arising from Pillar Two model rules. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has performed an assessment of the potential top-up tax impact from the enacted legislations. As of 31 December 2024, the Group revenue does not exceed EUR750 million. Accordingly, top-up taxes, if any, is not expected to have a significant impact to the Group.

10 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	The Group	
	2024	**2023**
	$'000	**$'000**
Profit attributable to equity holders of the Company	37,120	32,475
	Number of shares	**Number of shares**
Weighted average number of ordinary shares outstanding for basic earnings per share	427,067,458	427,025,409
	Cents	**Cents**
Basic earnings per share	8.69	7.60

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has one category of potential dilutive ordinary shares which is share options.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the profit attributable to equity holders of the Company.

10 EARNINGS PER SHARE (CONT'D)

(b) Diluted earnings per share (cont'd)

Diluted earnings per share attributable to equity holders of the Company is calculated as follows:

	The Group	
	2024	**2023**
	$'000	**$'000**
Profit attributable to equity holders of the Company	37,120	32,475

	Number of shares	**Number of shares**
Weighted average number of ordinary shares outstanding for basic earnings per share	427,067,458	427,025,409
Adjustment for share options	472,447	415,376
	427,539,905	427,440,785

	Cents	**Cents**
Diluted earnings per share	8.68	7.60

11 DIVIDENDS

	The Company	
	2024	**2023**
	$'000	**$'000**
Ordinary dividends paid		
First and final tax exempt (one-tier) dividends paid in respect of the previous financial year of 2.28 cents (2022 : 3.64 cents per share)	9,737	15,544

At the forthcoming Annual General Meeting to be held on 25 April 2025, a first and final tax exempt (one-tier) dividends of 2.61 cents per share in respect of the financial year ended 31 December 2024 amounting to $11,147,000 will be proposed for the shareholders' approval.

The financial statements do not reflect this dividends, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

12 PROPERTY, PLANT AND EQUIPMENT

2024	Freehold land and buildings	Leasehold buildings	Plant, machinery, equipment, piping and electrical installation	Moulds and tooling	Office equipment, furniture and fittings and renovation	Motor vehicles	Construction-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group								
Cost:								
At beginning of the financial year	30,329	14,676	225,060	21,977	55,446	1,879	7,902	357,269
Currency translation differences	(456)	378	536	285	619	42	121	1,525
Additions	15	-	6,236	279	3,797	50	3,536	13,913
Disposals	-	-	(1,248)	(96)	(41)	(86)	-	(1,471)
Written off	-	-	(557)	(387)	(386)	(24)	(9)	(1,363)
Transfer to intangible assets	-	-	-	-	(1,641)	-	-	(1,641)
Reclassification	-	12	6,208	18	218	-	(6,456)	-
At end of the financial year	29,888	15,066	236,235	22,076	58,012	1,861	5,094	368,232
Accumulated depreciation:								
At beginning of the financial year	15,273	2,866	146,580	19,418	39,186	1,374	-	224,697
Currency translation differences	(321)	55	574	277	381	34	-	1,000
Charge for the financial year	1,165	535	15,601	791	4,819	143	-	23,054
Disposals	-	-	(1,190)	(93)	(41)	(85)	-	(1,409)
Written off	-	-	(551)	(378)	(381)	(24)	-	(1,334)
Transfer to intangible assets	-	-	-	-	(521)	-	-	(521)
Reclassification	-	-	35	(143)	108	-	-	-
At end of the financial year	16,117	3,456	161,049	19,872	43,551	1,442	-	245,487
Accumulated impairment loss:								
At beginning of the financial year	-	-	2,756	-	-	-	-	2,756
Currency translation differences	-	-	(8)	-	-	-	-	(8)
At end of the financial year	-	-	2,748	-	-	-	-	2,748
Carrying amount:								
At 31 December 2024	13,771	11,610	72,438	2,204	14,461	419	5,094	119,997

12 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2023	Freehold land and buildings	Leasehold buildings	Plant, machinery, equipment, piping and electrical installation	Moulds and tooling	Office equipment, furniture and fittings and renovation	Motor vehicles	Construction-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group								
Cost:								
At beginning of the financial year	29,854	15,266	215,793	21,873	54,712	1,946	2,021	341,465
Currency translation differences	249	(755)	(3,494)	(204)	(869)	(48)	19	(5,102)
Additions	226	-	17,340	461	2,119	38	6,567	26,751
Disposals	-	-	(4,815)	(134)	(55)	(57)	-	(5,061)
Written off	-	-	(482)	(1)	(296)	-	(5)	(784)
Reclassification	-	165	718	(18)	(165)	-	(700)	-
At end of the financial year	30,329	14,676	225,060	21,977	55,446	1,879	7,902	357,269
Accumulated depreciation:								
At beginning of the financial year	13,866	2,435	138,398	18,839	36,111	1,265	-	210,914
Currency translation differences	186	(112)	(2,113)	(118)	(546)	(32)	-	(2,735)
Charge for the financial year	1,221	643	15,157	820	3,865	193	-	21,899
Disposals	-	-	(4,422)	(122)	(53)	(52)	-	(4,649)
Written off	-	-	(436)	(1)	(295)	-	-	(732)
Reclassification	-	(100)	(4)	-	104	-	-	-
At end of the financial year	15,273	2,866	146,580	19,418	39,186	1,374	-	224,697
Accumulated impairment loss:								
At beginning of the financial year	-	-	3,010	-	-	-	-	3,010
Currency translation differences	-	-	(85)	-	-	-	-	(85)
Disposals	-	-	(169)	-	-	-	-	(169)
At end of the financial year	-	-	2,756	-	-	-	-	2,756
Carrying amount:								
At 31 December 2023	15,056	11,810	75,724	2,559	16,260	505	7,902	129,816

The carrying amounts of machineries, motor vehicles and other fixed assets held under finance leases are $3,242,000 (2023 : $4,679,000).

Bank borrowings are secured on certain freehold land and buildings, leasehold building, machineries and other fixed assets of the Group with carrying amounts of $8,720,000 (2023 : $10,019,000), $794,000 (2023 : $768,000), $28,852,000 (2023 : $25,142,000) and $3,809,000 (2023 : $3,954,000) respectively (Note 27).

13 RIGHT-OF-USE ASSETS

The Group leases several assets including land, buildings, motor vehicles and other equipment. The lease terms of the assets are as follows:

Land	50 years to 99 years
Other assets	3 years to 7 years

2024	Land	Buildings	Motor vehicles	Other equipment	Total
	$'000	$'000	$'000	$'000	$'000
The Group					
Cost:					
At beginning of the financial year	3,484	71,473	1,080	528	76,565
Additions	-	5,259	1,003	194	6,456
Termination	-	(1)	-	-	(1)
Exchange difference	140	(687)	(53)	14	(586)
Modification	-	(107)	-	-	(107)
At end of the financial year	3,624	75,937	2,030	736	82,327
Accumulated depreciation:					
At beginning of the financial year	347	25,787	710	388	27,232
Charge for the year	61	7,088	288	99	7,536
Exchange difference	17	323	(25)	(3)	312
Modification	-	(65)	-	-	(65)
At end of the financial year	425	33,133	973	484	35,015
Carrying amount:					
At 31 December 2024	3,199	42,804	1,057	252	47,312

2023	Land	Buildings	Motor vehicles	Other equipment	Total
The Group					
Cost:					
At beginning of the financial year	3,810	53,623	1,077	572	59,082
Additions	-	18,069	270	12	18,351
Termination	-	(262)	(288)	-	(550)
Exchange difference	(193)	(246)	21	(20)	(438)
Modification	-	120	-	-	120
Reclassification	(133)	169	-	(36)	-
At end of the financial year	3,484	71,473	1,080	528	76,565

13 RIGHT-OF-USE ASSETS (CONT'D)

2023	Land	Buildings	Motor vehicles	Other equipment	Total
	$'000	$'000	$'000	$'000	$'000
Accumulated depreciation:					
At beginning of the financial year	434	18,739	645	299	20,117
Charge for the year	62	7,456	241	110	7,869
Termination	-	(139)	(189)	-	(328)
Exchange difference	(18)	(414)	13	(15)	(434)
Modification	-	8	-	-	8
Reclassification	(131)	137	-	(6)	-
At end of the financial year	347	25,787	710	388	27,232
Carrying amount:					
At 31 December 2023	3,137	45,686	370	140	49,333

Bank borrowing are secured on certain land of the Group with carrying amounts of $759,000 (2023 : $734,000) (Note 27).

14 INVESTMENT PROPERTIES

	The Group	
	2024	2023
	$'000	$'000
Cost:		
At beginning of the financial year	1,576	1,675
Currency translation differences	83	(99)
Written off	(194)	-
At end of the financial year	1,465	1,576
Accumulated depreciation:		
At beginning of the financial year	317	317
Charge for the financial year	19	19
Currency translation differences	11	(19)
Written off	(194)	-
At end of the financial year	153	317
Carrying amount at end of the financial year	1,312	1,259

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

14 INVESTMENT PROPERTIES (CONT'D)

Details of the Group's investment properties and information about the fair value hierarchy as of 31 December 2024 and 31 December 2023 are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 31 December 2024				
Leasehold buildings	-	-	2,873	2,873
At 31 December 2023				
Leasehold buildings	-	-	2,587	2,587

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

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.

The following amounts are recognised in income statement:

	The Group	
	2024 **$'000**	**2023** **$'000**
Rental income	(155)	(255)
Direct operating expenses arising from:		
- Investment properties that generate rental income	27	26

As at 31 December 2024, the details of the investment properties are as follows:

Location	**Tenure**	**Existing use**
Block F89 (80 units) Taman Pelangi, Seberang Perai Tengah, Prai held under Strata Titles Nos. Pajakan Negeri 2377/M2/1/81 to 96, 2377/M2/2/97 to 112, 2377/M2/3/113 to 128, 2377/M2/4/129 to 144, 2377/M2/5/145 to 160 erected on part of Lot No. 5788, Mukim 11, Daerah Seberang Perai Tengah, Pulau Pinang, Malaysia	99 years lease expiring 22.04.2092	Vacant
Block F104 (40 units) Taman Pelangi, Seberang Perai Tengah, Prai held under Strata Titles Nos. Pajakan Negeri 2374/M4/1/181 to 188, 2374/M4/2/189 to 196, 2374/M4/3/197 to 204, 2374/M4/4/205 to 212, 2374/M4/5/213 to 220 erected on part of Lot No. 5794, Mukim 11, Daerah Seberang Perai Tengah, Pulau Pinang, Malaysia	99 years lease expiring 22.04.2092	Rented

15 INVESTMENT IN SUBSIDIARIES

	The Company 2024 $'000	The Company 2023 $'000
Equity investment	129,774	129,774
Equity contributions to subsidiaries	5,270	3,501
	135,044	133,275

The Company's equity contributions to subsidiaries during the financial year are in respect of its share options granted to the eligible employees (including executive directors) of the Group and credited to share option reserve.

The details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation/ place of business	Effective equity interest held by the Group				Principal activities
		Company		Subsidiary		
		2024 %	2023 %	2024 %	2023 %	
Frencken International Sdn. Bhd. (2)	Malaysia	100	100	-	-	Investment holding, providing of management services including sales & marketing and sourcing.
Frencken Europe B.V. (7)	The Netherlands	100	100	-	-	Investment holding, management, sales and business development.
ETLA Limited (1)	Singapore	100	100	-	-	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.
Juken Technology Limited (1)	Singapore	100	100	-	-	Investment holding.
Avimac Pte. Ltd. (1)	Singapore	-	-	100	100	Provide precision machining and engineering services, with a primary focus on aerospace, semiconductors and oil & gas industry.
Frencken Mechatronics B.V. (7) (16)	The Netherlands	-	-	100	100	Assembly, testing and engineering of mechatronic modules and equipment.

15 INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation/ place of business	Effective equity interest held by the Group				Principal activities
		Company		Subsidiary		
		2024	2023	2024	2023	
		%	%	%	%	
Frencken Technical Projects Assembly B.V. (7) (16)	The Netherlands	-	-	100	100	Provision of services to Group companies.
Machinefabriek Gebrs. Frencken B.V. (7)	The Netherlands	-	-	100	100	Manufacturing and assembly of precision mechanical parts, sheet metal and prototyping.
Optiwa B.V. (7)	The Netherlands	-	-	100	100	Manufacturing and/or assembly of precision mechanical parts, modules, sheet metal and prototyping.
Frencken Engineering B.V. (7) (16)	The Netherlands	-	-	100	100	Research, development and engineering.
Frencken Logistics & Assembly B.V. (7) (16)	The Netherlands	-	-	100	100	Provision of services to Group companies.
Frencken Investments B.V. (7)	The Netherlands	-	-	100	100	Property holding company.
NTZ Nederland B.V. (8)	The Netherlands	-	-	100	100	Design, engineering, manufacturing and sales of filters.
Frencken America Inc. (14)	USA	-	-	100	100	Designs, engineers and manufactures mechatronic modules, products and systems.
Frencken Mechatronics (M) Sdn. Bhd. (2)	Malaysia	-	-	100	100	Manufacturing of precision machining components and sheet metal parts and assembly of modular and equipment.
Precico Sdn. Berhad (2)	Malaysia	-	-	100	100	Investment property holding company.
Juken Technology Engineering Sdn. Bhd. (2)	Malaysia	-	-	100	100	Manufacture of mould and die, plastic products and component sub-assembly.

15 INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation/ place of business	Effective equity interest held by the Group				Principal activities
		Company		Subsidiary		
		2024	2023	2024	2023	
		%	%	%	%	
Penchem Technologies Sdn. Bhd. (13)	Malaysia	50.94	50.94	-	-	Producing high performance adhesive products and thermal management products.
Penchem Industries Sdn. Bhd. (13)	Malaysia	-	-	50.94	50.94	Producing, testing and trading performance adhesives, thermal management products and all other type of chemicals for commercial and industrial use.
ETLA Technology (Wuxi) Co., Ltd (3)	People's Republic of China	-	-	100	100	Manufacturing of precision machining components and sheet metal parts and assembly of modular and equipment.
Micro-Air (Tianjin) Technology Co., Ltd (12)	People's Republic of China	-	-	60	60	Vacuum coating, thermal treatment and other related services for plastic component.
Juken (Zhuhai) Co., Ltd (4)	People's Republic of China	-	-	100	100	Injection mould making and injection moulding.
Frencken (Chuzhou) Co., Ltd (5)	People's Republic of China	-	-	100	100	Manufacture of mould and die, plastic products and component sub-assembly.
Juken (H.K.) Co., Limited (9)	Hong Kong	-	-	100	100	Sales office.
Juken (Thailand) Co., Ltd (10)	Thailand	-	-	100	100	Manufacture and distribution of plastic products.
Juken Uniproducts Pvt. Limited (11)	India	-	-	55	55	Manufacture and distribution of plastic components.
PT Juken Technology Indonesia (15)	Indonesia	-	-	100	100	Dormant.
Juken Swiss Technology AG (6)	Switzerland	-	-	100	100	Design and sales of micro-mechanical product components for automotive industry.

15 INVESTMENT IN SUBSIDIARIES (CONT'D)

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by Deloitte & Touche, Malaysia.

(3) Audited by Deloitte Touche Tohmatsu CPA LLP, People's Republic of China for consolidation purpose, and by Jiangsu Gongqin Certified Public Accountants Co., Ltd, People's Republic of China for statutory purpose.

(4) Audited by Deloitte Touche Tohmatsu CPA LLP, People's Republic of China for consolidation purposes and by BDO China Dahua CPAs, People's Republic of China for statutory purpose.

(5) Audited by BDO China Dahua CPAs, People's Republic of China for statutory purpose.

(6) Audited by Deloitte AG, Switzerland for statutory purpose.

(7) Audited by Deloitte Accountants B.V., The Netherlands, Eindhoven for statutory purpose.

(8) Audited by Q-Concepts Accountancy B.V., The Netherlands for statutory purpose.

(9) Audited by W.M. Sum & Co., Hong Kong for statutory purpose.

(10) Audited by Ernst & Young, Thailand for statutory purpose.

(11) Audited by Dimpal Kumar Munjal & Associates, India for statutory purpose.

(12) Audited by Tianjin Guangxin Certified Public Accountant Co., Ltd, People's Republic of China for statutory purpose.

(13) Audited by T.H. Yew & Co. PLT, Malaysia for statutory purpose.

(14) Audited by Deloitte Accountants B.V., The Netherlands, Eindhoven for consolidation purpose.

(15) This subsidiary is insignificant and unaudited.

(16) On 1 January 2025, Frencken Engineering B.V., Frencken Technical Projects Assembly B.V. and Frencken Logistics & Assembly B.V. were legally merged into Frencken Mechatronics B.V.. Thereafter, Frencken Engineering B.V., Frencken Technical Projects Assembly B.V. and Frencken Logistics & Assembly B.V. ceased to exist.

15 INVESTMENT IN SUBSIDIARIES (CONT'D)

Information about the composition of the Group at the end of the financial year is as follows:

Principal activities	Place of incorporation and operation	Number of wholly owned subsidiaries	
		2024	**2023**
Investment holding			
Investment holding, providing of management services including sales & marketing and sourcing.	Malaysia	1	1
Mechatronics			
Investment holding, management, sales and business development.	The Netherlands	1	1
Manufacturing and assembly of precision mechanical parts, sheet metal and prototyping.	The Netherlands	2	2
Provision of value engineering, prototyping, program machining components and sheet metal parts manufacturing, modular and equipment system assembly, integration, testing and commissioning.	Singapore	1	1
Provide precision machining and engineering services, with a primary focus on aerospace, semiconductors and oil & gas industry.	Singapore	1	1
Manufacturing of precision machining components, sheet metal and assembly modular and equipment.	Malaysia	1	1
Manufacturing of precision machining components, sheet metal and assembly of modular and equipment.	People's Republic of China	1	1
Designs, engineers and manufactures mechatronic modules, products and systems.	USA	1	1
Assembly, testing and engineering of mechatronic modules and equipment.	The Netherlands	1	1
Provision of services to Group companies.	The Netherlands	2	2
Research, development and engineering.	The Netherlands	1	1
Property holding.	The Netherlands	1	1

15 INVESTMENT IN SUBSIDIARIES (CONT'D)

Principal activities	Place of incorporation and operation	Number of wholly owned subsidiaries	
		2024	**2023**
IMS			
Investment holding.	Singapore	1	1
Design, engineering, manufacturing and sales of filters.	The Netherlands	1	1
Manufacture of mould and die, plastic products and component sub-assembly.	Malaysia	1	1
Injection mould making and injection moulding.	People's Republic of China	1	1
Manufacture of mould and die, plastic products and component sub-assembly.	People's Republic of China	1	1
Manufacture and distribution of plastic products.	Thailand	1	1
Design and trading of micro-mechanical product components for automotive industry.	Switzerland	1	1
Sales office.	Hong Kong	1	1
Dormant.	Indonesia	1	1
Others			
Investment property holding.	Malaysia	1	1
		24	24

15 INVESTMENT IN SUBSIDIARIES (CONT'D)

Principal activities	Place of incorporation and operation	Number of non-wholly owned subsidiaries	
		2024	2023
IMS			
Vacuum coating, thermal treatment and other related services for plastic component.	People's Republic of China	1	1
Manufacture and distribution of plastic components.	India	1	1
Others			
Producing high performance adhesive products and thermal management products.	Malaysia	1	1
Producing, testing and trading performance adhesives, thermal management products and all other type of chemicals for commercial and industrial use.	Malaysia	1	1
		4	4

No disclosure was made for non-wholly owned subsidiaries that have material non-controlling interests in the financial year ended 31 December 2024 and 2023 as the non-controlling interests are not material to the financial statements.

16 INVESTMENT IN AN ASSOCIATE

	The Group	
	2024	2023
	$'000	$'000
Cost of investment in associates	14	13
Share of post-acquisition profit, net dividends received	4	6
	18	19

The details of the associated company is as follows:

Name of associate	Country of incorporation/ place of business	Effective equity interest		Principal activities
		2024	2023	
		%	%	
Held by Penchem Technologies Sdn. Bhd.				
12Make Sdn. Bhd.	Malaysia	33	33	Providing engineering services, designing, manufacturing, distributing, selling and providing 3D printing products and services

17 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

	Group and Company	
	2024	2023
	$'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.

18 GOODWILL AND OTHER INTANGIBLE ASSETS

2024	Goodwill	Deferred development costs	Patents	Intellectual properties	Software development costs	Total
	$'000	$'000	$'000	$'000	$'000	$'000
The Group						
Cost:						
At beginning of the financial year	22,592	17,225	2,433	5,961	-	48,211
Transfer from property, plant and equipment	-	1,230	-	-	411	1,641
Currency translation differences	(208)	(478)	(25)	-	(10)	(721)
At end of the financial year	22,384	17,977	2,408	5,961	401	49,131
Accumulated amortisation:						
At beginning of the financial year	-	5,677	2,373	5,961	-	14,011
Transfer from property, plant and equipment	-	433	-	-	88	521
Currency translation differences	-	(178)	(24)	-	(2)	(204)
Amortisation charge	-	240	17	-	-	257
At end of the financial year	-	6,172	2,366	5,961	86	14,585
Accumulated impairment:						
At beginning of the financial year	2,100	10,752	-	-	-	12,852
Currency translation differences	(64)	(259)	-	-	-	(323)
At end of the financial year	2,036	10,493	-	-	-	12,529
Carrying amount:						
At 31 December 2024	20,348	1,312	42	-	315	22,017

18 GOODWILL AND OTHER INTANGIBLE ASSETS (CONT'D)

2023	Goodwill	Deferred development costs	Patents	Intellectual properties	Software development costs	Total
	$'000	$'000	$'000	$'000	$'000	$'000
The Group						
Cost:						
At beginning of the financial year	22,459	16,756	2,392	5,961	-	47,568
Addition during the year	-	38	-	-	-	38
Currency translation differences	133	431	41	-	-	605
At end of the financial year	22,592	17,225	2,433	5,961	-	48,211
Accumulated amortisation:						
At beginning of the financial year	-	5,177	2,282	5,961	-	13,420
Currency translation differences	-	223	41	-	-	264
Amortisation charge	-	277	50	-	-	327
At end of the financial year	-	5,677	2,373	5,961	-	14,011
Accumulated impairment:						
At beginning of the financial year	2,059	10,586	-	-	-	12,645
Currency translation differences	41	166	-	-	-	207
At end of the financial year	2,100	10,752	-	-	-	12,852
Carrying amount:						
At 31 December 2023	20,492	796	60	-	-	21,348

(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:

	The Group	
	2024	2023
	$'000	$'000
Mechatronics:		
America	2,100	2,166
The Netherlands	7,159	7,237
Singapore	8,392	8,392
	17,651	17,795
Others:		
Malaysia	2,697	2,697
	20,348	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.

18 GOODWILL AND OTHER INTANGIBLE ASSETS (CONT'D)

(a) Goodwill (cont'd)

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:

	2024			2023		
	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	11.9 to 17.2	3.8 to 11.1	11.2 to 15.1	12.1 to 20.2	7.1 to 10.6	14.5 to 15.5
Singapore	14.3	18.0	10.2	9.0	11.2	10.8
Others:						
Malaysia	43.7	26.4	14.2	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

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 some of the industries that the Singapore and Malaysia CGUs serve had not been as positive as expected. It is possible that further underperformance may occur in 2025 if prevailing trends continue.

For the impairment test carried out as at 31 December 2024 for the Singapore and Malaysia CGUs, which comprised 41.2% and 13.3% of the goodwill recognised on the balance sheet respectively, a decrease in the forecasted average revenue growth rate for the five-year projected free cashflow to 10.6% and 25.0% respectively, would result in the recoverable amount of the CGUs to be equal to its carrying amount.

18 GOODWILL AND OTHER INTANGIBLE ASSETS (CONT'D)

(a) Goodwill (cont'd)

Sensitivity analysis (cont'd)

For the previous financial year ended 31 December 2023, a decrease in the forecasted average revenue growth rate for the five-year projected free cashflow to 10.2% for the Singapore CGU would result in the recoverable amount of the CGU to 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.

(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.

(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 years.

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

19 INVENTORIES

	The Group	
	2024	2023
	$'000	$'000
Raw materials	101,376	99,355
Work-in-progress	66,130	45,927
Finished goods	58,959	58,114
	226,465	203,396

The cost of inventories recognised as an expense and included in "cost of sales" amounts to $464,411,000 (2023 : $453,055,000).

As at 31 December 2024, the inventories are stated after allowance for inventory obsolescence of $16,360,000 (2023 : $13,631,000).

Inventories of $135,198,000 (2023 : $117,569,000) have been pledged as security for certain bank overdrafts of the Group (Note 27).

20 TRADE RECEIVABLES

	The Group	
	2024	2023
	$'000	$'000
Trade receivables	138,543	171,643
Loss allowance	(769)	(450)
	137,774	171,193

Trade receivables of $58,886,000 (2023 : $57,033,000) have been pledged as security for certain banking facilities of the Group (Note 27).

As at 31 December 2024, approximately 37% (2023 : 26%) of the trade receivables balance of the Group relates to 4 (2023 : 4) major customers that are involved in a different spectrum of industries and possess a variety of end markets to which they sell. Management has in place specific procedures to ensure that the related credit risks are closely monitored. Due to these factors, management believes that no additional credit risk beyond the amount of allowance for impairment made is inherent in the Group's trade receivables.

Trade receivables are non-interest bearing and are generally on 14 to 120 days (2023 : 14 to 120 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

20 TRADE RECEIVABLES (CONT'D)

The Group applies the simplified approach in SFRS(I) 9 to measure the loss allowance at an amount equal to lifetime ECL for trade receivables. The loss allowance is estimated using a provision matrix by reference to past default experience of the customers and an analysis of the customers' current financial position, adjusted for factors that are specific to the customers, general economic conditions of the industry in which the customers operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the financial year.

In calculating the expected credit loss rates, the Group considers historical loss rate for each category of customers and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. Management has considered, among other factors (including forward-looking information), the Group's historical loss pattern over the last three financial years, historical payment trends of customers and time value of money. Management concluded that the expected credit losses for financial asset is immaterial, with the exception of certain trade receivables where credit loss allowances amounting to approximately $325,000 (2023 : $211,000) have been recognised based on the expected amount and timing of settlement.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

The Group	**Lifetime ECL - credit - impaired**
	$'000
Balance as at 1 January 2023	402
Amounts recovered	(160)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	211
Currency translation difference	(3)
Balance as at 31 December 2023	450
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	325
Currency translation difference	(6)
Balance as at 31 December 2024	769

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

21 RECEIVABLES FROM SUBSIDIARIES

The receivables from subsidiaries are non-trade in nature, unsecured, interest free and issued with 30 days credit term.

The carrying amounts of receivables from subsidiaries approximated their fair values at balance sheet date.

At the Company level, receivables due from subsidiaries are considered to have low credit risk because they have strong financial capacity to meet the contractual obligation. Accordingly, the Company has applied the practical expedient under SFRS(I) 9 to measure the loss allowance at an amount equal to 12-month ECL and has determined the amount to be immaterial.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

22 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Other receivables	4,577	4,702	39	35
Deposits	2,251	2,229	-	-
Prepayments	7,426	3,685	8	8
Staff loans and advances	328	502	-	-
	14,582	11,118	47	43
Analysed as:				
- Current	13,401	9,442	47	43
- Non-current	1,181	1,676	-	-
	14,582	11,118	47	43

Other receivables are considered to have low risk of default as they are not due for payment at the end of the reporting period and there has been no significant increase in credit risk since initial recognition, as the Group has not identified any indications of adverse changes in business, financial or economic conditions that are expected to cause a significant change in the counterparty's ability to meet its repayment obligations. The loss allowance is measured at an amount equal to 12-month ECL and is determined to be immaterial.

Other receivables include an amount of $1,675,000 (2023 : $2,151,000) in respect of a loan to a third party. This amount is repayable over a period of 5 years and bear interest at rate of 3.82% per annum. An amount of $1,181,000 (2023 : $1,676,000) has been included under non-current asset as repayment is not expected to be received within the next 12 months.

There has been no change in the estimation techniques or significant assumptions made during the financial year.

23 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Short-term funds placed with Malaysian financial institutions	61,182	46,595	-	-
Fixed deposits	18,424	21,247	16,800	17,000
Cash and bank balances	79,593	74,789	331	1,752
	159,199	142,631	17,131	18,752
Less: Bank overdrafts (Note 27)	(42,609)	(51,238)	-	-
Less: Deposits pledged as securities	(164)	(198)	-	-
Cash and cash equivalents in the statement of cash flows	116,426	91,195	17,131	18,752

Fixed deposits of the Group amounting to $164,000 (2023 : $198,000) are pledged as guarantees to certain government authorities.

These fixed deposits can be withdrawn before due date if required without having to incur significant costs, and therefore, the carrying amounts approximate their fair values.

23 CASH AND CASH EQUIVALENTS (CONT'D)

The withdrawal/maturity period and effective interest rates of short-term funds placed with Malaysian financial institutions and fixed deposits are as follows:

	The Group		The Company	
	2024	2023	2024	2023
Short-term funds placed with Malaysian financial institutions:				
Effective interest rate (% per annum)	3.20 to 3.61	3.23 to 3.66	-	-
Withdrawal notice (days)	1	1	-	-
Fixed deposits:				
Effective interest rate (% per annum)	0 to 4.55	0 to 4.55	3.00 to 3.80	3.48 to 4.15
Maturity period (months)	1 to 3	1 to 3	1 to 3	1 to 3

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $13,913,000 (2023 : $26,751,000) (Note 12) of which $931,000 (2023 : $122,000) was included in other payables at balance sheet date. Cash payments of $13,101,000 (2023 : $26,845,000) includes an amount of $119,000 (2023 : $216,000) for payment from other payables to purchase property, plant and equipment incurred in previous financial year.

24 TRADE PAYABLES

The carrying amounts of trade payables approximated their fair values at balance sheet date as these amounts are payable within the next 12 months.

25 OTHER PAYABLES, ACCRUALS AND PROVISIONS

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Other payables	9,708	12,915	159	1,092
Other operating accruals	45,871	38,840	369	476
Provisions	365	365	365	365
	55,944	52,120	893	1,933
Add: Other payables (non-current)	65	120	-	-
	56,009	52,240	893	1,933

25 OTHER PAYABLES, ACCRUALS AND PROVISIONS (CONT'D)

Movements in provisions are as follow:

	Group and Company Provision for directors' fee	
	2024	2023
	$'000	$'000
Balance at beginning of financial year	365	365
Provision made	365	365
Provision utilised	(365)	(365)
Balance at end of financial year	365	365

Other payables included an amount of $127,000 (2023 : $177,000) in respect of interest free credit granted by supplier. This amount is repayable over a period of 5 years. An amount of $65,000 (2023 : $120,000) has been included under non-current liabilities as repayment is not expected to be paid within the next 12 months.

26 DEFERRED INCOME

Deferred income relates to government grants received for the acquisition of machinery to enhance productivity and cost effectiveness. The income will be recognised in the income statement on a straight-line basis over the useful life of the asset. There are no unfulfilled conditions or other contingencies attaching to this grant.

	The Group	
	2024	2023
	$'000	$'000
Balance at beginning of financial year	71	98
Less : Amortisation of deferred income (Note 6)	(10)	(22)
Currency translation differences	3	(5)
	64	71
Less : Non-current portion	(53)	(61)
	11	10
Analyses as:		
- Current	11	10
- Non-current	53	61
	64	71

27 BORROWINGS

	The Group	
	2024	2023
	$'000	$'000
Current		
Short-term bank borrowings [(1)]:		
- Bank overdrafts	42,609	51,238
- Trade financing	32,108	27,206
- Revolving credits	10,933	12,098
Term loans [(2)]	808	1,027
	86,458	91,569
Non-current		
Term loans [(2)]	147	480

[(1)] Short-term bank borrowings:

Bank overdrafts of the Group include:

(a) $41,885,000 (2023 : $50,866,000) is secured by mortgage over properties (Note 12), pledged on machineries, other fixed assets and inventories (Note 19) and certain trade receivables (Note 20) of certain subsidiaries of the Group in The Netherlands.

(b) In financial year 2023, bank overdrafts of $107,000 was secured by exclusive charge on the entire present and future current assets and fixed assets of a subsidiary in India. This overdraft was fully repaid in 2024.

Bank overdrafts of the Group are repayable on demand and form an integral part of the Group's cash management. They are denominated in EUR, SGD and MYR (2023 : EUR, USD, INR and MYR) and bear interest at rates ranging from 2.00% to 7.89% (2023 : 4.90% to 9.40%) per annum.

Trade financing of the Group includes $353,000 (2023 : $3,879,000) which is pledged on the trade receivables (Note 20) of certain subsidiaries in the People's Republic of China.

Trade financing are denominated in USD, EUR, SGD, MYR and RMB (2023 : USD, EUR, SGD, MYR and RMB), due within 1 to 6 months (2023 : 1 to 6 months) and bear interest at rates ranging from 2.50% to 6.90% (2023 : 3.18% to 7.70%) per annum.

Revolving credits of the Group are unsecured and denominated in SGD and USD (2023 : SGD and USD), due within 3 months and bear interest at rates ranging from 4.92% to 6.74% (2023 : 5.67% to 7.40%) per annum.

[(2)] Term loans of:

(a) $465,000 (2023 : $153,000) of the Group are denominated in RMB (2023 : RMB) and bear interest at rate of 5.37% (2023 : 7.50%) per annum. The term loans are repayable over a period of 3 years (2023 : 3 years) and are secured by machinery (Note 12) of a subsidiary in the People's Republic of China.

(b) $167,000 (2023 : $185,000) of the Group are denominated in MYR (2023 : MYR) and bear interest at rate of 4.46% (2023 : 4.21%) per annum. The term loans are repayable over a period of 10 years (2023 : 10 years) and are secured by mortgage over a property (Note 12) and a land (Note 13) of a subsidiary in Malaysia.

The carrying amounts of current portion of borrowings of the Group approximated their fair values at balance sheet date. The carrying amount of non-current portion of borrowings of the Group approximated their fair values as there are no significant differences between the historical interest rates at the points when the liabilities were undertaken and the current prevailing market interest rates.

27 BORROWINGS (CONT'D)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's Consolidated Cash Flow Statement as cash flows from financing activities.

			Non-cash changes				
	At beginning of the financial year	Financing cash flows*	Addition of lease liabilities	Termination of lease liabilities	Lease modification	Foreign exchange movement	At end of the financial year
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group							
2024							
Short-term bank borrowings	39,304	3,263	-	-	-	474	43,041
Term loans	1,507	(563)	-	-	-	11	955
Lease liabilities	49,979	(8,622)	6,456	(1)	-	(864)	46,948
	90,790	(5,922)	6,456	(1)	-	(379)	90,944
2023							
Short-term bank borrowings	50,422	(10,071)	-	-	-	(1,047)	39,304
Term loans	1,868	(325)	-	-	-	(36)	1,507
Lease liabilities	41,636	(9,910)	18,351	(222)	112	12	49,979
	93,926	(20,306)	18,351	(222)	112	(1,071)	90,790

* The cash flows make up the net amount of proceeds from borrowings, repayments of borrowings, term loans and the repayment of lease liabilities in the Group's Consolidated Cash Flow Statement.

28 LEASE LIABILITIES

	The Group	
	2024	2023
	$'000	$'000
Less than 1 year	9,154	8,905
Between 1 and 2 years	13,970	12,648
Between 2 and 5 years	5,500	8,489
After 5 years	19,961	22,221
	48,585	52,263
Less: Unearned interest	(1,637)	(2,284)
	46,948	49,979
Analyses as:		
- Current	8,399	7,703
- Non-current	38,549	42,276
	46,948	49,979

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

29 RETIREMENT BENEFIT OBLIGATIONS

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group contributes at rates stipulated by each country's local legislation into separate entities and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contribution to defined contribution plans are recognised in the financial year to which they relate.

Retirement benefit plan

The Group operates a funded defined retirement benefit plan for qualifying employees of its subsidiary in Switzerland. Under the plan, the employees are entitled to retirement benefits on attainment of a retirement age of 64 to 65. No other post-retirement benefits are provided.

The plan in Switzerland typically exposes the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	There is no investment risk related to the pension plan assets. The collective pension plan has been concluded with BVG-Sammelstiftung Swiss Life which bear all the risks (invalidity, death and pension) as well as for the investment activity.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

29 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 December 2024 by Libera AG, a pension fund specialist in Switzerland. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. This method is based on the amount of working years at the date of the actuarial valuation and considers the future by including:

- a discount rate;
- the salary development and leaving probability up to the beginning of the benefit payment; and
- possible inflation adjustments for the years after the first payment for recurring benefits.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Valuation at	
	2024	**2023**
Discount rate	1.00%	1.50%
Expected benefit increase	0.00%	0.00%
Inflation	1.00%	1.00%
Disability decrement	85% LPP/BVG 2020	85% LPP/BVG 2020
Mortality decrement	LPP/BVG 2020 GT[1]	LPP/BVG 2020 GT[1]
Turnover rates	LPP/BVG 2020	LPP/BVG 2020
Salary increase	1.00% flat	1.00% flat
Retirement	100% at regular retirement age	100% at regular retirement age
Long-term interest on retirement accounts	1.25%	1.50%

(1) LPP/BVG 2020 GT are a set of tables based on the observation of 15 large Swiss pension schemes between 2015 and 2019. The tables include rates of mortality, turnover, disability and etc.

The amount recognised in the balance sheet in respect of the Group's defined benefit retirement benefit plan is as follows:

	The Group	
	2024	**2023**
	$'000	**$'000**
Present value of funded obligations	2,639	2,587
Fair value of plan assets	(2,059)	(2,157)
Net liability recognised in the balance sheet	580	430

29 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

	The Group	
	2024	2023
	$'000	$'000
Service cost:		
- Current service cost	171	202
Interest income	(32)	(50)
Interest cost	38	60
Components of defined benefit costs recognised in income statement	177	212
Remeasurement on the net defined benefit liability:		
Actuarial loss/(gain) on defined benefit obligation	131	(179)
Loss on plan assets excluding interest income	73	109
Components of defined benefit costs recognised in other comprehensive income	204	(70)
Total	381	142

The charge for the year is included in the administrative and general expenses in income statement.

Changes in the present value of the defined benefit obligation are as follows:

	The Group	
	2024	2023
	$'000	$'000
Balance at beginning of financial year	2,587	2,678
Remeasurement gains: Actuarial gains and losses:		
- Actuarial loss/(gain) on defined benefit obligation	131	(179)
Current service cost	171	202
Interest cost	38	60
Contribution by plan participants	174	160
Exchange differences	(107)	201
Benefits paid	(355)	(535)
Balance at end of financial year	2,639	2,587

29 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Changes in the fair value of plan assets are as follows:

	The Group	
	2024	2023
	$'000	$'000
Balance at beginning of financial year	2,157	2,231
Remeasurement loss:		
- Loss on plan assets exclude interest income	(73)	(109)
Interest income	32	50
Contributions by employer	212	193
Contributions by plan participants	174	160
Exchange difference	(88)	167
Benefits paid	(355)	(535)
Balance at end of financial year	2,059	2,157

The actual loss on plan assets amounts to $41,000 (2023 : $60,000).

The plan assets do not include any of the Group's own financial instruments, nor any property occupied by, or other assets used by, the Group.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the financial year, while holding all other assumptions constant.

- If the discount rate increases (decreases) by 0.25%, the defined benefit obligation would decrease by $98,000 (increase by $105,000).

- If the expected salary growth increases (decreases) by 0.25%, the defined benefit obligation would increase by $19,000 (decrease by $19,000).

- If the life expectancy increases (decreases) by one year for both men and women, the defined benefit obligation would increase by $28,000 (decrease by $27,000).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Group to manage its risks from prior years.

The Group's subsidiaries fund the cost of the entitlements expected to be earned on a yearly basis. The benefits of the pension scheme are funded by employer and employee as a fixed percentage of the insured salaries. The funding requirements are based on the local actuarial measurement framework. In this framework the discount rate is set on a risk free rate. Furthermore, premiums are determined on a current salary base.

The average duration of the benefit obligation at 31 December 2024 is 15.5 years (2023 : 14.6 years).

The Group expects to contribute approximately $207,000 (2023 : $218,000) to its defined benefit plan in the subsequent financial year.

30 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	The Group	
	2024	2023
	$'000	$'000
Deferred income tax assets	(1,485)	(1,363)
Deferred income tax liabilities	7,280	4,401
	5,795	3,038

The movements on the deferred income tax account are as follows:

	The Group	
	2024	2023
	$'000	$'000
Balance at beginning of financial year	3,038	3,169
Currency translation differences	104	(288)
Utilisation	(13)	-
One-off tax accelerated depreciation scheme [1]	1,628	-
Charged/(Credited) to income statement (Note 9):		
- Current year	743	(29)
- Under recognition in previous financial year	295	186
	1,038	157
Balance at end of financial year	5,795	3,038

[1] An accelerated depreciation scheme which allowed the Group to claim up to 50% of the qualifying assets was implemented in The Netherlands. This accelerated tax depreciation scheme has resulted in the recognition of temporary differences between the tax bases and their carrying amounts in the current financial year.

30 DEFERRED INCOME TAX (CONT'D)

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

The Group

Deferred income tax liabilities

	2024			2023		
	Accelerated tax depreciation	Others	Total	Accelerated tax depreciation	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at beginning of financial year	2,452	1,949	4,401	2,495	2,101	4,596
Currency translation differences	91	(1)	90	(108)	(193)	(301)
Utilisation	-	(13)	(13)	-	-	-
One-off tax accelerated depreciation scheme	1,731	-	1,731	-	-	-
Charged to income statement	591	480	1,071	65	41	106
Balance at end of financial year	4,865	2,415	7,280	2,452	1,949	4,401

Deferred income tax assets

	Unutilised tax losses	Accruals	Reinvestment allowance	Total
	$'000	$'000	$'000	$'000
2024				
Balance at beginning of financial year	(266)	(484)	(613)	(1,363)
Currency translation differences	-	(7)	21	14
One-off tax accelerated depreciation scheme	-	-	(103)	(103)
Credited to income statement	-	(33)	-	(33)
Balance at end of financial year	(266)	(524)	(695)	(1,485)
2023				
Balance at beginning of financial year	(266)	(560)	(601)	(1,427)
Currency translation differences	-	25	(12)	13
Charged to income statement	-	51	-	51
Balance at end of financial year	(266)	(484)	(613)	(1,363)

Deferred income tax assets are recognised for unutilised tax losses, accruals and unutilised reinvestment allowances carried forward to the extent that realisation of the related income tax benefits through future taxable profits is probable.

30 DEFERRED INCOME TAX (CONT'D)

The estimated amount of unutilised tax losses, unutilised capital allowances and unutilised reinvestment allowances, pending agreement with the relevant tax authorities in the countries in which the Group operates, for which the related income tax effects have not been accounted for are as follows:

	The Group	
	2024	2023
	$'000	$'000
Unutilised tax losses	1,129	702
Unutilised capital allowances	296	2,164
Unutilised reinvestment allowances	-	305

The above unutilised tax losses, unutilised capital allowances and unutilised reinvestment allowances have no expiry dates. No deferred tax asset has been recognised in respect of the amounts above due to the unpredictability of future profit streams.

At the end of the reporting period, the aggregate amount of temporary differences associated with unremitted earnings of subsidiaries for which deferred tax liabilities have not been recognised is $13,322,000 (2023 : $12,360,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

31 SHARE CAPITAL AND SHARE-BASED PAYMENTS

	Issued share capital	
	Number of ordinary shares	$'000
Group and Company		
2024		
Beginning of the financial year	427,025,409	104,444
Exercise of share options	65,000	56
End of the financial year	427,090,409	104,500
2023		
Beginning and end of the financial year	427,025,409	104,444

The Company has one class of ordinary shares which carries no right to fixed income.

All issued shares are fully paid. There is no par value for these ordinary shares and there is no authorised share capital.

The holders of ordinary shares of the Company are entitled to receive dividends as and when declared by the Company. All ordinary shares of the Company carry one vote per share without restriction.

31 SHARE CAPITAL AND SHARE-BASED PAYMENTS (CONT'D)

(a) Share capital

The Company issued ordinary shares pursuant to the Company's employee share option scheme at the respective exercise price as shown below. The cost of issuing new ordinary shares amounted to $56,000 (2023 : $Nil). The newly issued shares rank *pari passu* in all respects with the existing ordinary shares.

	Issued during financial year	Exercise price	Exercise period
2024			
2017 Options	35,000	$0.432	06.12.2019 to 05.12.2027
2022 Options	30,000	$1.370	26.01.2024 to 25.01.2032
	65,000		

The total consideration for the issue of new ordinary shares is as follow:

	Group and Company	
	2024	**2023**
	$'000	**$'000**
Exercise price paid by employees	56	-
Value of employee services	34	-
Total net consideration	90	-

Accordingly, a gain on issuance of new ordinary shares of $34,000 (2023 : $Nil) is recognised in the capital reserve.

(b) Share options

Share options were granted to executive directors and Group employees who have been in the employment of the Group for a period of at least twelve (12) months under the Frencken Employee Share Option Scheme 2008 (the "ESOS 2008") and the Frencken Employee Share Option Scheme 2020 (the "ESOS 2020"), which became operative on 1 December 2008 and 26 January 2022 respectively.

The duration of the ESOS 2008 was 10 years commencing on 18 April 2008 and accordingly, the ESOS 2008 had expired on 17 April 2018. The share options previously granted will remain valid until the expiry, cancellation or exercise of the share options.

The exercise price of the options is determined at the average of the closing prices of the Company's ordinary shares on the Singapore Exchange for three (3) and five (5) market days immediately preceding the date of the grant for ESOS 2008 and ESOS 2020 respectively. The vesting of the options is conditional on the executive director or employee of the Group completing another two (2) years of service to the Group from the date of grant of options.

Once the options have vested, they are exercisable for a contractual option term of eight (8) years. The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price. The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other Company. The Group has no legal or constructive obligation to repurchase or settle the options in cash. If the options remained unexercised after the contractual option term from the date of grant, the options will be forfeited. Options are forfeited if the employee leaves the Group before the options vest.

31 SHARE CAPITAL AND SHARE-BASED PAYMENTS (CONT'D)

(b) Share options (cont'd)

The ESOS 2008 and ESOS 2020 became operative upon the Company granting options to subscribe for 8,960,000 ordinary shares of the Company on 1 December 2008 ("2008 Options"). The Company also granted options to subscribe for 8,880,000, 9,050,000, 6,000,000, 3,000,000, 3,000,000 and 470,000 ordinary shares of the Company on 1 December 2009 ("2009 Options"), 1 December 2010 ("2010 Options"), 7 October 2013 ("2013 Options"), 1 April 2016 ("2016 Options"), 6 December 2017 ("2017 Options") and 26 January 2022 ("2022 Options") respectively. Particulars of the 2008 Options, 2009 Options, 2010 Options, 2013 Options, 2016 Options, 2017 Options and 2022 Options were set out in the Directors' Statement for the financial year ended 31 December 2008, 31 December 2009, 31 December 2010, 31 December 2013, 31 December 2016, 31 December 2017 and 31 December 2022 respectively.

On 6 March 2024, the Company granted options to subscribe for 5,482,000 ordinary shares of the Company at exercise price of $1.30 per share ("2024 Options"). The 2024 Options are exercisable from 6 March 2026 and expire on 5 March 2034.

Information in respect of share option granted under the ESOS 2008 and ESOS 2020 are as follows:

	Number of ordinary shares under option						
	Beginning of financial year	Granted during financial year	Forfeited during financial year	Exercised during financial year	End of financial year	Exercise price	Exercise period
Group and Company							
2024							
2017 Options	712,000	-	-	(35,000)	677,000	$0.432	06.12.2019 to 05.12.2027
2022 Options	470,000	-	-	(30,000)	440,000	$1.370	26.01.2024 to 25.01.2032
2024 Options	-	5,482,000	(160,000)	-	5,322,000	$1.300	06.03.2026 to 05.03.2034
	1,182,000	5,482,000	(160,000)	(65,000)	6,439,000		
2023							
2017 Options	1,112,000	-	(400,000)	-	712,000	$0.432	06.12.2019 to 05.12.2027
2022 Options	470,000	-	-	-	470,000	$1.370	26.01.2024 to 25.01.2032
	1,582,000	-	(400,000)	-	1,182,000		

32 STATUTORY RESERVE FUND

Statutory reserve fund arises from the following:

(a) Foreign Enterprise Law in the People's Republic of China ("PRC") requires the subsidiaries incorporated in PRC to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividends distribution to shareholders.

(b) A subsidiary in Switzerland is required to place 5% of the annual net profits in a legal reserve before dividends may be distributed until the reserve reaches 20% of paid-in capital. Thereafter, 10% of any distributed amount that exceeds 5% of paid-in capital also must be placed in the reserve fund. These amounts must be appropriated until the reserve equals 50% of authorised and issued capital.

33 SEGMENT INFORMATION

(a) Business segments

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 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.

The accounting policies of the reportable segments are materially similar as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment with allocation of various costs, income and share of results of associated companies. This is the measure reported to the key management personnel of the Group for the purposes of resource allocation and assessment of segment performance.

33 SEGMENT INFORMATION (CONT'D)

(a) Business segments (cont'd)

	Mechatronics		IMS		Investment Holding & Management Services		Others		Eliminations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenue	706,088	646,219	85,675	93,781	-	-	2,570	2,859	-	-	794,333	742,859
Inter-segment sales	-	-	-	-	11,530	10,003	-	-	(11,530)	(10,003)	-	-
	706,088	646,219	85,675	93,781	11,530	10,003	2,570	2,859	(11,530)	(10,003)	794,333	742,859
Segment results	47,067	36,267	114	4,164	4,220	5,609	118	298	-	-	51,519	46,338
Finance income	350	249	109	48	875	892	45	25	-	(4)	1,379	1,210
Finance costs	(6,304)	(5,321)	(529)	(662)	(5)	(4)	(14)	(31)	-	4	(6,852)	(6,014)
Share of results of an associate, net of tax	-	-	-	-	-	-	(2)	4	-	-	(2)	4
Profit/(loss) before income tax	41,113	31,195	(306)	3,550	5,090	6,497	147	296	-	-	46,044	41,538
Income tax expense	(9,076)	(7,721)	(219)	(1,612)	(101)	(74)	(19)	(145)	-	-	(9,415)	(9,552)
Total profit	32,037	23,474	(525)	1,938	4,989	6,423	128	151	-	-	36,629	31,986
Segment assets	540,970	545,054	100,095	108,800	84,255	71,886	9,824	9,546	-	-	735,144	735,286
Segment liabilities	268,862	292,713	24,562	32,187	3,279	4,077	933	1,031	-	-	297,636	330,008
Other segment information:												
Capital expenditure	11,820	24,264	1,303	2,224	763	6	27	257	-	-	13,913	26,751
Addition of intangible assets	-	-	-	38	-	-	-	-	-	-	-	38
Depreciation and amortisation	23,731	22,349	6,790	7,430	126	117	219	218	-	-	30,866	30,114
Amortisation of deferred income	-	-	-	-	-	-	10	22	-	-	10	22
Other non-cash expenses other than depreciation and amortisation	1,309	99	167	46	475	99	-	1	-	-	1,951	245

For the purposes of monitoring segment performance and allocating resources between segments, the key management personnel of the Group monitor the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments. Goodwill has been allocated to reportable segments as described in Note 18.

33 SEGMENT INFORMATION (CONT'D)

(b) 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	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Based on location of customer				
The Netherlands	295,363	303,697	77,879	81,922
People's Republic of China	56,463	59,982	29,943	34,845
Malaysia	46,272	40,819	37,801	39,649
Singapore	74,008	69,599	34,978	35,821
Czech Republic	84,379	62,569	-	-
Hungary	7,891	9,765	-	-
America	93,442	53,136	7,229	6,644
Germany	52,743	47,464	-	-
Switzerland	98	78	748	896
Thailand	34,034	51,285	999	1,088
India	6,779	7,271	2,241	2,567
Indonesia	6,777	8,351	-	-
United Kingdom	2,967	3,512	-	-
Mexico	7,130	4,868	-	-
Italy	6,765	7,019	-	-
Slovakia	517	2,110	-	-
Others	18,705	11,334	1	-
	794,333	742,859	191,819	203,432

(c) Information about major customers

Included in revenue arising from Mechatronics division of $706,088,000 (2023 : $646,219,000) are revenue of approximately $417,573,000 (2023 : $366,725,000) which arose from sales to the Group's 3 (2023 : 3) largest customers.

34 CAPITAL COMMITMENTS

	The Group	
	2024	2023
	$'000	$'000
Commitments in respect of contracts placed for the purchase of property, plant and equipment but not provided for	490	999

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Significant risks and events, supported by financial reports are highlighted through the monthly and quarterly management reporting structure to the executive committee and audit committee respectively, who in turn advises the board of directors. The board reviews and approves policies for managing each of these risks.

There have been no change to the Group's exposure to these financial risks or the manner in which it manages and measure the risk except as disclosed below.

The Group and the Company do not hold or issue derivative financial instruments for trading purposes. The Group's and the Company's financial risks are summarised as follows:

(a) Market risk

(i) Currency risk

The Group operates mainly in Asia and Europe with dominant operations in Singapore, People's Republic of China, Malaysia, and The Netherlands. Entities in the Group transact in various foreign currencies and therefore, are exposed to movements in foreign currencies rates.

Foreign currencies exchange risk arises when the entities in the Group enter into transactions that are in a currency that is other than the functional currency such as Singapore Dollar ("SGD"), United States Dollar ("USD"), Euro ("EUR"), Malaysian Ringgit ("MYR"), Renminbi ("RMB") and Thai Baht ("THB").

The Group's exposures to foreign currencies are primarily managed by natural hedges of matching financial assets and financial liabilities denominated in foreign currencies.

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	USD $'000	EUR $'000	MYR $'000	RMB $'000	THB $'000	Others $'000	Total $'000
At 31 December 2024								
Financial assets								
Cash and cash equivalents	30,214	21,261	9,437	71,727	24,475	1,639	446	159,199
Trade and other receivables	6,220	53,170	60,583	5,675	16,204	1,242	1,836	144,930
	36,434	74,431	70,020	77,402	40,679	2,881	2,282	304,129
Financial liabilities								
Borrowings	(8,785)	(32,328)	(37,131)	(5,310)	(3,051)	-	-	(86,605)
Lease liabilities	(10,819)	(334)	(28,835)	(3,120)	(3,236)	-	(604)	(46,948)
Other financial liabilities	(17,150)	(25,947)	(75,060)	(11,604)	(18,575)	(1,356)	(820)	(150,512)
	(36,754)	(58,609)	(141,026)	(20,034)	(24,862)	(1,356)	(1,424)	(284,065)
Net financial assets/ (liabilities)	(320)	15,822	(71,006)	57,368	15,817	1,525	858	20,064
Less: Net financial assets/(liabilities) denominated in the respective entities functional currencies	2,245	6,696	79,332	(57,368)	(15,758)	(1,525)	(860)	
Currency exposure	1,925	22,518	8,326	-	59	-	(2)	

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	SGD $'000	USD $'000	EUR $'000	MYR $'000	RMB $'000	THB $'000	Others $'000	Total $'000
At 31 December 2023								
Financial assets								
Cash and cash equivalents	31,713	7,794	32,521	49,773	19,317	1,348	165	142,631
Trade and other receivables	5,348	97,425	47,544	5,169	19,061	1,270	2,809	178,626
	37,061	105,219	80,065	54,942	38,378	2,618	2,974	321,257
Financial liabilities								
Borrowings	(8,796)	(22,159)	(47,345)	(5,898)	(7,745)	-	(106)	(92,049)
Lease liabilities	(10,045)	(372)	(30,872)	(3,224)	(4,748)	(6)	(712)	(49,979)
Other financial liabilities	(15,244)	(50,401)	(79,584)	(13,969)	(14,219)	(1,500)	(2,125)	(177,042)
	(34,085)	(72,932)	(157,801)	(23,091)	(26,712)	(1,506)	(2,943)	(319,070)
Net financial assets/ (liabilities)	2,976	32,287	(77,736)	31,851	11,666	1,112	31	2,187
Less: Net financial assets/(liabilities) denominated in the respective entities functional currencies	(732)	3,462	83,476	(31,851)	(11,565)	(1,112)	(95)	
Currency exposure	2,244	35,749	5,740	-	101	-	(64)	

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

With all other variables including tax rate being held constant, the effects arising from the major net currency exposure position will be as follows:

	2024 Increase/(Decrease)			2023 Increase/(Decrease)		
	Currency movement	**Profit after income tax**	**Other component of equity**	**Currency movement**	**Profit after income tax**	**Other component of equity**
		$'000	**$'000**		**$'000**	**$'000**
The Group						
USD against MYR	2%			1%		
- strengthened		35	35		38	38
- weakened		(35)	(35)		(38)	(38)
EUR against MYR	1%			1%		
- strengthened		8	8		5	5
- weakened		(8)	(8)		(5)	(5)
SGD against MYR	1%			2%		
- strengthened		15	15		34	34
- weakened		(15)	(15)		(34)	(34)
EUR against SGD	2%			1%		
- strengthened		92	92		16	16
- weakened		(92)	(92)		(16)	(16)
USD against SGD	1%			2%		
- strengthened		110	110		385	385
- weakened		(110)	(110)		(385)	(385)
EUR against CHF	1%			3%		
- strengthened		10	10		44	44
- weakened		(10)	(10)		(44)	(44)
USD against RMB	1%			2%		
- strengthened		66	66		88	88
- weakened		(66)	(66)		(88)	(88)

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD $'000	EUR $'000	MYR $'000	Total $'000
At 31 December 2024				
Financial assets				
Cash and cash equivalents	17,131	-	-	17,131
Other receivables	39	-	-	39
Dividends receivables	3,417	7,483	2,036	12,936
	20,587	7,483	2,036	30,106
Financial liabilities				
Other financial liabilities	(996)	(1)	-	(997)
Net financial assets	19,591	7,482	2,036	29,109
Less: Net financial assets denominated in the Company's functional currency	(19,591)	-	-	
Currency exposure	-	7,482	2,036	
At 31 December 2023				
Financial assets				
Cash and cash equivalents	18,533	219	-	18,752
Other receivables	86	14	-	100
Dividends receivables	2,515	6,238	891	9,644
	21,134	6,471	891	28,496
Financial liabilities				
Other financial liabilities	(2,169)	-	-	(2,169)
Net financial assets	18,965	6,471	891	26,327
Less: Net financial assets denominated in the Company's functional currency	(18,965)	-	-	
Currency exposure	-	6,471	891	

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

With all other variables including tax rate being held constant, the effects arising from the major net currency exposure position will be as follows:

	2024 Increase/(Decrease)			2023 Increase/(Decrease)		
	Currency movement	Profit after income tax $'000	Other component of equity $'000	Currency movement	Profit after income tax $'000	Other component of equity $'000
The Company						
EUR against SGD	2%			1%		
- strengthened		124	124		54	54
- weakened		(124)	(124)		(54)	(54)
MYR against SGD	1%			2%		
- strengthened		17	17		15	15
- weakened		(17)	(17)		(15)	(15)

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to changes in interest rates related primarily to its placement in fixed deposits, short-term funds, and bank borrowings. At balance sheet date, approximately 1.10% (2023 : 1.64%) of the Group's borrowings are at fixed rates of interest.

The Group's and the Company's deposits at fixed rates are denominated primarily in SGD.

The Group's borrowings (as disclosed in Note 27) at variable rates on which effective hedges have not been entered into are denominated mainly in MYR, SGD, EUR, RMB and USD. If interest rate increases/decreases by 0.5% with all other variables including tax rate being held constant, the Group's net profit will be lower/higher by $428,000 (2023 : $453,000) as a result of higher/lower interest expense on these borrowings.

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Credit risk

(i) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's and the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is represented by the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

To minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, and transacting with entities that are rated the equivalent of investment grade, as a mean of mitigating the risk of financial loss from defaults. Trade receivables' payment profile and credit exposure are monitored on an ongoing basis through Group's management reporting procedures.

Financial assets, which potentially subject the Group to concentration of credit risk, consist principally of trade and other receivables, deposits, financial asset at fair value through other comprehensive income and cash and cash equivalents. The Group's short-term funds, deposits and bank balance are placed with high creditworthiness financial institutions. The management does not expect any losses arising from non-performances by these counterparties.

The Group's current credit risk framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default.	Trade receivables: Lifetime ECL - not credit-impaired Other financial assets: 12-month ECL
Doubtful	Amount is past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Credit risk (cont'd)

(ii) Credit risk management

The Group's trade receivables comprise of mainly 4 debtors (2023 : 4 debtors) that individually represented 4% to 17% (2023 : 4% to 10%) of trade receivables.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	The Company	
	2024	**2023**
	$'000	**$'000**
Guarantees for banking facilities granted to subsidiaries:		
- unsecured	11,365	14,573

The credit risk for trade receivables based on the information provided to key management is as follows:

	The Group	
	2024	**2023**
	$'000	**$'000**
By geographical areas		
America	21,256	46,415
Malaysia	15,308	10,967
Singapore	13,800	19,112
The Netherlands	28,817	30,191
People's Republic of China	18,526	22,628
Czech Republic	15,707	11,269
Other countries	24,360	30,611
	137,774	171,193
By business segments		
Mechatronics		
Semiconductors	58,872	79,498
Medical	7,320	8,204
Analytical Life Sciences	38,357	28,389
Industrial Automation	8,105	20,225
Others	2,178	7,747
	114,832	144,063
IMS		
Automotive	16,576	19,728
Consumer and Industrial Electronics	3,178	2,379
Tooling	463	938
Others	2,445	3,886
	22,662	26,931
Others	280	199
Total	137,774	171,193

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows from operating activities to finance their activities and minimises liquidity risk by keeping committed credit lines available.

Non-derivative financial liabilities

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

	Weighted average effective interest rate	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Adjustment	Total
		$'000	$'000	$'000	$'000	$'000	$'000
The Group							
At 31 December 2024							
Non-interest bearing	-	(150,082)	(65)	-	-	-	(150,147)
Lease liabilities (fixed rate)	2.41%	(9,153)	(13,971)	(5,500)	(19,961)	1,637	(46,948)
Variable interest rate instruments	4.81%	(89,767)	-	-	-	4,118	(85,649)
Fixed interest rate instruments	5.11%	(1,004)	-	-	-	48	(956)
		(250,006)	(14,036)	(5,500)	(19,961)	5,803	(283,700)
At 31 December 2023							
Non-interest bearing	-	(176,557)	(63)	(57)	-	-	(176,677)
Lease liabilities (fixed rate)	2.23%	(8,905)	(12,648)	(8,489)	(22,221)	2,284	(49,979)
Variable interest rate instruments	5.32%	(95,358)	-	-	-	4,816	(90,542)
Fixed interest rate instruments	2.98%	(1,552)	-	-	-	45	(1,507)
		(282,372)	(12,711)	(8,546)	(22,221)	7,145	(318,705)

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk (cont'd)

Non-derivative financial liabilities (cont'd)

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows:

	Weighted average effective interest rate	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Adjustment	Total
		$'000	$'000	$'000	$'000	$'000
The Company						
At 31 December 2024						
Non-interest bearing	-	(632)	-	-	-	(632)
At 31 December 2023						
Non-interest bearing	-	(1,804)	-	-	-	(1,804)

Non-derivative financial assets

The table below analyses the maturity profile of the Group's financial assets based on contractual undiscounted cash flows:

	Weighted average effective interest rate	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Adjustment	Total
		$'000	$'000	$'000	$'000	$'000	$'000
The Group							
At 31 December 2024							
Non-interest bearing	-	222,847	-	-	1,995	-	224,842
Fixed interest rate instruments	3.49%	80,986	514	667	-	(885)	81,282
		303,833	514	667	1,995	(885)	306,124
At 31 December 2023							
Non-interest bearing	-	251,462	-	-	1,995	-	253,457
Fixed interest rate instruments	3.33%	68,837	495	1,181	-	(718)	69,795
		320,299	495	1,181	1,995	(718)	323,252

NOTES TO FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024 (CONT'D)

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk (cont'd)

Non-derivative financial assets (cont'd)

The table below analyses the maturity profile of the Company's financial assets based on contractual undiscounted cash flows:

	Weighted average effective interest rate	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Adjustment	Total
		$'000	$'000	$'000	$'000	$'000	$'000
The Company							
At 31 December 2024							
Non-interest bearing	-	13,306	-	-	1,995	-	15,301
Fixed interest rate instruments	3.40%	17,371	-	-	-	(571)	16,800
		30,677	-	-	1,995	(571)	32,101
At 31 December 2023							
Non-interest bearing	-	11,496	-	-	1,995	-	13,491
Fixed interest rate instruments	3.82%	17,648	-	-	-	(648)	17,000
		29,144	-	-	1,995	(648)	30,491

(d) Capital risk

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2023.

The capital structure of the Group consists of net debt and equity of the Group. Debt is defined by the Group as long-term and short-term borrowings and lease liabilities as disclosed in Notes 27 and 28 respectively. Net debt is defined as debt after deducting cash and cash equivalents. Equity includes share capital, reserves, retained profits and non-controlling interests.

The Group's objectives when managing capital are:

(i) to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

(ii) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

If the need for financing arises, the Group will monitor and manage the capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024 (CONT'D)

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Capital risk (cont'd)

Certain subsidiaries of the Group are required by the relevant local regulations to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant local authorities.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial year ended 31 December 2024 and 2023.

(e) Fair value of financial assets and financial liabilities

Management considers the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements to approximate their respective fair values due to the relatively short-term maturity of these financial assets and financial liabilities and the interest rates approximating market rates.

Management considers the carrying amounts of non-current lease liabilities and bank borrowings to approximate their respective fair values due to the interest rates approximating market rates.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Group and Company					**Relationship of unobservable inputs to fair value**
	2024	**2023**	**Fair value hierarchy**	**Valuation technique and key input**	**Significant unobservable input**	
	$'000	**$'000**				
Financial assets at fair value through other comprehensive income – unquoted equity shares	1,995	1,995	Level 3	Asset-based approach	Net asset value of the entity	Favourable (adverse) change in net assets will increase (decrease) fair value

There was no transfer between the different levels of the fair value hierarchy during the financial years ended 31 December 2024 and 2023.

The Group and the Company have no plans to dispose of this investment in the foreseeable future.

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(f) Financial instruments by category

The following table sets out the categories of financial instruments as at end of the reporting period:

		The Group		The Company	
	Note	2024	2023	2024	2023
		$'000	$'000	$'000	$'000
Financial asset at FVTOCI	17	1,995	1,995	1,995	1,995
Trade receivables	20	137,774	171,193	-	-
Receivables from subsidiaries	21	-	-	-	65
Dividends receivables from subsidiaries		-	-	12,936	9,644
Other receivables and deposits	22	7,156	7,433	39	35
Cash and cash equivalents	23	159,199	142,631	17,131	18,752
Financial assets at amortised cost		304,129	321,257	30,106	28,496
Trade payables	24	94,503	124,802	-	-
Payable to a subsidiary		-	-	104	236
Other payables and accruals	25	55,644	51,875	528	1,568
Borrowings	27	86,605	92,049	-	-
Lease liabilities	28	46,948	49,979	-	-
Financial liabilities at amortised cost		283,700	318,705	632	1,804

36 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements relevant to the Group and Company were issued but not effective:

Effective for annual periods beginning on or after 1 January 2025

- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*

Effective for annual periods beginning on or after 1 January 2026

- Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to SFRS(I)s - Volume 11

Effective for annual periods beginning on or after 1 January 2027

- SFRS(I) 18: *Presentation and Disclosure in Financial Statements*

SFRS(I) 18 will replace SFRS(I) 1-1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

36 STANDARDS ISSUED BUT NOT EFFECTIVE (CONT'D)

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.

- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including the items currently labelled as "Others".

DETAILS OF PROPERTIES HELD BY THE GROUP

The properties owned by the Group are as follows:

Location	Registered proprietor	Tenure	Gross land area	Net book value as at 31 Dec 2024 $'000	Use of property	Encumbrances
1. No. 14 to 16 Hurksestraat, Eindhoven, The Netherlands	Frencken Investments B.V.	Freehold	12,300 sq m	6,531	Production and office	Legal charge in favour of Coöperatieve Rabobank Eindhoven - Veldhoven
2. Molenweg 3, Reuver, The Netherlands	Frencken Investments B.V.	Freehold	11,300 sq m	2,189	Production and office	Legal charge in favour of Coöperatieve Rabobank Eindhoven - Veldhoven
3. Lot No. P.T. 24044, Mukim of Kajang, District of Hulu Langat, Selangor Darul Ehsan, Malaysia	Frencken Mechatronics (M) Sdn. Bhd.	99 years lease expiring 29.03.2091	4.45 acres or 18,019 sq m	5,283	Production and office	-
4. 16, Jalan Masyhur 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim, Malaysia	Juken Technology Engineering Sdn. Bhd.	Freehold	4,303 sq m	1,044	Production and office	-
5. Lot 10, Jalan BRP 9/1C, Bukit Rahman Putra Industrial Park, 47000 Sungai Buloh, Selangor Darul Ehsan, Malaysia	Juken Technology Engineering Sdn. Bhd.	Freehold	1,754 sq m	1,102	Production and office	-
6. Lot 11, Jalan BRP 9/1C, Bukit Rahman Putra Industrial Park, 47000 Sungai Buloh, Selangor Darul Ehsan, Malaysia	Juken Technology Engineering Sdn. Bhd.	Freehold	1,754 sq m	1,136	Production and office	-

DETAILS OF PROPERTIES HELD BY THE GROUP (CONT'D)

Location	Registered proprietor	Tenure	Gross land area	Net book value as at 31 Dec 2024 $'000	Use of property	Encumbrances
7. Lot 12, Jalan BRP 9/1C, Bukit Rahman Putra Industrial Park, 47000 Sungai Buloh, Selangor Darul Ehsan, Malaysia	Juken Technology Engineering Sdn. Bhd.	Freehold	1,754 sq m	1,134	Production and office	-
8. 2413, M004, Bangna-Trad Road (KM 34.5), T. Bangpleenoi, Amphur Bangbor, Somatprakam 10560, Thailand	Juken (Thailand) Co., Ltd	Freehold	9,600 sq m	635	Production and office	-
9. 2368 Qingliu East Road, Chuzhou City, Anhui Province, China	Frencken (Chuzhou) Co., Ltd	50 years lease expiring 04.08.2067	28,083 sq m	7,973	Production and office	-
10. No. 1015, Jalan Perindustrian Bukit Minyak 7, Kawasan Perindustrian Bukit Minyak, Mukim 13, Seberang Perai Tengah, 14100 Bukit Mertajam, Pulau Pinang, Malaysia	Penchem Technologies Sdn. Bhd.	60 years lease expiring 14.08.2068	4,466 sq m	1,553	Production and office	Legal charge in favour of OCBC Al-Amin Bank Berhad

STATISTIC OF SHAREHOLDINGS
As at 14 March 2025

Share Capital

No. of Issued Shares	:	427,090,409
No. of Treasury Shares	:	Nil
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per share

DISTRIBUTION OF SHAREHOLDERS
(As recorded in the Register of Members and Depository Register)

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	165	3.07	5,475	0.00
100 - 1,000	434	8.09	289,295	0.07
1,001 - 10,000	3,062	57.05	16,875,428	3.95
10,001 - 1,000,000	1,677	31.25	74,384,897	17.42
1,000,001 and above	29	0.54	335,535,314	78.56
TOTAL	**5,367**	**100.00**	**427,090,409**	**100.00**

TWENTY (20) LARGEST SHAREHOLDERS
(As recorded in the Register of Members and Depository Register)

No.	Name of Shareholder	No. of Shares	%
1.	HSBC (Singapore) Nominees Pte Ltd	99,871,568	23.38
2.	DBS Nominees Pte Ltd	39,783,519	9.32
3.	UOB Kay Hian Pte Ltd	33,925,763	7.94
4.	Citibank Nominees Singapore Pte Ltd	25,185,790	5.90
5.	Maybank Securities Pte Ltd	20,510,956	4.80
6.	Raffles Nominees (Pte) Limited	18,873,007	4.42
7.	BPSS Nominees Singapore (Pte) Ltd	11,552,400	2.70
8.	Phillip Securities Pte Ltd	10,309,367	2.41
9.	CGS International Securities Singapore Pte Ltd	7,509,167	1.76
10.	Gooi Soon Chai	7,317,023	1.71
11.	OCBC Securities Private Ltd	6,973,033	1.63
12.	Low Hock Peng	6,222,794	1.46
13.	DB Nominees (Singapore) Pte Ltd	5,280,000	1.24
14.	Morgan Stanley Asia (Singapore) Securities Pte Ltd	5,107,081	1.20
15.	iFast Financial Pte Ltd	4,188,493	0.98
16.	Low Te Jinn	4,080,000	0.96
17.	Mohamad Anwar Au	4,010,000	0.94
18.	Moomoo Financial Singapore Pte Ltd	3,914,974	0.92
19.	Goh Gaik Ewe	3,800,000	0.89
20.	Tiger Brokers (Singapore) Pte Ltd	2,402,600	0.56
		320,817,535	**75.12**

PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

Based on the information available to the Company as at 14 March 2025, approximately 69.88% of the Company's issued paid-up capital is held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

STATISTIC OF SHAREHOLDINGS

As at 14 March 2025 (CONT'D)

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 14 MARCH 2025

Name of Substantial Shareholder	No. of shares in which shareholder has a direct interest		No. of shares in which shareholder is deemed to have an interest	
	No. of shares	%	No. of shares	%
Dato' Seri Gooi Soon Chai [(a)]	7,417,023	1.74	93,573,068	21.91
Vimala Sgulboonrasi [(b)]	1,180,000	0.28	21,530,300	5.04
Precico Holdings Sdn. Bhd. [(c)]	-	-	41,954,194	9.82
Sinn Hin Company Sdn. Bhd. [(d)]	-	-	89,574,021	20.97

Notes:

(a) Dato' Seri Gooi Soon Chai is deemed to have an interest in the 3,999,047 shares held by his family, shares held by Prime Logic (M) Sdn. Bhd., Sinn Hin Company Sdn. Bhd., Precico Holdings Sdn. Bhd. and Cayman Resources Sdn. Bhd. by virtue of Section 4 of the Securities and Futures Act (Chapter 289) and Section 7 of the Companies Act 1967.

(b) Vimala Sgulboonrasi is deemed to have an interest in the shares held by Maybank Investment Bank Berhad (for the account of Meng Tak Corporation Sdn. Bhd.) by virtue of Section 4 of the Securities and Futures Act (Chapter 289) and Section 7 of the Companies Act 1967. Vimala Sgulboonrasi also have deemed interest in the shares held through UOB Kay Hian Pte Ltd and UOB Kay Hian Securities (M) Sdn. Bhd. in the capital of the Company.

(c) Precico Holdings Sdn. Bhd. is deemed to have an interest in the shares held through HSBC (Singapore) Nominees Pte Ltd in the capital of the Company.

(d) Sinn Hin Company Sdn. Bhd.'s deemed interest arising from its 35.7%, 49.9% and 35.3% direct interest in Precico Holdings Sdn. Bhd., Prime Logic (M) Sdn. Bhd. and Cayman Resources Sdn. Bhd. respectively. Therefore, it is deemed to have an interest in which Precico Holdings Sdn. Bhd., Prime Logic (M) Sdn. Bhd. and Cayman Resources Sdn. Bhd. have an interest. Sinn Hin Company Sdn. Bhd. also have deemed interest in shares held through HSBC (Singapore) Nominees Pte Ltd in the capital of the Company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of the Company will be at **Pan Pacific Hotel, Ocean 6 (Level 2), 7 Raffles Boulevard, Marina Square, Singapore 039595** on **Friday, 25 April 2025** at **2.30 p.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Directors' Statement and Independent Auditor's Report thereon. **(Resolution 1)**
2. To declare a first and final tax exempt (one-tier) dividend of 2.61 cents per share for the financial year ended 31 December 2024. **(Resolution 2)**
3. To approve the payment of Directors' fees of S$365,000 for the financial year ended 31 December 2024. **(Resolution 3)**
4. To re-elect Mr Chan Wai Leong, retiring pursuant to Regulation 92 of the Company's Constitution. [See Explanatory Note 1] **(Resolution 4)**
5. To re-elect Mr Foo Seang Choong, retiring pursuant to Regulation 92 of the Company's Constitution. [See Explanatory Note 2] **(Resolution 5)**
6. To re-appoint Messrs Deloitte & Touche LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolution with or without modifications:

7. **Authority to allot and issue shares** **(Resolution 7)**

(a) That pursuant to Section 161 of the Companies Act 1967, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while the authority was in force, provided always that:-

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares excluding treasury shares of the Company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company. Unless prior shareholder approval is required under the Listing Rules, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.

SPECIAL BUSINESS (CONT'D)

For the purpose of this resolution, the total number of issued shares excluding treasury shares is based on the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

a) new shares arising from the conversion or exercise of convertible securities;

b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited; and

c) any subsequent bonus issue, consolidation or subdivision of the Company's shares;

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note 3]

OTHER BUSINESS

8. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that subject to approval being obtained at the Annual General Meeting to be held on 25 April 2025.

1. A first and final tax exempt (one-tier) dividend of 2.61 cents per share for the financial year ended 31 December 2024 will be paid on 15 May 2025.

2. The Share Transfer Books and Register of Members of the Company will be closed on 6 May 2025 for preparation of dividend warrants. Duly completed and stamped transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd), 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619, up to 5.00 p.m. on 5 May 2025 will be registered to determine members' entitlements to the proposed dividend. Members (being depositors) whose securities account with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 5 May 2025 will be entitled to the payment of the proposed dividend.

On behalf of the Board,

Dennis Au
Executive Director

8 April 2025

Explanatory Notes on business to be transacted:

1. Mr Chan Wai Leong who is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited, will, upon re-election as Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating Committee. There are no relationships (including immediate family relationships) between Mr Chan Wai Leong and the other Directors of the Company or its shareholders. Please refer to pages 62 to 67 of the Corporate Governance Statement in the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

2. Mr Foo Seang Choong who is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited, will, upon re-election as Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit Committee. There are no relationships (including immediate family relationships) between Mr Foo Seang Choong and the other Directors of the Company or its shareholders. Please refer to pages 62 to 67 of the Corporate Governance Statement in the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

3. The ordinary resolution in item no. 7 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the issued share capital of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the issued share capital of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

Important Notes:

1. The members of the Company (the "**Members**") are invited to attend physically at the AGM. There will be no option for the Members to participate virtually.

2. Printed copies of this Notice of AGM (the "**Notice of AGM**"), Annual Report and Proxy Form will not be sent to members. Instead, the Notice of AGM, Annual Report and Proxy Form will be sent to members by electronic means via publication on the Company's website at https://frenckengroup.listedcompany.com/newsroom.html and announcement at the SGX website at https://www.sgx.com/securities/company-announcements.

3. Members (including investors who hold shares through the Relevant Intermediaries, including Central Provident Fund ("CPF") Investment Scheme ("CPF Investors") and/or Supplementary Retirement Scheme ("SRS Investors")) may participate in the AGM by:

   (a) attending the AGM in person;

   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or

   (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

   CPF Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **2.30 p.m. on 15 April 2025**, being seven (7) working days prior to the date of the AGM.

   To attend the AGM, please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process.

4. A Member, who is not a Relevant Intermediary, is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A Member, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Member.

Important Notes: (cont'd)

Where such Member appoints two (2) proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.

A Member, who is a Relevant Intermediary, is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

"**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A Member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory.

   If a Member wishes to appoint the Chairman of the AGM as proxy, such Member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction is given as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be deposited in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) if submitted electronically, via email to the Company's Share Registrar at sg.is.proxy@vistra.com

   in either case, by no later than **2.30 p.m. on 22 April 2025**, being at least seventy-two (72) hours before the time appointed for holding the AGM. Members are strongly encouraged to submit the completed proxy forms electronically by email.

   The instrument appointing the proxy(ies) must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

   The Company shall be entitled to reject the instrument appointing the proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the proxy).

   In addition, in the case of Shares entered in the Depository Register maintained by The Central Depository (Pte) Limited, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if the Member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM.

7. Members may raise questions at the AGM and/or submit questions related to the Ordinary Resolutions to be tabled for approval at the AGM, in advance of the AGM. All questions, together with the members' full names, identification numbers, contact numbers and email addresses and manner in which they hold shares in Company (e.g. via CDP, CPF or SRS), must be submitted no later than **2.30 p.m. on 15 April 2025** via email to the Company at corp@frenckengroup.com.

   The Management and the Board of Directors of the Company will endeavour to address substantial and relevant questions (as may be determined by the Company in its sole discretion) received from members prior to the AGM by publishing the responses to those questions on the SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at https://frenckengroup.listedcompany.com/newsroom.html at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms, i.e. by **18 April 2025**.

Important Notes: (cont'd)

8. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGX website, and the minutes will include the responses to the questions which are addressed during the AGM, if any.

9. Members are advised to regularly check the Company's website at https://frenckengroup.listedcompany.com/newsroom.html, and the SGX website at https://www.sgx.com/securities/company-announcements for the latest updates on the status of the AGM.

"**Personal data**" in this Notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes the Member's name and its proxy's and/or representative's name, address, email address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Member (i) consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the purpose of processing, administration and analysis by the Company (or its agents or service providers) of the proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Member discloses the personal data of the Member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty. The Member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the AGM. Accordingly, the personal data of a Member or its proxy and/or representative (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

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

PROXY FORM

IMPORTANT

1. The Annual General Meeting will be held physically at Pan Pacific Hotel, Ocean 6 (Level 2), 7 Raffles Boulevard, Marina Square, Singapore 039595. **Members have no option to participate virtually.**
2. For CPF Investors/SRS Investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is not valid to use by CPF Investors/SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF Investors/SRS Investors should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notes to this Proxy Form.

*I/We ______________________ (Name) NRIC/Passport No./Company Registration No. ______________ of

____ (Address)

being a member/members of FRENCKEN GROUP LIMITED (the "Company"), hereby appoint: -

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)	
			No. of shares	(%)

*and/or

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)	
			No. of shares	(%)

or failing whom, the Chairman of the Annual General Meeting ("**AGM**") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM of the Company to be held at **Pan Pacific Hotel, Ocean 6 (Level 2), 7 Raffles Boulevard, Marina Square, Singapore 039595** on **Friday**, **25 April 2025** at **2.30 p.m.** and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for, against or abstain the Resolutions proposed at the AGM as indicated hereunder.

No.	Resolutions	**For	**Against	**Abstain
Ordinary Business				
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Directors' Statement and Independent Auditor's Report thereon.			
2.	To declare a first and final tax exempt (one-tier) dividend of 2.61 cents per share for the financial year ended 31 December 2024.			
3.	To approve the payment of Directors' fees of S$365,000 for the financial year ended 31 December 2024.			
4.	To re-elect Mr Chan Wai Leong, retiring pursuant to Regulation 92 of the Company's Constitution.			
5.	To re-elect Mr Foo Seang Choong, retiring pursuant to Regulation 92 of the Company's Constitution.			
6.	To re-appoint Messrs Deloitte & Touche LLP as auditors of the Company and to authorise the Directors to fix their remuneration.			
Special Business				
7.	To authorise directors to allot shares pursuant to Section 161 of the Companies Act 1967.			

** Delete accordingly*

*** If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with a "√" in the box provided. Alternatively, please indicate the number of shares as appropriate. If no specific direction as to voting is given, the proxy/proxies (except where the Chairman of the AGM is appointed as my/our proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as my/our proxy for that resolution will be treated as invalid.*

Dated this ________ day of ________________ 2025

Total Number of Shares Held	
CDP	
Register of Members	
Total	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT. Please read notes overleaf

FRENCKEN GROUP LIMITED AND ITS SUBSIDIARIES
Incorporated in Singapore. Registration No. : 199905084D

Notes:-

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register maintained by The Central Depository (Pte) Limited, you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company (other than a Relevant Intermediary*) is entitled to attend and vote at the AGM or is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.
4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by it. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in this Proxy Form.
5. Subject to note 10, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.
6. This Proxy Form is not valid for use by investors who hold shares through Central Provident Fund ("CPF") Investment Scheme ("CPF Investors") and/or Supplementary Retirement Scheme ("SRS Investors") and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS Investors: (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **2.30 p.m. on 15 April 2025**, being at least seven working days prior to the date of the AGM.
7. The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either: -

   (a) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) if submitted electronically, via email to the Company's Share Registrar at sg.is.proxy@vistra.com.

(1) Fold along this line

Affix
Postage
Stamp

The Company Secretary
FRENCKEN GROUP LIMITED
c/o Tricor Barbinder Share Registration Services
9 Raffles Place, #26-01 Republic Plaza,
Singapore 048619

(2) Fold along this line

   in either case, by **2.30 p.m. on 22 April 2025**, being not less than seventy-two (72) hours before the time appointed for holding the Meeting (or any adjournment thereof) and in default the instrument of proxy shall not be treated as valid. Members are strongly encouraged to submit the completed proxy forms electronically by email.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

8. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where a Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
9. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any Proxy Form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.
10. A CPF Investor or SRS Investor may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their respective CPF Agent Banks or SRS Operators to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

    * A Relevant Intermediary means:

    (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

    (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

    (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated **8 April 2025.**

www.frenckengroup.com