



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

**Condensed Interim Financial Statements
For the six months and full year ended 31 December 2024**



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

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FRENCKEN GROUP LIMITED

(Registration No. 199905084D)

A. Condensed Interim Consolidated Income Statement

	Group					
	6 months ended			12 months ended		
	31-12-24	31-12-23	%	31-12-24	31-12-23	%
	\$'000	\$'000	Change	\$'000	\$'000	Change
Revenue	421,615	391,827	7.6%	794,333	742,859	6.9%
Cost of sales	(361,519)	(337,125)	7.2%	(678,995)	(644,855)	5.3%
Gross profit	60,096	54,702	9.9%	115,338	98,004	17.7%
Other income (Note 1)	3,080	5,506	-44.1%	7,964	10,938	-27.2%
Selling and distribution expenses	(6,153)	(4,755)	29.4%	(11,541)	(9,737)	18.5%
Administrative and general expenses	(29,044)	(25,476)	14.0%	(56,768)	(49,524)	14.6%
Other operating expenses (Note 1)	(2,193)	(1,712)	28.1%	(3,474)	(3,343)	3.9%
Finance income	680	595	14.3%	1,379	1,210	14.0%
Finance costs	(3,875)	(3,104)	24.8%	(6,852)	(6,014)	13.9%
Share of results of an associate, net of tax	(2)	(1)	100.0%	(2)	4	N.M.
Profit before income tax	22,589	25,755	-12.3%	46,044	41,538	10.8%
Income tax expense	(3,809)	(5,641)	-32.5%	(9,415)	(9,552)	-1.4%
Profit for the period/year	18,780	20,114	-6.6%	36,629	31,986	14.5%
Profit attributable to:						
Equity holders of the Company	18,975	20,402	-7.0%	37,120	32,475	14.3%
Non-controlling interests	(195)	(288)	-32.3%	(491)	(489)	0.4%
	18,780	20,114	-6.6%	36,629	31,986	14.5%
Note 1 - Other income/(Other operating expenses)						
Other Income	3,080	5,506	-44.1%	7,964	10,938	-27.2%
Other Operating Expenses	(2,193)	(1,712)	28.1%	(3,474)	(3,343)	3.9%
	887	3,794	-76.6%	4,490	7,595	-40.9%
Included in Other income/(Other operating expenses):						
(Loss)/Gain on disposal of property, plant and equipment, net	(9)	111	N.M.	67	284	-76.4%
Property, plant and equipment written off	(20)	(51)	-60.8%	(29)	(52)	-44.2%
Government grants	653	684	-4.5%	1,401	1,383	1.3%
Foreign exchange loss, net	(1,940)	(448)	333.0%	(1,764)	(4)	44000.0%
Amortisation of deferred income	5	11	-54.5%	10	22	-54.5%
Scrap sales	966	848	13.9%	1,990	1,632	21.9%
Project income	391	1,609	-75.7%	1,168	2,269	-48.5%
Revaluation gain on financial assets	815	722	12.9%	1,532	1,439	6.5%
Other income	97	308	-68.5%	227	632	-64.1%
Other expenses	(71)	-	N.M.	(112)	(10)	1020.0%
	887	3,794	-76.6%	4,490	7,595	-40.9%

N.M. : Not meaningful



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B. Condensed Interim Consolidated Statement of Comprehensive Income

	Group			
	6 months ended		12 months ended	
	31-12-24 \$'000	31-12-23 \$'000	31-12-24 \$'000	31-12-23 \$'000
<u>Statement of Comprehensive Income</u>				
Profit for the period/year	18,780	20,114	36,629	31,986
<i>Item that will not be reclassified subsequently to income statement :</i>				
- Remeasurement of defined benefit obligation	(204)	70	(204)	70
<i>Item that may be reclassified subsequently to income statement :</i>				
- Currency translation differences arising from consolidation	3,505	(4,760)	3,606	(7,846)
Total comprehensive income for the period/year	<u>22,081</u>	<u>15,424</u>	<u>40,031</u>	<u>24,210</u>
Attributable to:				
Equity holders of the Company	22,306	15,766	40,519	24,709
Non-controlling interests	(225)	(342)	(488)	(499)
Total comprehensive income for the period/year	<u>22,081</u>	<u>15,424</u>	<u>40,031</u>	<u>24,210</u>



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C. Condensed Interim Balance Sheets

	Group		Company	
	31-12-24	31-12-23	31-12-24	31-12-23
	\$'000	\$'000	\$'000	\$'000
NON-CURRENT ASSETS				
Property, plant and equipment	119,997	129,816	-	-
Right-of-use assets	47,312	49,333	-	-
Investment properties	1,312	1,259	-	-
Investment in subsidiaries	-	-	135,044	133,275
Investment in an associate	18	19	-	-
Financial asset at fair value through other comprehensive income	1,995	1,995	1,995	1,995
Goodwill and other intangible assets	22,017	21,348	-	-
Deferred income tax assets	1,485	1,363	-	-
Other receivables, deposits and prepayments	1,181	1,676	-	-
Total non-current assets	195,317	206,809	137,039	135,270
CURRENT ASSETS				
Inventories	226,465	203,396	-	-
Trade receivables	137,774	171,193	-	-
Receivables from subsidiaries	-	-	-	65
Dividends receivables from subsidiaries	-	-	12,936	9,644
Other receivables, deposits and prepayments	13,401	9,442	47	43
Receivable from an associated company	-	-	-	-
Tax recoverable	2,988	1,815	-	-
Cash and cash equivalents	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
CURRENT LIABILITIES				
Trade payables	94,503	124,802	-	-
Payable to a subsidiary	-	-	104	236
Other payables, accruals and provisions	55,944	52,120	893	1,933
Deferred income	11	10	-	-
Borrowings	86,458	91,569	-	-
Lease liabilities	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	65	120	-	-
Deferred income	53	61	-	-
Borrowings	147	480	-	-
Lease liabilities	38,549	42,276	-	-
Retirement benefit obligations	580	430	-	-
Deferred income tax liabilities	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	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	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



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D. Condensed Interim Consolidated Cash Flow Statement

	Group			
	6 months ended		12 months ended	
	31-12-24 \$'000	31-12-23 \$'000	31-12-24 \$'000	31-12-23 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the period/year	18,780	20,114	36,629	31,986
Adjustments for:				
Income tax expense	3,809	5,641	9,415	9,552
Share of results of an associate, net of tax	2	1	2	(4)
Exchange differences	1,691	(523)	1,615	(777)
Employee share option expense	1,096	97	1,880	193
Depreciation of property, plant and equipment	11,853	10,972	23,054	21,899
Depreciation of right-of-use assets	3,790	3,948	7,536	7,869
Depreciation of investment properties	10	9	19	19
Loss/(Gain) on lease modification, net	42	(112)	42	(112)
Loss/(Gain) on disposal of property, plant and equipment, net	9	(111)	(67)	(284)
Property, plant and equipment written off	20	51	29	52
Finance income	(680)	(595)	(1,379)	(1,210)
Finance costs	3,875	3,104	6,852	6,014
Amortisation of deferred income	(5)	(11)	(10)	(22)
Amortisation of intangible assets	91	167	257	327
Operating cash flow before working capital changes	44,383	42,752	85,874	75,502
Changes in operating assets and liabilities :				
Inventories	5,575	34,039	(25,800)	25,847
Receivables	(14,376)	(55,459)	28,747	(44,881)
Payables	11,797	38,097	(25,957)	10,291
Cash flows generated from operations	47,379	59,429	62,864	66,759
Tax paid	(4,041)	(4,610)	(8,125)	(11,752)
Finance costs paid	(3,714)	(3,133)	(6,691)	(6,043)
NET CASH GENERATED FROM OPERATING ACTIVITIES	39,624	51,686	48,048	48,964
CASH FLOWS FROM INVESTING ACTIVITIES				
Finance income received	680	595	1,379	1,210
Additions of intangible assets	-	(21)	-	(38)
Purchase of property, plant and equipment	(6,942)	(17,169)	(13,101)	(26,845)
Proceeds from disposal of property, plant and equipment	47	450	129	527
Loan to a third party	-	-	-	(2,500)
Repayment of loan from a third party	240	231	476	349
NET CASH USED IN INVESTING ACTIVITIES	(5,975)	(15,914)	(11,117)	(27,297)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital	-	-	56	-
Repayment of lease liabilities	(4,350)	(4,555)	(8,622)	(9,910)
Repayment of short-term bank borrowings	(47,383)	(39,910)	(94,596)	(134,601)
Repayment of term loans	(348)	(350)	(1,120)	(800)
Proceeds from short-term bank borrowings	52,114	35,524	97,859	124,530
Proceeds from term loans	464	475	557	475
Dividend paid to shareholders	-	-	(9,737)	(15,544)
Withdrawal of fixed deposits pledged as securities	36	-	36	-
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	533	(8,816)	(15,567)	(35,850)
Net increase/(decrease) in cash and cash equivalents	34,182	26,956	21,364	(14,183)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	78,175	66,418	91,195	110,268
Effect of exchange rate changes on cash and cash equivalents	4,069	(2,179)	3,867	(4,890)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	116,426	91,195	116,426	91,195



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D. Condensed Interim Consolidated Cash Flow Statement

	Group			
	6 months ended		12 months ended	
	31-12-24	31-12-23	31-12-24	31-12-23
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents at end of the financial year comprise:				
Short-term funds placed with Malaysian financial institutions	61,182	46,595	61,182	46,595
Deposits with licensed banks	18,424	21,247	18,424	21,247
Cash and bank balances	79,593	74,789	79,593	74,789
Bank overdrafts	(42,609)	(51,238)	(42,609)	(51,238)
	<u>116,590</u>	<u>91,393</u>	<u>116,590</u>	<u>91,393</u>
Less: Deposits pledged as securities	(164)	(198)	(164)	(198)
	<u>116,426</u>	<u>91,195</u>	<u>116,426</u>	<u>91,195</u>



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E. Condensed Interim Consolidated Statement of Changes in Equity

(a) Statement of changes in equity for the six months ended 31 December 2024 and 31 December 2023

	Attributable to equity holders of the Company										Total Equity \$'000	
	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Merger Reserve \$'000	Capital Reserve \$'000	Statutory Reserve Fund \$'000	Share Option Reserve \$'000	Fair Value Reserve \$'000	Other Reserve \$'000	Retained Profits \$'000	Equity attributable to equity holders of the Company \$'000		Non-Controlling Interests \$'000
The Group												
At 1 July 2024	104,500	(24,668)	2,345	2,015	7,178	1,305	(4,405)	661	321,631	410,562	3,769	414,331
Profit for the period	-	-	-	-	-	-	-	-	18,975	18,975	(195)	18,780
Other comprehensive income:												
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-	(204)	-	(204)	-	(204)
Currency translation differences arising from consolidation	-	3,453	-	-	-	-	-	82	-	3,535	(30)	3,505
Total comprehensive income/(loss) for the period	-	3,453	-	-	-	-	-	(122)	18,975	22,306	(225)	22,081
<i>Transactions with owners recognised directly in equity</i>												
Transfer to/(from) statutory reserve fund	-	-	-	-	403	-	-	-	(403)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	1,096	-	-	-	1,096	-	1,096
	-	-	-	-	403	1,096	-	-	(403)	1,096	-	1,096
At 31 December 2024	<u>104,500</u>	<u>(21,215)</u>	<u>2,345</u>	<u>2,015</u>	<u>7,581</u>	<u>2,401</u>	<u>(4,405)</u>	<u>539</u>	<u>340,203</u>	<u>433,964</u>	<u>3,544</u>	<u>437,508</u>
At 1 July 2023	104,444	(20,096)	2,345	1,981	6,712	563	(4,405)	657	293,182	385,383	4,374	389,757
Profit for the period	-	-	-	-	-	-	-	-	20,402	20,402	(288)	20,114
Other comprehensive income/(loss):												
Remeasurement of define benefit obligation	-	-	-	-	-	-	-	70	-	70	-	70
Currency translation differences arising from consolidation	-	(4,616)	-	-	-	-	-	(90)	-	(4,706)	(54)	(4,760)
Total comprehensive income/(loss) for the period	-	(4,616)	-	-	-	-	-	(20)	20,402	15,766	(342)	15,424
<i>Transactions with owners recognised directly in equity</i>												
Transfer to/(from) statutory reserve fund	-	-	-	-	224	-	-	-	(224)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	97	-	-	-	97	-	97
Transfer arising from forfeited share options	-	-	-	-	-	(105)	-	-	105	-	-	-
	-	-	-	-	224	(8)	-	-	(119)	97	-	97
At 31 December 2023	<u>104,444</u>	<u>(24,712)</u>	<u>2,345</u>	<u>1,981</u>	<u>6,936</u>	<u>555</u>	<u>(4,405)</u>	<u>637</u>	<u>313,465</u>	<u>401,246</u>	<u>4,032</u>	<u>405,278</u>

Attributable to equity holders of the Company

	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Merger Reserve \$'000	Capital Reserve \$'000	Statutory Reserve Fund \$'000	Share Option Reserve \$'000	Fair Value Reserve \$'000	Retained Profits \$'000	Total \$'000
The Company									
At 1 July 2024	104,500	-	-	2,596	-	1,305	(4,405)	48,571	152,567
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	-	-	12,493	12,493
<i>Transactions with owners recognised directly in equity</i>									
Employee share option scheme - Value of employee services	-	-	-	-	-	1,096	-	-	1,096
- Issue of share capital	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	1,096	-	-	1,096
At 31 December 2024	<u>104,500</u>	<u>-</u>	<u>-</u>	<u>2,596</u>	<u>-</u>	<u>2,401</u>	<u>(4,405)</u>	<u>61,064</u>	<u>166,156</u>
At 1 July 2023	104,444	-	-	2,562	-	563	(4,405)	47,634	150,798
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	-	-	10,815	10,815
<i>Transactions with owners recognised directly in equity</i>									
Employee share option scheme - Value of employee services	-	-	-	-	-	97	-	-	97
Reversal arising from forfeited share options	-	-	-	-	-	(105)	-	-	(105)
	-	-	-	-	-	(8)	-	-	(8)
At 31 December 2023	<u>104,444</u>	<u>-</u>	<u>-</u>	<u>2,562</u>	<u>-</u>	<u>555</u>	<u>(4,405)</u>	<u>58,449</u>	<u>161,605</u>

(b) Statement of changes in equity for the twelve months ended 31 December 2024 and 31 December 2023**Attributable to equity holders of the Company**

	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Merger Reserve \$'000	Capital Reserve \$'000	Statutory Reserve Fund \$'000	Share Option Reserve \$'000	Fair Value Reserve \$'000	Other Reserve \$'000	Retained Profits \$'000	Equity	Non- Controlling Interests \$'000	Total Equity \$'000
										attributable to equity holders of the Company \$'000		
The Group												
At 1 January 2024	104,444	(24,712)	2,345	1,981	6,936	555	(4,405)	637	313,465	401,246	4,032	405,278
Profit for the year	-	-	-	-	-	-	-	-	37,120	37,120	(491)	36,629
Other comprehensive income/(loss):												
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-	(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
<i>Transactions with owners recognised directly in equity</i>												
Transfer to/(from) statutory reserve fund	-	-	-	-	645	-	-	-	(645)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	1,880	-	-	-	1,880	-	1,880
- Issue of share capital	56	-	-	34	-	(34)	-	-	-	56	-	56
Dividends relating to 2023 paid	-	-	-	-	-	-	-	-	(9,737)	(9,737)	-	(9,737)
	56	-	-	34	645	1,846	-	-	(10,382)	(7,801)	-	(7,801)
At 31 December 2024	<u>104,500</u>	<u>(21,215)</u>	<u>2,345</u>	<u>2,015</u>	<u>7,581</u>	<u>2,401</u>	<u>(4,405)</u>	<u>539</u>	<u>340,203</u>	<u>433,964</u>	<u>3,544</u>	<u>437,508</u>
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 define benefit obligation	-	-	-	-	-	-	-	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
<i>Transactions with owners recognised directly in equity</i>												
Transfer to/(from) statutory reserve fund	-	-	-	-	668	-	-	-	(668)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	193	-	-	-	193	-	193
Transfer arising from forfeited share options	-	-	-	-	-	(105)	-	-	105	-	-	-
Dividends relating to 2022 paid	-	-	-	-	-	-	-	-	(15,544)	(15,544)	-	(15,544)
	-	-	-	-	668	88	-	-	(16,107)	(15,351)	-	(15,351)
At 31 December 2023	<u>104,444</u>	<u>(24,712)</u>	<u>2,345</u>	<u>1,981</u>	<u>6,936</u>	<u>555</u>	<u>(4,405)</u>	<u>637</u>	<u>313,465</u>	<u>401,246</u>	<u>4,032</u>	<u>405,278</u>

Attributable to equity holders of the Company

	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Merger Reserve \$'000	Capital Reserve \$'000	Statutory Reserve Fund \$'000	Share Option Reserve \$'000	Fair Value Reserve \$'000	Retained Profits \$'000	Total \$'000
The Company									
At 1 January 2024	104,444	-	-	2,562	-	555	(4,405)	58,449	161,605
Profit for the year, representing total comprehensive income for the financial year	-	-	-	-	-	-	-	12,352	12,352
<i>Transactions with owners recognised directly in equity</i>									
Employee share option scheme - Value of employee services	-	-	-	-	-	1,880	-	-	1,880
- Issue of share capital	56	-	-	34	-	(34)	-	-	56
Dividends relating to 2023 paid	-	-	-	-	-	-	-	(9,737)	(9,737)
	56	-	-	34	-	1,846	-	(9,737)	(7,801)
At 31 December 2024	<u>104,500</u>	<u>-</u>	<u>-</u>	<u>2,596</u>	<u>-</u>	<u>2,401</u>	<u>(4,405)</u>	<u>61,064</u>	<u>166,156</u>
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 financial year	-	-	-	-	-	-	-	10,575	10,575
<i>Transactions with owners recognised directly in equity</i>									
Employee share option scheme - Value of employee services	-	-	-	-	-	193	-	-	193
Reversal arising from forfeited share options	-	-	-	-	-	(105)	-	-	(105)
Dividends relating to 2022 paid	-	-	-	-	-	-	-	(15,544)	(15,544)
	-	-	-	-	-	88	-	(15,544)	(15,456)
At 31 December 2023	<u>104,444</u>	<u>-</u>	<u>-</u>	<u>2,562</u>	<u>-</u>	<u>555</u>	<u>(4,405)</u>	<u>58,449</u>	<u>161,605</u>



FRENCKEN GROUP LIMITED
(Registration No. 199905084D)

F. Notes to the condensed interim consolidated financial statements

1. Corporate information

Frencken Group Limited (the "Company") is incorporated in Singapore and listed on the Mainboard of Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2024 comprise the Company and its subsidiaries (collectively, the "Group"). The principal activity of the Company is that of an investment holding company.

The main principal activities of the Group are:

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

2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 December 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2024.

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recent audited financial statements as well as all the applicable new/revised Financial Reporting Standards (FRS) and FRS interpretations which became effective for the financial years beginning on or after 1 January 2024.

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

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

2.1 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

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

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

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

3. Seasonal operations

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

4. Segment and revenue information

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

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

- Mechatronics - specialising in the design and manufacture of complex electro-mechanical assemblies and automation systems for original equipment manufacturers.
- Integrated Manufacturing Services ("IMS") - specialising in a one-stop integrated solution to manufacture plastic components (including design and fabrication of mould) for assembly into modules and finished products. It also designs and manufactures high quality oil filters.

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

The Others segment comprises:

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

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

4.1 Business segments

For the six months ended 31 December 2024

	Mechatronics	Integrated Manufacturing Services	Investment Holding & Management Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover						
External revenue	378,940	41,366	-	1,309	-	421,615
Inter-segment sales	-	-	6,069	-	(6,069)	-
	<u>378,940</u>	<u>41,366</u>	<u>6,069</u>	<u>1,309</u>	<u>(6,069)</u>	<u>421,615</u>
Segment results	24,326	(1,090)	2,522	28	-	25,786
Finance income	186	73	398	23	-	680
Finance costs	(3,635)	(232)	(2)	(6)	-	(3,875)
Share of results of an associate, net of tax	-	-	-	(2)	-	(2)
Profit before income tax						<u>22,589</u>
Income tax expense	(3,692)	(63)	(55)	1	-	<u>(3,809)</u>
Total profit						<u><u>18,780</u></u>
Other segment information:						
Capital expenditure	5,513	701	755	8	-	6,977
Depreciation and amortisation	12,289	3,276	68	111	-	15,744
Amortisation of deferred income	-	-	-	5	-	5
Other non-cash expenses other than depreciation and amortisation	804	96	258	-	-	1,158

For the six months ended 31 December 2023

	Mechatronics \$'000	Integrated Manufacturing Services \$'000	Investment Holding & Management Services \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Turnover						
External revenue	342,970	47,483	-	1,374	-	391,827
Inter-segment sales	-	-	5,191	-	(5,191)	-
	<u>342,970</u>	<u>47,483</u>	<u>5,191</u>	<u>1,374</u>	<u>(5,191)</u>	<u>391,827</u>
Segment results	22,022	3,359	2,737	147	-	28,265
Finance income	116	38	428	13	-	595
Finance costs	(2,763)	(316)	(3)	(22)	-	(3,104)
Share of results of an associate, net of tax	-	-	-	(1)	-	(1)
Profit before income tax						<u>25,755</u>
Income tax expense	(4,119)	(1,380)	(39)	(103)	-	<u>(5,641)</u>
Total profit						<u><u>20,114</u></u>
Other segment information:						
Capital expenditure	15,442	1,491	3	246	-	17,182
Addition of intangible assets	-	21	-	-	-	21
Depreciation and amortisation	11,314	3,619	57	106	-	15,096
Amortisation of deferred income	-	-	-	11	-	11
Other non-cash expenses other than depreciation and amortisation	72	25	50	1	-	148

For the twelve months ended 31 December 2024

	Mechatronics \$'000	Integrated Manufacturing Services \$'000	Investment Holding & Management Services \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Turnover						
External revenue	706,088	85,675	-	2,570	-	794,333
Inter-segment sales	-	-	11,530	-	(11,530)	-
	<u>706,088</u>	<u>85,675</u>	<u>11,530</u>	<u>2,570</u>	<u>(11,530)</u>	<u>794,333</u>
Segment results	47,067	114	4,220	118	-	51,519
Finance income	350	109	875	45	-	1,379
Finance costs	(6,304)	(529)	(5)	(14)	-	(6,852)
Share of results of an associate, net of tax	-	-	-	(2)	-	(2)
Profit before income tax						<u>46,044</u>
Income tax expense	(9,076)	(219)	(101)	(19)	-	<u>(9,415)</u>
Total profit						<u><u>36,629</u></u>
Other segment information:						
Capital expenditure	11,820	1,303	763	27	-	13,913
Depreciation and amortisation	23,731	6,790	126	219	-	30,866
Amortisation of deferred income	-	-	-	10	-	10
Other non-cash expenses other than depreciation and amortisation	1,309	167	475	-	-	1,951

As at 31 December 2024

Segment assets	<u>540,970</u>	<u>100,095</u>	<u>84,255</u>	<u>9,824</u>	<u>-</u>	<u>735,144</u>
Segment liabilities	<u>268,862</u>	<u>24,562</u>	<u>3,279</u>	<u>933</u>	<u>-</u>	<u>297,636</u>

For the twelve months ended 31 December 2023

	Mechatronics \$'000	Integrated Manufacturing Services \$'000	Investment Holding & Management Services \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Turnover						
External revenue	646,219	93,781	-	2,859	-	742,859
Inter-segment sales	-	-	10,003	-	(10,003)	-
	<u>646,219</u>	<u>93,781</u>	<u>10,003</u>	<u>2,859</u>	<u>(10,003)</u>	<u>742,859</u>
Segment results	36,267	4,164	5,609	298	-	46,338
Finance income	249	48	892	25	(4)	1,210
Finance costs	(5,321)	(662)	(4)	(31)	4	(6,014)
Share of results of an associate, net of tax	-	-	-	4	-	4
Profit before income tax						<u>41,538</u>
Income tax expense	(7,721)	(1,612)	(74)	(145)	-	<u>(9,552)</u>
Total profit						<u><u>31,986</u></u>
Other segment information:						
Capital expenditure	24,264	2,224	6	257	-	26,751
Addition of intangible assets	-	38	-	-	-	38
Depreciation and amortisation	22,349	7,430	117	218	-	30,114
Amortisation of deferred income	-	-	-	22	-	22
Other non-cash expenses other than depreciation and amortisation	99	46	99	1	-	245
	<u>99</u>	<u>46</u>	<u>99</u>	<u>1</u>	<u>-</u>	<u>245</u>
<u>As at 31 December 2023</u>						
Segment assets	<u>545,054</u>	<u>108,800</u>	<u>71,886</u>	<u>9,546</u>	<u>-</u>	<u>735,286</u>
Segment liabilities	<u>292,713</u>	<u>32,187</u>	<u>4,077</u>	<u>1,031</u>	<u>-</u>	<u>330,008</u>

4.2 Geographical segments

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

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

	Revenue from external customers				Non-current assets	
	6 months ended		12 months ended		31-12-24	31-12-23
	31-12-24	31-12-23	31-12-24	31-12-23		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Based on location of customer						
The Netherlands	144,060	166,162	295,363	303,697	77,879	81,922
People's Republic of China	30,484	26,900	56,463	59,982	29,943	34,845
Malaysia	26,508	16,946	46,272	40,819	37,801	39,649
Singapore	42,809	40,738	74,008	69,599	34,978	35,821
Czech Republic	44,338	34,483	84,379	62,569	-	-
Hungary	996	3,173	7,891	9,765	-	-
America	54,331	32,912	93,442	53,136	7,229	6,644
Germany	33,293	25,845	52,743	47,464	-	-
Switzerland	52	42	98	78	748	896
Thailand	16,670	24,777	34,034	51,285	999	1,088
India	3,253	3,348	6,779	7,271	2,241	2,567
Indonesia	3,205	3,786	6,777	8,351	-	-
United Kingdom	1,858	1,221	2,967	3,512	-	-
Mexico	3,374	2,447	7,130	4,868	-	-
Italy	2,791	3,248	6,765	7,019	-	-
Slovakia	61	670	517	2,110	-	-
Others	13,532	5,129	18,705	11,334	1	-
	421,615	391,827	794,333	742,859	191,819	203,432

4.3 Information about major customers

Included in revenue arising from Mechatronics division of \$706,088,000 (31.12.2023 : \$646,219,000) are revenue of approximately \$417,573,000 (31.12.2023 : \$366,725,000) which arose from sales to the Group's 3 (31.12.2023 : 3) largest customers.

4.4 Disaggregation of Revenue

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

For the six months ended 31 December 2024

	Mechatronics	Integrated Manufacturing Services	Others	Total
	\$'000	\$'000	\$'000	\$'000
At a point in time:				
Sale of goods	378,306	39,678	1,263	419,247
Installation services	634	-	-	634
Rental income	-	-	46	46
	378,940	39,678	1,309	419,927
Over time:				
Sale of moulds	-	1,688	-	1,688
	378,940	41,366	1,309	421,615

For the six months ended 31 December 2023

	Mechatronics	Integrated Manufacturing Services	Others	Total
	\$'000	\$'000	\$'000	\$'000
At a point in time:				
Sale of goods	341,142	44,935	1,249	387,326
Installation services	1,828	-	-	1,828
Rental income	-	-	125	125
	342,970	44,935	1,374	389,279
Over time:				
Sale of moulds	-	2,548	-	2,548
	342,970	47,483	1,374	391,827

For the twelve months ended 31 December 2024

	Mechatronics \$'000	Integrated Manufacturing Services \$'000	Others \$'000	Total \$'000
At a point in time:				
Sale of goods	704,642	82,136	2,415	789,193
Installation services	1,446	-	-	1,446
Rental income	-	-	155	155
	<u>706,088</u>	<u>82,136</u>	<u>2,570</u>	<u>790,794</u>
Over time:				
Sale of moulds	-	3,539	-	3,539
	<u>706,088</u>	<u>85,675</u>	<u>2,570</u>	<u>794,333</u>

For the twelve months ended 31 December 2023

	Mechatronics \$'000	Integrated Manufacturing Services \$'000	Others \$'000	Total \$'000
At a point in time:				
Sale of goods	641,928	89,389	2,604	733,921
Installation services	4,291	-	-	4,291
Rental income	-	-	255	255
	<u>646,219</u>	<u>89,389</u>	<u>2,859</u>	<u>738,467</u>
Over time:				
Sale of moulds	-	4,392	-	4,392
	<u>646,219</u>	<u>93,781</u>	<u>2,859</u>	<u>742,859</u>

5. Financial assets and financial liabilities

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

	Group		Company	
	31-12-24 \$'000	31-12-23 \$'000	31-12-24 \$'000	31-12-23 \$'000
Financial asset at fair value through other comprehensive income	<u>1,995</u>	<u>1,995</u>	<u>1,995</u>	<u>1,995</u>
Loans and receivables:				
Trade receivables	137,774	171,193	-	-
Receivables from subsidiaries	-	-	-	65
Dividends receivables from subsidiaries	-	-	12,936	9,644
Other receivables and deposits	7,156	7,433	39	35
Cash and cash equivalents	159,199	142,631	17,131	18,752
Financial assets at amortised cost	<u>304,129</u>	<u>321,257</u>	<u>30,106</u>	<u>28,496</u>
Trade payables	94,503	124,802	-	-
Payable to a subsidiary	-	-	104	236
Other payables and accruals	55,644	51,875	528	1,568
Borrowings	86,605	92,049	-	-
Lease liabilities	46,948	49,979	-	-
Financial liabilities at amortised cost	<u>283,700</u>	<u>318,705</u>	<u>632</u>	<u>1,804</u>

6. Profit before income tax

	Group			
	6 months ended		12 months ended	
	31-12-24	31-12-23	31-12-24	31-12-23
	\$'000	\$'000	\$'000	\$'000
Profit before income tax has been arrived after charging/(crediting):				
Other income including finance income	(3,760)	(6,101)	(9,343)	(12,148)
Amortisation of deferred income	(5)	(11)	(10)	(22)
Interest on borrowings	3,875	3,104	6,852	6,014
Depreciation of property, plant and equipment	11,853	10,972	23,054	21,899
Depreciation of right-of-use assets	3,790	3,948	7,536	7,869
Depreciation of investment properties	10	9	19	19
Amortisation of intangible assets	91	167	257	327
Allowance for doubtful debts and bad debts written off	288	162	318	211
Allowance for inventory obsolescence	1,611	1,792	3,158	3,687
Foreign exchange loss, net	1,940	448	1,764	4
Adjustments for over provision of tax in respect of prior years	(1,184)	(304)	(1,238)	(245)
(Gain)/loss on disposal of property, plant and equipment, net	9	(111)	(67)	(284)
Property, plant and equipment written off	20	51	29	52

7. Taxation

	Group			
	6 months ended		12 months ended	
	31-12-24	31-12-23	31-12-24	31-12-23
	\$'000	\$'000	\$'000	\$'000
Income tax expense attributable to profit is made up of:				
- Current income tax	(4,315)	(5,127)	(9,582)	(9,098)
- Deferred income tax	(431)	(178)	(743)	29
	(4,746)	(5,305)	(10,325)	(9,069)
Over/ (Under) recognition in respect of previous financial years:				
- Current income tax	1,393	284	1,533	431
- Deferred income tax	(209)	20	(295)	(186)
	1,184	304	1,238	245
Withholding tax	(247)	(640)	(328)	(728)
	(3,809)	(5,641)	(9,415)	(9,552)

8. Dividends

	Group	
	12 months ended	
	31-12-24	31-12-23
	\$'000	\$'000
Ordinary dividends paid		
First and final tax exempt (one-tier) dividend paid in respect of the previous financial year of 2.28 cents (2022: 3.64 cents per share)	(9,737)	(15,544)

9. Net asset value

	Group		Company	
	31-12-24	31-12-23	31-12-24	31-12-23
	\$'000	\$'000	\$'000	\$'000
Net asset value per ordinary share based on issued share capital at the end of financial year (cents)	101.61	93.96	38.90	37.84

Net asset value per ordinary shares is calculated based on the Group's net asset value divided by the number of ordinary shares at 31.12.2024 of 427,090,409 (31.12.2023 : 427,025,409).

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

	Group and Company	
	31-12-24	31-12-23
	\$'000	\$'000
Unquoted equity security designated as at FVTOCI	1,995	1,995

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

11. Goodwill and other intangible assets

Group	Goodwill \$'000	Deferred development costs \$'000	Patents \$'000	Intellectual properties \$'000	Software development costs \$'000	Total \$'000
<u>For the six months ended 31 December 2024</u>						
<u>Cost:</u>						
At beginning of the financial period	22,612	17,100	2,404	5,961	-	48,077
Currency translation differences	(228)	(353)	4	-	(10)	(587)
Addition	-	-	-	-	-	-
Transfer from property, plant and equipment	-	1,230	-	-	411	1,641
At end of the financial year	22,384	17,977	2,408	5,961	401	49,131
<u>Accumulated amortisation:</u>						
At beginning of the financial period	-	5,672	2,370	5,961	-	14,003
Currency translation differences	-	(32)	4	-	(2)	(30)
Amortisation charge	-	99	(8)	-	-	91
Transfer from property, plant and equipment	-	433	-	-	88	521
At end of the financial year	-	6,172	2,366	5,961	86	14,585
<u>Accumulated impairment:</u>						
At beginning of the financial period	2,106	10,777	-	-	-	12,883
Currency translation differences	(70)	(284)	-	-	-	(354)
Impairment loss	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
At end of the financial year	2,036	10,493	-	-	-	12,529
Carrying value: At 31 December 2024	20,348	1,312	42	-	315	22,017

(a) Goodwill

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

The summary of the goodwill allocation is presented below:

	Group	
	31-12-24 \$'000	31-12-23 \$'000
<u>Mechatronics:</u>		
America	2,100	2,166
The Netherlands	7,159	7,237
Singapore	8,392	8,392
	17,651	17,795
<u>Others:</u>		
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.

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:

	31-12-24			31-12-23		
	Gross margin ⁽¹⁾ %	Revenue growth rate ⁽¹⁾ %	Discount rate ⁽²⁾ %	Gross margin ⁽¹⁾ %	Revenue growth rate ⁽¹⁾ %	Discount rate ⁽²⁾ %
<u>Mechatronics:</u>						
America and						
The Netherlands	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
<u>Others:</u>						
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.

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

(b) Deferred development costs

Deferred development costs relate to the cost capitalised by its subsidiaries for developing certain products. Amortisation of the deferred development costs begins when the development is completed and are amortised on the expected units of production basis or over the estimated useful life of 5 to 10 years (2023 : 5 to 10 years).

(c) Patents

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

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

(d) Intellectual properties

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

(e) Software development costs

Software development costs refer to the costs capitalized 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.

12. Property, plant and equipment

During the six months ended 31 December 2024, the Group acquired property, plant and equipment with an aggregate cost of \$6,977,000 (six months ended 2023: \$17,182,000) of which \$36,000 (six months ended 2023: \$106,000) was included in other payables at balance sheet date. Cash payments of \$6,942,000 (six months ended 2023: \$17,169,000) includes an amount of \$1,000 (six months ended 2023: \$93,000) for payment from other payables to purchase property, plant and equipment incurred in previous financial year.

13. Investment properties

	Group	
	31-12-24 \$'000	31-12-23 \$'000
Cost:		
At beginning of the financial year	1,576	1,675
Written off	(194)	-
Currency translation differences	83	(99)
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
Written off	(194)	-
Currency translation differences	11	(19)
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.

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.

	Group			
	6 months ended		12 months ended	
	31-12-24 \$'000	31-12-23 \$'000	31-12-24 \$'000	31-12-23 \$'000
The following amounts are recognised in income statement:				
Rental income	(46)	(125)	(155)	(255)
Direct operating expenses arising from:				
- Investment properties that generate rental income	14	12	27	26

14. Borrowings

	Group	
	31-12-24 \$'000	31-12-23 \$'000
Amount repayable within one year or on demand		
Secured	42,734	55,032
Unsecured	43,724	36,537
	86,458	91,569
Amount repayable after one year		
Secured	136	158
Unsecured	11	322
	147	480
Total	86,605	92,049

Details of any collaterals

Details of the borrowings of the Group and its securities as at 31 December 2024 are as follows:

	Note	Secured \$'000	Unsecured \$'000	Total \$'000
Bank overdrafts	(i)	41,885	724	42,609
Other short-term borrowings	(ii)	353	42,688	43,041
Term loans	(iii)	632	323	955
		<u>42,870</u>	<u>43,735</u>	<u>86,605</u>

(i) bank overdrafts of \$41,885,000 is secured by mortgage over properties, pledged on machineries, other fixed assets and inventories and certain trade receivables of certain subsidiaries of the Company in The Netherlands.

(ii) other short-term borrowings of \$353,000 is pledged on the trade receivables of a subsidiary in China.

(iii) term loans of :-

(a) \$465,000 is secured by machinery of a subsidiary in China; and

(b) \$167,000 is secured by mortgage over property of a subsidiary in Malaysia.

15. Share capital

	Group and Company			
	6 months ended 31 December 2024		6 months ended 31 December 2023	
	Number of ordinary shares	Amount \$'000	Number of ordinary shares	Amount \$'000
Beginning of the financial period	427,090,409	104,500	427,025,409	104,444
Exercise of share options	-	-	-	-
End of the financial year	<u>427,090,409</u>	<u>104,500</u>	<u>427,025,409</u>	<u>104,444</u>

Issued and paid up capital

There were no changes in the Company's share capital for the six months period ended 31 December 2024. There are no treasury shares held as at the end of the current financial year.

	Total number of issued shares as at	
	31-12-24	31-12-23
Number of issued shares	427,090,409	427,025,409
Number of treasury shares	-	-
Total number of issued shares excluding treasury shares	<u>427,090,409</u>	<u>427,025,409</u>

Share options

The movement of share options of the Company during the period from 1 July 2024 to 31 December 2024 is as follows:

Date of grant	Number of ordinary shares under option					Exercise price	Exercise period
	As at 01.07.24	Granted during the period	Forfeited during the period	Exercised during the period	As at 31.12.24		
6.12.2017 (2017 Option)	677,000	-	-	-	677,000	\$0.432	6.12.2019 - 5.12.2027
26.1.2022 (2022 Option)	440,000	-	-	-	440,000	\$1.370	26.1.2024 - 25.1.2032
6.3.2024 (2024 Option)	5,482,000	-	(160,000)	-	5,322,000	\$1.300	6.3.2026 - 5.3.2034
	<u>6,599,000</u>	<u>-</u>	<u>(160,000)</u>	<u>-</u>	<u>6,439,000</u>		

	Total number of shares as at	
	31-12-24	31-12-23
Total number of shares that may be issued on exercise of share options outstanding	<u>6,439,000</u>	<u>1,182,000</u>

15.1 To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

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

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

Not applicable.

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

Not applicable.

16. Subsequent events

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



FRENCKEN GROUP LIMITED

(Registration No. 199905084D)

G. Other Information Required by Listing Rule Appendix 7.2

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

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

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

Not applicable.

2A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

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

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

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

Not applicable.

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

	Group			
	6 months ended		12 months ended	
	31-12-24	31-12-23	31-12-24	31-12-23
Earnings per ordinary share of the Group based on net profit attributable to the equity holders of the Company:				
(i) Based on weighted average number of shares (in cents)	4.44	4.78	8.69	7.60
- Weighted average number of shares (in thousand)	427,090	427,025	427,067	427,025
(ii) On a fully diluted basis (in cents)	4.44	4.77	8.68	7.60
- Adjusted weighted average number of shares (in thousand)	427,541	427,447	427,540	427,441

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

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

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

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

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

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

With over 3,700 employees in 19 operating sites across Asia, Europe, and the USA, the Group offers its growing customer base a global reach backed by local expertise. Working in partnership with its global customers, the Group unites the strengths of its strategically located businesses to create value for its customers.

Income Statement

Group Revenue

	1H	2H	Full Year
FY2024 (S\$'000)	372,718	421,615	794,333
FY2023 (S\$'000)	351,032	391,827	742,859
yoy (%)	6.2	7.6	6.9

For the 12 months ended 31 December 2024 ("FY2024"), the Group's revenue climbed 6.9% year-on-year ("yoy") to S\$794.3 million from S\$742.9 million in FY2023. This was driven by higher revenue from its Mechatronics Division which offset a dip in revenue of the IMS Division in FY2024.

Revenue breakdown by Business Segment

Sales	2H24	2H23	yoy	1H24	hoh	FY2024	FY2023	yoy
	S\$'000	S\$'000	%	S\$'000	%	S\$'000	S\$'000	%
MECHATRONICS DIVISION								
Semiconductor	208,660	159,639	30.7	156,813	33.1	365,473	282,353	29.4
Medical	61,031	61,236	(0.3)	61,996	(1.6)	123,027	120,197	2.4
Analytical Life Sciences	90,599	89,386	1.4	90,593	0.0	181,192	169,757	6.7
Industrial Automation	14,969	24,999	(40.1)	14,052	6.5	29,021	60,107	(51.7)
Others	3,681	7,710	(52.3)	3,694	(0.4)	7,375	13,805	(46.6)
Mechatronics Total	378,940	342,970	10.5	327,148	15.8	706,088	646,219	9.3
IMS DIVISION								
Automotive	30,066	34,473	(12.8)	32,065	(6.2)	62,131	69,549	(10.7)
Consumer & Industrial								
Electronics	8,445	9,405	(10.2)	9,559	(11.7)	18,004	17,890	0.6
Others	1,167	1,057	10.4	834	39.9	2,001	1,950	2.6
Tooling	1,688	2,548	(33.8)	1,851	(8.8)	3,539	4,392	(19.4)
IMS Total	41,366	47,483	(12.9)	44,309	(6.6)	85,675	93,781	(8.6)

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

The Mechatronics Division's revenue grew 9.3% yoy 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.

For FY2024, the semiconductor segment registered revenue of S\$365.5 million, up 29.4% from S\$282.4 million in FY2023. This was driven by increased orders from a key customer in Europe and continued recovery in sales from the Asia operations.

The medical segment's revenue increased 2.4% to S\$123.0 million in FY2024 from S\$120.2 million in FY2023, buoyed by higher sales in Europe and Asia.

The analytical life sciences segment's revenue also improved 6.7% to S\$181.2 million in FY2024 from S\$169.8 million in FY2023, lifted mainly by increased sales in Europe.

Revenue from the industrial automation segment in FY2024 declined 51.7% yoy to S\$29.0 million, in line with a significant 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, leading to a reduction in their unit volume of shipments.

The IMS Division's revenue decreased 8.6% yoy to S\$85.7 million in FY2024. The automotive segment's revenue softened 10.7% yoy to S\$62.1 million, while the consumer and industrial electronics segment registered stable revenue of S\$18.0 million in FY2024.

Gross Profit Margin

The Group's gross profit increased 17.7% to S\$115.3 million in FY2024, compared to S\$98.0 million in FY2023. Gross profit margin expanded to 14.5% in FY2024 from 13.2% in FY2023, due mainly to better operating leverage.

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

Other income, net of other operating expenses, decreased 40.9% to S\$4.5 million in FY2024 from S\$7.6 million in FY2023 due mainly to higher foreign exchange loss and reduced project income.

Selling and Administrative Expenses

Selling and distribution expenses increased 18.5% to S\$11.5 million in FY2024 from S\$9.7 million in FY2023 due mainly to higher manpower costs.

Administrative and general expenses in FY2024 were up 14.6% to S\$56.8 million from S\$49.5 million in FY2023, attributed mainly to an increase in staff-related expenses as well as IT systems upgrading and maintenance costs.

Finance Costs

Finance costs increased 13.9% to S\$6.9 million in FY2024 from S\$6.0 million in FY2023 due mainly to higher utilisation of working capital financing during the year under review.

Group Profit before Income Tax

After accounting for the above items, the Group's profit before income tax improved 10.8% to S\$46.0 million in FY2024 from S\$41.5 million in FY2023.

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

	1H	2H	Full Year
FY2024 (S\$'000)	18,145	18,975	37,120
FY2023 (S\$'000)	12,073	20,402	32,475
yoy (%)	50.3	(7.0)	14.3

After deducting income tax expense of S\$9.4 million, the Group reported higher net profit attributable to equity holders ("PATMI") of S\$37.1 million in FY2024, up 14.3% from S\$32.5 million in FY2023.

The Group recorded earnings per share (based on weighted average number of shares) of 8.69 cents in FY2024 compared to 7.60 cents in FY2023.

Dividend

In line with its practice of rewarding shareholders for their support, the Group recommends paying a final tax-exempt (one-tier) dividend of 2.61 cents per share for FY2024 as compared to 2.28 cents per share for FY2023. Since listing on the Singapore Exchange in 2005, the Group has consistently paid dividends, representing at least 30% of its annual earnings.

Balance Sheet

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

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

Property, plant and equipment decreased to S\$120.0 million as at 31 December 2024 from S\$129.8 million as at 31 December 2023. During FY2024, the Group incurred capital expenditure of S\$13.9 million. Depreciation of property, plant and equipment amounted to S\$23.1 million in 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. Correspondingly, lease liabilities also decreased to S\$46.9 million as at 31 December 2024 from S\$50.0 million as at 31 December 2023.

Inventories rose to S\$226.5 million as at 31 December 2024 from S\$203.4 million as at 31 December 2023 to meet the fulfilment of orders to customers. 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.

As at 31 December 2024, the Group's cash and cash equivalents increased to S\$159.2 million from S\$142.6 million as at 31 December 2023. Total borrowings decreased to S\$86.6 million as at 31 December 2024 from S\$92.0 million as at 31 December 2023. The Group had net cash of S\$72.6 million as at 31 December 2024. Total debt-to-equity ratio was around 20.0% at the end of FY2024.

Cash Flow Statement Analysis

The Group generated net cash of S\$48.0 million from operating activities in FY2024. Net cash used in investing activities amounted to S\$11.1 million in FY2024 due mainly to capital expenditure.

Net cash used in financing activities amounted to S\$15.6 million in FY2024, due primarily to the payment of dividends to shareholders and repayment of lease liabilities.

As a result of the above, the Group recorded a net increase in cash and cash equivalents of S\$21.3 million during FY2024. When added to its opening cash and cash equivalents of S\$91.2 million at the beginning of FY2024 and after accounting for the positive effect of foreign currency movements of S\$3.9 million on its opening cash and cash equivalents, the Group had a cash balance of S\$116.4 million as at 31 December 2024.

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

The Group's financial performance in 2H24 is generally in line with the guidance provided in its business update for 3Q24 which was posted on the SGX website on 19 November 2024.

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

INDUSTRY CONDITIONS AND GROUP'S STRATEGIES

Looking into 2025, the global economic outlook remains uncertain amid potential headwinds that include elevated trade policy uncertainties, inflation and interest rate concerns, foreign exchange risks, as well as geopolitical conflicts.

Nevertheless, the semiconductor industry is expected to continue on a recovery path. The overall long-term outlook for the chip sector also remains positive even though volatility may persist.

To navigate the shifting landscape, the Group believes in building resilience and ensuring adaptability. Its diverse exposure to multiple market segments, entrenched relationships with global companies who are among market leaders in the high technology industry, and sound financial status help provide resilience and enable the Group to thrive over the long term.

Backed by strong engineering know-how, advanced manufacturing capabilities and a global solutions platform across its Europe and Asia operations, Frencken offers an attractive and unique value proposition that enables the Group to pursue growth with its customers in the technology sector.

BUSINESS SEGMENT OUTLOOK

Amid economic uncertainties, the Group holds a cautiously optimistic stance, and believes it is poised to capitalise on demand opportunities when business momentum in its primary markets gathers pace. Based on current indicators and barring any adverse changes in the operating environment, the Group envisages to post higher revenue in 1H25 compared to 2H24.

Anticipated revenue performances of key business segments	1H25 versus 2H24
Semiconductor	Higher
Medical	Stable
Analytical Life Sciences	Stable
Industrial Automation	Stable
Automotive	Stable

For 1H25, the Group anticipates a sequential improvement in revenue for its semiconductor business in Europe which has continued to grow even during the recent industry downturn. In Asia, the semiconductor segment is also expected to benefit from a pick-up in demand and the Group's efforts to drive wallet share expansion with key customers in the front-end equipment sector. Both the medical and analytical life sciences are anticipated to deliver relatively steady revenue in 1H25. In the automotive segment, Frencken was again appointed by Gapwaves as its partner for high volume production of radar antennas for their agreement with another global automotive supplier. This adds to the Group's radar antenna programs which are slated to enter serial production progressively only from 2026 onwards.

In line with its commitment to customers as a long-term strategic manufacturing solutions partner, Frencken continues to engage key customers in various new product introduction and first article inspections across the semiconductor, analytical life sciences and medical sectors.

To cater for new and expanded existing programs, as well as future business growth, the Group continues to work on various initiatives to strengthen its operations. With this objective in mind, the Group is considering enhancing and expanding its production resources in Singapore to raise efficiency, capacity and enhance capabilities. This corporate direction also signals the Group's confidence in the long-term business prospects with its customers and the continued development of the semiconductor industry in Singapore. In the USA, a new facility will be inaugurated in the first half of 2025. This will expand the USA operations' production capacity to support growth of existing business and capitalise on future opportunities.

7. Dividend

(a) Current Financial Period Reported on

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

Yes

The Directors are pleased to recommend a first and final exempt (one-tier) dividend in respect of the financial year ended 31 December 2024 of 2.61 cents per ordinary share for approval by shareholders at the forthcoming Annual General Meeting to be convened on 25 April 2025.

Name of Dividend	Ordinary Tax Exempt
Dividend Type	Cash
Dividend amount per share (in cents)	2.61 cents per ordinary share
Par value of shares	Not applicable
Tax Rate	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes

The Directors recommended a first and final exempt (one-tier) dividend of 2.28 cents per ordinary share in respect of the financial year ended 31 December 2023 which was approved by shareholders at the Annual General Meeting convened on 25 April 2024.

Name of Dividend	Ordinary Tax Exempt
Dividend Type	Cash
Dividend amount per share (in cents)	2.28 cents per ordinary share
Par value of shares	Not applicable
Tax Rate	Not applicable

(c) Date Payable

The proposed dividend, if approved at the Annual General Meeting, will be paid on 15 May 2025.

(d) Books closure date

Notice is also hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on Tuesday, 6 May 2025 for the purpose of determining the entitlement of Shareholders to the Final Dividend.

Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 9 Raffles Place, #26-01 Republic Plaza Tower 1, Singapore 048619, up to the close of business at 5.00 p.m. on Monday, 5 May 2025 will be registered to determine Shareholder's entitlements to the Final Dividend.

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

Not applicable

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

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000)	
	31/12/24	31/12/23
	Not applicable	-

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

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

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

11. A breakdown of sales.

	31-12-24 \$'000	31-12-23 \$'000	% increase/ (decrease)
Sales reported for first half year	372,718	351,032	6.2%
Operating profit after tax before deducting minority interests reported for first half year	17,849	11,872	50.3%
Sales reported for second half year	421,615	391,827	7.6%
Operating profit after tax before deducting minority interests reported for second half year	18,780	20,114	-6.6%

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

	Latest Full Year 2024 \$'000	Previous Full Year 2023 \$'000
Ordinary Dividend	11,147	9,737
Special Dividend	-	-
Preference Dividend	-	-
Total	<u>11,147</u>	<u>9,737</u>

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

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

BY ORDER OF THE BOARD

Mohamad Anwar Au
Executive Director
27-Feb-25