



FRENCKEN GROUP LIMITED

(Registration No. 199905084D)

Unaudited Full Year Financial Statements And Dividend Announcement

PART 1- INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended			12 months ended			
	31/12/17	31/12/16	%	31/12/17	31/12/16	%	
	\$'000	\$'000	Change	\$'000	\$'000	Change	
Revenue	125,469	111,182	12.9%	515,086	466,419	10.4%	
Cost of sales	(107,113)	(94,903)	12.9%	(431,226)	(395,661)	9.0%	
Gross profit	18,356	16,279	12.8%	83,860	70,758	18.5%	
Other income (Note 1)	2,351	2,602	-9.6%	6,346	5,896	7.6%	
Selling and distribution expenses	(2,637)	(3,110)	-15.2%	(10,855)	(11,250)	-3.5%	
Administrative and general expenses	(10,952)	(10,547)	3.8%	(46,914)	(42,376)	10.7%	
Other operating expenses (Note 1)	(462)	(87)	431.0%	(2,144)	(1,381)	55.2%	
Interest income	503	40	1157.5%	1,293	162	698.1%	
Finance costs	(568)	(382)	48.7%	(1,631)	(1,523)	7.1%	
Exceptional items (Note 2)	(327)	-	N.M.	10,132	-	N.M.	
Profit before income tax	6,264	4,795	30.6%	40,087	20,286	97.6%	
Income tax expense	(983)	(355)	176.9%	(6,595)	(4,317)	52.8%	
Profit for the year	5,281	4,440	18.9%	33,492	15,969	109.7%	
Profit attributable to:							
Equity holders of the Company	5,185	4,362	18.9%	33,110	15,905	108.2%	
Non-controlling interests	96	78	23.1%	382	64	496.9%	
	5,281	4,440	18.9%	33,492	15,969	109.7%	
Note 1 - Other income/(Other operating expenses)							
Other Income	2,351	2,602	-9.6%	6,346	5,896	7.6%	
Other Operating Expenses	(462)	(87)	431.0%	(2,144)	(1,381)	55.2%	
	1,889	2,515	-24.9%	4,202	4,515	-6.9%	
Included in Other income/(Other operating expenses):							
(Loss)/Gain on disposal of property, plant and equipment, net	(23)	34	N.M.	(2)	148	N.M.	
Property, plant and equipment written off	(8)	-	N.M.	(132)	(41)	222.0%	
Investment property written off	-	-	N.M.	(8)	-	N.M.	
Government grants	765	444	72.3%	2,194	1,593	37.7%	
Foreign exchange (loss)/gain, net	(23)	1,218	N.M.	(789)	329	N.M.	
Amortisation of deferred gain	-	266	N.M.	797	1,063	-25.0%	
Scrap sales	186	167	11.4%	642	584	9.9%	
Write back for doubtful debts	777	-	N.M.	777	-	N.M.	
Other income	271	414	-34.5%	795	892	-10.9%	
Other expenses	(56)	(28)	100.0%	(72)	(53)	35.8%	
	1,889	2,515	-24.9%	4,202	4,515	-6.9%	
Note 2 - Exceptional items comprise:-							
Impairment loss of financial asset, available-for-sale	(i)	(327)	-	N.M.	(327)	-	N.M.
Net gain on disposal of subsidiaries	(ii)	-	-	N.M.	10,459	-	N.M.
		(327)	-	N.M.	10,132	-	N.M.

Note

- (i) This is in respect of impairment loss of investment in MTIC Holdings Pte. Ltd..
(ii) Refer to Note 2 of the Cash Flow Statement for details.

N.M. : Not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

	Group			Group		
	3 months ended			12 months ended		
	31/12/17	31/12/16	%	31/12/17	31/12/16	%
	\$'000	\$'000	Change	\$'000	\$'000	Change
Profit for the period/year is arrived at after charging/(crediting) :-						
Investment income	-	-	N.M.	-	-	N.M.
Other income including interest income	(2,854)	(2,642)	8%	(7,639)	(6,058)	26%
Amortisation of deferred gain	-	(266)	N.M.	(797)	(1,063)	-25%
Interest on borrowings	568	382	49%	1,631	1,523	7%
Depreciation of property, plant and equipment	3,570	4,205	-15%	14,505	16,123	-10%
Depreciation of investment property	18	-	N.M.	40	-	N.M.
Amortisation of intangible assets	307	392	-22%	1,263	1,101	15%
(Write back)/Allowance for doubtful debts and bad debts written off	(931)	44	N.M.	(925)	17	N.M.
(Write back)/Allowance for inventory obsolescence	184	455	-60%	1,168	450	160%
Foreign exchange loss/(gain), net	23	(1,218)	N.M.	789	(329)	N.M.
Adjustments for under/(over) provision of tax in respect of prior years	82	(17)	N.M.	(611)	(468)	31%
Loss/(Gain) on disposal of property, plant and equipment, net	23	(34)	N.M.	2	(148)	N.M.
Property, plant and equipment written off	8	-	N.M.	132	41	222%
Investment property written off	-	-	N.M.	8	-	N.M.
Impairment loss of club membership	125	-	N.M.	125	-	N.M.
(Write back of impairment loss)/Impairment loss of property, plant and equipment	-	4	N.M.	(16)	4	N.M.
Exceptional items:-						
Impairment loss of financial asset, available-for-sale	327	-	N.M.	327	-	N.M.
Net gain on disposal of subsidiaries	-	-	N.M.	(10,459)	-	N.M.

N.M. : Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of immediately preceding financial year.

	Group		Company	
	31/12/17 \$'000	31/12/16 \$'000	31/12/17 \$'000	31/12/16 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment	93,904	100,022	-	-
Investment property	1,795	-	-	-
Subsidiaries	-	-	127,234	127,347
Financial asset, available-for-sale	3,805	4,132	3,805	4,132
Intangible assets	24,961	25,184	-	-
Deferred income tax assets	1,562	2,214	-	-
Other receivables, deposits and prepayments	-	1,661	-	-
Total non-current assets	<u>126,027</u>	<u>133,213</u>	<u>131,039</u>	<u>131,479</u>
CURRENT ASSETS				
Inventories	112,154	109,274	-	-
Trade receivables	100,314	90,668	-	-
Receivable from subsidiaries	-	-	5,767	282
Dividends receivable from subsidiaries	-	-	8,209	4,210
Other receivables, deposits and prepayments	12,549	10,631	34	13
Receivable from an associated company	-	108	-	-
Tax recoverable	958	619	-	-
Cash and cash equivalents	68,153	18,482	5,632	5,044
Total current assets	<u>294,128</u>	<u>229,782</u>	<u>19,642</u>	<u>9,549</u>
Total assets	<u>420,155</u>	<u>362,995</u>	<u>150,681</u>	<u>141,028</u>
CURRENT LIABILITIES				
Trade payables	61,896	51,523	-	-
Payable to a subsidiary	-	-	286	-
Other payables, accruals and provisions	37,478	30,385	598	377
Deferred gain	-	797	-	-
Borrowings	61,739	57,420	3,319	-
Income tax payable	2,380	2,059	8	3
Total current liabilities	<u>163,493</u>	<u>142,184</u>	<u>4,211</u>	<u>380</u>
NON-CURRENT LIABILITIES				
Borrowings	1,868	1,322	-	-
Retirement benefit obligations	1,519	1,474	-	-
Deferred income tax liabilities	3,733	3,343	-	-
Total non-current liabilities	7,120	6,139	-	-
Total liabilities	<u>170,613</u>	<u>148,323</u>	<u>4,211</u>	<u>380</u>
NET ASSETS	<u>249,542</u>	<u>214,672</u>	<u>146,470</u>	<u>140,648</u>
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	101,943	100,031	101,943	100,031
Foreign currency translation reserve	(25,009)	(29,302)	-	-
Merger reserve	2,345	2,345	-	-
Capital reserve	1,193	167	1,193	167
Statutory reserve fund	3,032	2,284	-	-
Share option reserve	888	1,723	888	1,723
Other reserve	(983)	(994)	-	-
Retained profits	163,790	136,398	42,446	38,727
	<u>247,199</u>	<u>212,652</u>	<u>146,470</u>	<u>140,648</u>
Non-controlling interests	2,343	2,020	-	-
TOTAL EQUITY	<u>249,542</u>	<u>214,672</u>	<u>146,470</u>	<u>140,648</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/17	
Secured \$'000	Unsecured \$'000
33,187	28,552

As at 31/12/16	
Secured \$'000	Unsecured \$'000
36,137	21,283

Amount repayable after one year

As at 31/12/17	
Secured \$'000	Unsecured \$'000
314	1,554

As at 31/12/16	
Secured \$'000	Unsecured \$'000
278	1,044

Details of any collateral

Details of the borrowings of the Group and the Company and their securities as at 31 December 2017 are as follows:

	<u>Note</u>	Secured \$'000	Unsecured \$'000	Total \$'000
Bank overdrafts	(i)	22,629	801	23,430
Other short-term borrowings	(ii)	10,269	27,411	37,680
Term Loans	(iii)	603	1,894	2,497
		<u>33,501</u>	<u>30,106</u>	<u>63,607</u>

(i) bank overdrafts of :-

- (a) \$22,167,000 is secured by mortgage over properties, pledged on the trade receivables and inventories of all subsidiaries of the Company in The Netherlands; and
- (b) \$462,000 is secured by exclusive charged on the entire present and future current and fixed assets of a subsidiary in India.

(ii) other short-term borrowings is pledged on the trade receivables of certain subsidiaries in China.

(iii) term loans are secured by exclusive charged on the entire present and future current and fixed assets of a subsidiary in India.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	3 months ended 31/12/17 \$'000	31/12/16 \$'000	12 months ended 31/12/17 \$'000	31/12/16 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit after tax	5,281	4,440	33,492	15,969
Adjustments for:				
Income tax expense	983	355	6,595	4,317
Exchange differences	1,439	50	984	(711)
Employee share option expense	72	39	191	118
Depreciation of property, plant and equipment	3,570	4,205	14,505	16,123
Depreciation of investment property	18	-	40	-
Loss on disposal of club membership	14	-	14	-
Loss/(Gain) on disposal of property, plant and equipment, net	23	(34)	2	(148)
Property, plant and equipment written off	8	-	132	41
Investment property written off	-	-	8	-
Interest income	(503)	(40)	(1,293)	(162)
Interest expense	568	382	1,631	1,523
Amortisation of deferred gain	-	(266)	(797)	(1,063)
Amortisation of intangible assets	307	392	1,263	1,101
Impairment loss of financial asset, available-for-sale	327	-	327	-
Impairment loss of club membership	125	-	125	-
(Write back of impairment loss)/Impairment loss of property, plant and equipment	-	4	(16)	4
Net gain on disposal of subsidiaries (Note 2)	-	-	(10,459)	-
Operating cash flow before working capital changes	12,232	9,527	46,744	37,112
Changes in operating assets and liabilities :				
Inventories	(2,487)	(9,094)	(11,681)	(11,661)
Receivables	(9,808)	(1,543)	(19,447)	(6,374)
Payables	11,895	3,797	26,504	6,218
Associated company	(113)	60	2	(109)
Cash flows generated from operations	11,719	2,747	42,122	25,186
Tax paid	(2,847)	(1,260)	(5,622)	(5,190)
Interest paid	(568)	(382)	(1,631)	(1,532)
NET CASH GENERATED FROM OPERATING ACTIVITIES	8,304	1,105	34,869	18,464
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	503	40	1,293	162
Additions of intangible assets	(234)	(375)	(889)	(2,688)
Purchase of property, plant and equipment (Note 1)	(9,176)	(3,285)	(25,240)	(17,316)
Purchase of investment property	(1)	-	(206)	-
Proceeds from intangible assets	298	-	298	-
Proceeds from disposal of property, plant and equipment	89	88	364	299
Disposal of subsidiaries, net of cash disposed of (Note 2)	-	-	38,583	-
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(8,521)	(3,532)	14,203	(19,543)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital	170	210	1,912	372
Repayment of finance lease liabilities	(1)	(67)	(158)	(282)
Repayment of short term bank borrowings	(22,567)	(34,331)	(118,848)	(133,790)
Repayment of term loans	(144)	(136)	(620)	(1,931)
Proceeds from short term bank borrowings	32,608	34,521	128,063	140,026
Proceeds from term loans	444	442	1,388	1,204
Dividend paid to shareholders	-	-	(4,970)	(3,039)
Placement of fixed deposits pledged as securities	-	(5)	-	(3)
NET CASH GENERATED FROM FINANCING ACTIVITIES	10,510	634	6,767	2,557
Net increase/(decrease) in cash and cash equivalents	10,293	(1,793)	55,839	1,478
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	33,979	(8,188)	(9,966)	(11,613)
Effect of exchange rate changes on cash and cash equivalents	332	15	(1,269)	169
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	44,604	(9,966)	44,604	(9,966)

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	3 months ended		12 months ended	
	31/12/17	31/12/16	31/12/17	31/12/16
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents at end of the financial period/year comprise:				
Short term funds placed with a Malaysian financial institutions	44,583	2,956	44,583	2,956
Deposits with licensed banks	4,120	442	4,120	442
Cash and bank balances	19,450	15,084	19,450	15,084
Bank overdrafts	(23,430)	(28,329)	(23,430)	(28,329)
	44,723	(9,847)	44,723	(9,847)
Less: Deposits pledged as securities	(119)	(119)	(119)	(119)
	44,604	(9,966)	44,604	(9,966)

Note 1 :

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$24,772,000 (31.12.2016: \$20,417,000) of which Nil (2016: \$112,000) was acquired by means of finance lease arrangements and \$4,453,000 (31.12.2016: \$4,977,000) was included in other payables at balance sheet date. Cash payments of \$25,240,000 (31.12.2016: \$17,316,000) includes an amount of \$4,921,000 (31.12.2016 : \$1,988,000) for payment from other payables to purchase property, plant and equipment incurred in previous financial year.

Note 2 : Disposal of subsidiaries

(a) Disposal of Shares in Precico Electronics Sdn Bhd ("PESB")

The Company together with its wholly-owned subsidiary, Frencken International Sdn Bhd ("FISB") (formerly known as Precico Group Sdn Bhd), has on 13 January 2017 entered into a Share Purchase Agreement ("SPA") with Valeo Bayen ("Valeo"), pursuant to which FISB has agreed to sell to Valeo 168,200,000 ordinary shares, representing the entire issued and paid-up share capital of PESB, a wholly-owned subsidiary under the IMS business segment, on the terms and subject to the conditions of the SPA ("Proposed Disposal") for a cash consideration of RM128,000,000 less the Definitive Net Debt Amount (if positive figure) or add the Definitive Net Debt Amount (if negative figure), as the case may be as determined in accordance with Schedule 3 of the SPA.

The completion under the SPA has been effected on 31 March 2017 in accordance with the terms and conditions of the SPA and PESB has ceased to be a subsidiary of the Company with effect from 31 March 2017. As at Completion Date, FISB has received an Initial Payment of RM134,734,000 (a sum equivalent to RM128,000,000 add the Estimated Net Debt Amount being RM6,734,000) in accordance with the terms of the SPA.

FISB and Valeo have reached an agreement on the Post-Completion Statement on 30 June 2017 and the consideration has been determined to be RM134,754,000. The consideration was arrived at using the Initial Payment of RM134,734,000 and adding the difference between the Definitive Net Debt Amount of RM6,754,000 and Estimated Net Debt Amount of RM6,734,000 being RM20,000.

(b) Disposal of Shares in NTZ Micro Filtration USA Inc., NTZ Micro Filtration, LLC and NTZ Manufacturing USA, LLC

The Group's wholly-owned subsidiary NTZ International Holding B.V. ("NTZ International") has on 14 February 2017 entered into a Sale and Purchase Agreement with Mr C.G.M. Hendriks and Mr P.G.W. Nieuwland for the disposal of NTZ International's entire equity interests of its wholly-owned subsidiaries NTZ Micro Filtration Inc., and NTZ Micro Filtration LLC, as well as an associated company NTZ Manufacturing USA LLC (collectively referred to as the "American Entities") for a cash consideration of Euro10,000.

Details of the disposals are as follows:

	<u>PESB</u>	<u>American</u>	<u>Total</u>
	\$'000	Entities	\$'000
		\$'000	
Carrying amounts of net assets over which control was lost			
<u>Non-current asset</u>			
Property, plant and equipment	15,268	381	15,649
Deferred development costs	-	132	132
	15,268	513	15,781
<u>Current assets</u>			
Inventories	10,778	332	11,110
Trade and other receivables	9,644	661	10,305
Receivable from an associated company	-	107	107
Cash and cash equivalents	3,667	374	4,041
	24,089	1,474	25,563

Current liabilities			
Trade and other payables	(7,949)	(1,648)	(9,597)
Bank borrowing	-	(131)	(131)
Intercompany payables	(69)	(71)	(140)
Income tax payable	(4)	-	(4)
	<u>(8,022)</u>	<u>(1,850)</u>	<u>(9,872)</u>
Net assets derecognised	<u>31,335</u>	<u>137</u>	<u>31,472</u>
Consideration received:			
Cash	42,798	15	42,813
Less: Transaction costs related to disposal of subsidiaries	(189)	-	(189)
Total consideration received	<u>42,609</u>	<u>15</u>	<u>42,624</u>
Gain/(Loss) on disposal			
Consideration received	42,609	15	42,624
Net assets derecognised	(31,335)	(137)	(31,472)
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity on loss of control of subsidiaries	62	(755)	(693)
Gain/(Loss) on disposal	<u>11,336</u>	<u>(877)</u>	<u>10,459</u>
Net cash outflow arising on disposal			
Cash consideration received	42,609	15	42,624
Cash and cash equivalents disposed of	(3,667)	(374)	(4,041)
	<u>38,942</u>	<u>(359)</u>	<u>38,583</u>

1(d) Consolidated statement of comprehensive income

	3 months ended		12 months ended	
	31/12/17	31/12/16	31/12/17	31/12/16
	\$'000	\$'000	\$'000	\$'000
Statement of Comprehensive Income				
Profit for the period/year	5,281	4,440	33,492	15,969
<i>Item that will not be reclassified subsequently to income statement :</i>				
- Remeasurement of defined benefit obligation	(3)	(994)	(3)	(994)
<i>Item that may be reclassified subsequently to income statement :</i>				
- Currency translation differences arising from consolidation	2,518	(1,100)	4,248	(3,358)
Total comprehensive income for the period/year	<u>7,796</u>	<u>2,346</u>	<u>37,737</u>	<u>11,617</u>
Attributable to:				
Equity holders of the Company	7,724	2,180	37,414	11,570
Non-controlling interests	72	166	323	47
Total comprehensive income for the period/year	<u>7,796</u>	<u>2,346</u>	<u>37,737</u>	<u>11,617</u>

1(e)(f) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(a) Statement of changes in equity for the quarter ended 31 December 2017 and 31 December 2016

	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	Other Reserve \$'000	Retained Profits \$'000	Total \$'000	Non-Controlling Interests \$'000	Total Equity \$'000
The Group											
At 1 October 2017	101,773	(27,538)	2,345	1,124	2,246	885	(993)	159,391	239,233	2,271	241,504
Profit for the quarter	-	-	-	-	-	-	-	5,185	5,185	96	5,281
Other comprehensive income/(loss):											
Remeasurement of define benefit obligation	-	-	-	-	-	-	(3)	-	(3)	-	(3)
Currency translation differences arising from consolidation	-	2,529	-	-	-	-	13	-	2,542	(24)	2,518
Total comprehensive income for the quarter	-	2,529	-	-	-	-	10	5,185	7,724	72	7,796
<i>Transactions with owners recognised directly in equity</i>											
Transfer to statutory reserve fund	-	-	-	-	786	-	-	(786)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	72	-	-	72	-	72
- Issue of share capital	170	-	-	69	-	(69)	-	-	170	-	170
	170	-	-	69	786	3	-	(786)	242	-	242
At 31 December 2017	101,943	(25,009)	2,345	1,193	3,032	888	(983)	163,790	247,199	2,343	249,542
At 1 October 2016	99,821	(28,114)	2,345	72	1,867	1,779	-	132,453	210,223	1,854	212,077
Profit for the quarter	-	-	-	-	-	-	-	4,362	4,362	78	4,440
Other comprehensive income/(loss):											
Remeasurement of define benefit obligation	-	-	-	-	-	-	(994)	-	(994)	-	(994)
Currency translation differences arising from consolidation	-	(1,188)	-	-	-	-	-	-	(1,188)	88	(1,100)
Total comprehensive income/(loss) for the quarter	-	(1,188)	-	-	-	-	(994)	4,362	2,180	166	2,346
<i>Transactions with owners recognised directly in equity</i>											
Transfer to statutory reserve fund	-	-	-	-	417	-	-	(417)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	39	-	-	39	-	39
- Issue of share capital	210	-	-	95	-	(95)	-	-	210	-	210
	210	-	-	95	417	(56)	-	(417)	249	-	249
At 31 December 2016	100,031	(29,302)	2,345	167	2,284	1,723	(994)	136,398	212,652	2,020	214,672
	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	Retained Profits \$'000	Total \$'000			
The Company											
At 1 October 2017	101,773	-	-	1,124	-	885	35,056	138,838			
Total comprehensive income for the quarter	-	-	-	-	-	-	7,390	7,390			
<i>Transactions with owners recognised directly in equity</i>											
Employee share option scheme - Value of employee services	-	-	-	-	-	72	-	72			
- Issue of share capital	170	-	-	69	-	(69)	-	170			
	170	-	-	69	-	3	-	242			
At 31 December 2017	101,943	-	-	1,193	-	888	42,446	146,470			
At 1 October 2016	99,821	-	-	72	-	1,779	34,917	136,589			
Total comprehensive income for the quarter	-	-	-	-	-	-	3,810	3,810			
<i>Transactions with owners recognised directly in equity</i>											
Employee share option scheme - Value of employee services	-	-	-	-	-	39	-	39			
- Issue of share capital	210	-	-	95	-	(95)	-	210			
	210	-	-	95	-	(56)	-	249			
At 31 December 2016	100,031	-	-	167	-	1,723	38,727	140,648			

(b) Statement of changes in equity for the twelve months ended 31 December 2017 and 31 December 2016

	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	Other Reserve \$'000	Retained Profits \$'000	Total \$'000	Non- Controlling Interests \$'000	Total Equity \$'000
The Group											
At 1 January 2017	100,031	(29,302)	2,345	167	2,284	1,723	(994)	136,398	212,652	2,020	214,672
Profit for the year	-	-	-	-	-	-	-	33,110	33,110	382	33,492
Other comprehensive income/(loss):											
Remeasurement of defined benefit obligation	-	-	-	-	-	-	(3)	-	(3)	-	(3)
Currency translation differences arising from consolidation	-	4,293	-	-	-	-	14	-	4,307	(59)	4,248
Total comprehensive income for the year	-	4,293	-	-	-	-	11	33,110	37,414	323	37,737
<i>Transactions with owners recognised directly in equity</i>											
Transfer to statutory reserve fund	-	-	-	-	748	-	-	(748)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	191	-	-	191	-	191
- Issue of share capital	1,912	-	-	1,026	-	(1,026)	-	-	1,912	-	1,912
Dividend Paid	-	-	-	-	-	-	-	(4,970)	(4,970)	-	(4,970)
	1,912	-	-	1,026	748	(835)	-	(5,718)	(2,867)	-	(2,867)
At 31 December 2017	101,943	(25,009)	2,345	1,193	3,032	888	(983)	163,790	247,199	2,343	249,542
At 1 January 2016	99,659	(25,961)	2,345	(15)	1,622	1,787	-	124,194	203,631	1,973	205,604
Profit for the year	-	-	-	-	-	-	-	15,905	15,905	64	15,969
Other comprehensive income/(loss):											
Remeasurement of defined benefit obligation	-	-	-	-	-	-	(994)	-	(994)	-	(994)
Currency translation differences arising from consolidation	-	(3,341)	-	-	-	-	-	-	(3,341)	(17)	(3,358)
Total comprehensive income/(loss) for the year	-	(3,341)	-	-	-	-	(994)	15,905	11,570	47	11,617
<i>Transactions with owners recognised directly in equity</i>											
Transfer to/(from) statutory reserve fund	-	-	-	-	662	-	-	(662)	-	-	-
Employee share option scheme - Value of employee services	-	-	-	-	-	118	-	-	118	-	118
- Issue of share capital	372	-	-	182	-	(182)	-	-	372	-	372
Dividend Paid	-	-	-	-	-	-	-	(3,039)	(3,039)	-	(3,039)
	372	-	-	182	662	(64)	-	(3,701)	(2,549)	-	(2,549)
At 31 December 2016	100,031	(29,302)	2,345	167	2,284	1,723	(994)	136,398	212,652	2,020	214,672

	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	Retained Profits \$'000	Total \$'000
The Company								
At 1 January 2017	100,031	-	-	167	-	1,723	38,727	140,648
Total comprehensive income for the year	-	-	-	-	-	-	8,689	8,689
<i>Transactions with owners recognised directly in equity</i>								
Employee share option scheme - Value of employee services	-	-	-	-	-	191	-	191
- Issue of share capital	1,912	-	-	1,026	-	(1,026)	-	1,912
Dividend paid	-	-	-	-	-	-	(4,970)	(4,970)
	1,912	-	-	1,026	-	(835)	(4,970)	(2,867)
At 31 December 2017	101,943	-	-	1,193	-	888	42,446	146,470
At 1 January 2016	99,659	-	-	(15)	-	1,787	38,021	139,452
Total comprehensive income for the year	-	-	-	-	-	-	3,745	3,745
<i>Transactions with owners recognised directly in equity</i>								
Employee share option scheme - Value of employee services	-	-	-	-	-	118	-	118
- Issue of share capital	372	-	-	182	-	(182)	-	372
Dividend paid	-	-	-	-	-	-	(3,039)	(3,039)
	372	-	-	182	-	(64)	(3,039)	(2,549)
At 31 December 2016	100,031	-	-	167	-	1,723	38,727	140,648

1(e)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued and paid up capital

On 6 December 2017, the Company granted 3,000,000 options pursuant to Frencken Group Limited's Employee Share Option Scheme 2008 at exercise price of \$0.432 per share ("2017 Options"). The 2017 Options are exercisable from 6 December 2019 and expire on 5 December 2027.

During the quarter, the Company issued 280,000, 620,000 and 100,000 new ordinary shares pursuant to the Company's employee share option scheme at the exercise price of \$0.155, \$0.168 and \$0.224 each respectively. There are no treasury shares held as at the end of the current quarter.

	Total number of issued shares as at	
	31/12/17	31/12/16
Number of issued shares	416,382,409	406,642,409
Number of treasury shares	-	-
Total number of issued shares excluding treasury shares	<u>416,382,409</u>	<u>406,642,409</u>

Share options

The movement of share options of the Company during the period from 1 October 2017 to 31 December 2017 is as follows:

Date of grant	Number of ordinary shares under option					Exercise price	Exercise period
	As at 1.10.2017	Granted during the period	Forfeited during the period	Exercised during the period	As at 31.12.2017		
1.12.2008 (2008 Option)	1,050,000	0	0	(280,000)	770,000	\$0.155	1.12.2010 - 30.11.2018
1.12.2009 (2009 Option)	2,460,000	0	0	(620,000)	1,840,000	\$0.168	1.12.2011 - 30.11.2019
1.12.2010 (2010 Option)	3,405,000	0	0	(100,000)	3,305,000	\$0.224	1.12.2012 - 30.11.2020
7.10.2013 (2013 Option)	0	0	0	0	0	\$0.208	7.10.2015 - 6.10.2023
1.4.2016 (2016 Option)	3,000,000	0	0	0	3,000,000	\$0.184	1.4.2018 - 31.3.2026
6.12.2017 (2017 Option)	0	3,000,000	0	0	3,000,000	\$0.432	6.12.2019 - 5.12.2027
	<u>9,915,000</u>	<u>3,000,000</u>	<u>0</u>	<u>(1,000,000)</u>	<u>11,915,000</u>		

	Total number of shares as at	
	31/12/17	31/12/16
Total number of shares that may be issued on exercise of share options outstanding	<u>11,915,000</u>	<u>18,655,000</u>

1(e)(iii) 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	
	31/12/17	31/12/16
Total number of issued shares excluding treasury shares	<u>416,382,409</u>	<u>406,642,409</u>

1(e)(iv) 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.

2. 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.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.

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 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

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.

6. 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		Group	
	3 months ended	3 months ended	12 months ended	12 months ended
	31/12/17	31/12/16	31/12/17	31/12/16
Earnings per ordinary share of the Group based on net profit attributable to the shareholders of the Company:				
(i) Based on weighted average number of shares (in cents)	1.25	1.08	8.01	3.93
- Weighted average number of shares (in thousand)	416,220	405,714	413,145	405,156
(ii) On a fully diluted basis (in cents)	1.23	1.07	7.92	3.90
- Adjusted weighted average number of shares (in thousand)	421,918	409,087	418,167	407,592

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

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	31/12/17	31/12/16	31/12/17	31/12/16
Net asset value per ordinary share based on issued share capital at the end of financial period/year (cents)	59.37	52.29	35.18	34.59

Net asset value per ordinary shares is calculated based on the Group's net asset value divided by the number of ordinary shares at 31.12.2017 of 416,382,409 (31.12.2016 : 406,642,409).

8. 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.

Income Statement

Group Revenue

	1Q	2Q	3Q	4Q	Full Year
FY2017 (S\$'000)	134,411	125,961	129,245	125,469	515,086
FY2016 (S\$'000)	114,017	120,513	120,707	111,182	466,419
yoy (%)	17.9	4.5	7.1	12.9	10.4

For the three months ended 31 December 2017 ("4Q17"), Group revenue increased 12.9% to S\$125.5 million from S\$111.2 million in 4Q16, lifted by higher sales of the Mechatronics Division. The IMS Division posted a decline in sales due mainly to the absence of sales from Precico Electronics Sdn. Bhd. ("PESB") in 4Q17 following the completion of the disposal of PESB on 31 March 2017. Excluding the revenue contribution from PESB in 4Q16, Group revenue would have increased 25.6% year-on-year in 4Q17.

For the year ended 31 December 2017 ("FY2017"), Group revenue gained 10.4% to S\$515.1 million from S\$466.4 million in FY2016 due to higher sales contribution from the Mechatronics Division. Excluding the revenue contributions from PESB in FY2016 and 1Q17, the Group would have recorded revenue growth of 20.4% in FY2017.

Revenue breakdown by Business Segment

Sales	4Q17	4Q16	yoy	3Q17	qoq	12M17	12M16	yoy
	S\$'000	S\$'000	%	S\$'000	%	S\$'000	S\$'000	%
MECHATRONICS DIVISION								
Semiconductor	26,570	15,540	71.0	28,100	(5.4)	116,433	74,390	56.5
Medical	21,424	15,081	42.1	18,486	15.9	72,004	63,780	12.9
Analytical	31,429	21,680	45.0	27,807	13.0	114,478	85,230	34.3
Industrial Automation	8,251	10,478	(21.3)	16,593	(50.3)	50,886	59,440	(14.4)
Others	4,569	6,789	(32.7)	5,534	(17.4)	19,523	19,090	2.3
Mechatronics Total	92,243	69,568	32.6	96,520	(4.4)	373,324	301,930	23.6
IMS DIVISION								
Automotive	24,425	32,138	(24.0)	22,791	7.2	102,750	126,156	(18.6)
Consumer & Industrial								
Electronics	5,183	4,774	8.6	5,362	(3.3)	21,319	20,315	4.9
Others	1,001	1,275	(21.5)	891	12.3	3,885	4,490	(13.5)
Tooling	2,547	3,427	(25.7)	3,612	(29.5)	13,600	13,520	0.6
IMS Total	33,156	41,614	(20.3)	32,656	1.5	141,554	164,481	(13.9)

Note : The above does not include revenue derived from investment holding and other segments. This revenue is minimal.

Revenue at the Mechatronics Division improved 32.6% to S\$92.2 million in 4Q17 from S\$69.6 million in 4Q16, and 23.6% to S\$373.3 million in FY2017 from S\$301.9 million in FY2016.

The Group recorded higher year-on-year sales from its semiconductor segment in 4Q17 and FY2017 amid strong growth in the global semiconductor industry since the start of 2017. This resulted in increased orders for products that are related to front-end and back-end semiconductor equipment.

The analytical segment also registered increased sales during 4Q17 and FY2017 compared to the corresponding periods last year. The improved sales performance was attributed to increased demand from end-users in the life sciences and semiconductor industries.

Sales of the medical segment grew year-on-year in 4Q17 and FY2017 on the back of higher demand from existing customers.

Sales of the industrial automation segment, which is typically lumpy in nature, decreased in 4Q17 and FY2017 compared to the corresponding periods last year due mainly to lower customer orders for storage drive production equipment.

Revenue at the IMS Division decreased by 20.3% year-on-year to S\$33.2 million in 4Q17, and 13.9% to S\$141.6 million for FY2017. This was attributed mainly to the reduction in sales of the automotive segment following the disposal of PESB.

Excluding the contribution of PESB in FY2016 and 1Q17, the automotive segment would have registered a sales increase of 15.1% in 4Q17 compared to 4Q16, and growth of 13.8% in FY2017 compared to FY2016.

The consumer & industrial electronics segment registered higher year-on-year revenue in 4Q17 and FY2017 as it benefited from increased sales with a key customer.

Gross Profit Margin

In tandem with higher sales, the Group's gross profit increased 12.8% to S\$18.4 million in 4Q17 from S\$16.3 million in 4Q16. Gross profit for FY2017 was S\$83.9 million, up 18.5% from S\$70.8 million in FY2016.

Gross profit margin for 4Q17 and 4Q16 remained stable at 14.6% while the gross profit margin in FY2017 climbed to 16.3% from 15.2% in FY2016 due mainly to improved capacity utilisation.

Other Income/Other operating expenses (refer to Note 1, Part 1 of Income Statement)

Other income, net of other operating expenses, declined 24.9% year-on-year to S\$1.9 million in 4Q17, and 6.9% to S\$4.2 million in FY2017.

The decline was attributed mainly to the foreign exchange loss in 4Q17 and FY2017, as opposed to a foreign exchange gain in 4Q16 and FY2016. This was partially offset by higher government grants and a write-back of doubtful debts in 4Q17 and FY2017.

Selling and Administrative Expenses

Selling and distribution expenses in 4Q17 fell 15.2% to S\$2.6 million from S\$3.1 million in 4Q16. These expenses also declined to S\$10.9 million in FY2017, down 3.5% from S\$11.3 million in FY2016.

Administrative and general expenses increased 3.8% to S\$11.0 million in 4Q17 from S\$10.5 million in 4Q16, and 10.7% to S\$46.9 million in FY2017 from S\$42.4 million in FY2016. The increase in administrative and general expenses was mainly attributed to higher staff costs, provision for bonuses and performance incentive, consultancy fees and IT-related expenses.

Finance Costs

Finance costs increased to S\$0.6 million in 4Q17 from S\$0.4 million in 4Q16. For FY2017, finance costs were also slightly higher at S\$1.6 million compared to S\$1.5 million in FY2016. The increase was due mainly to higher short term borrowings for working capital purposes.

Group Profit before Income Tax

The Group's profit before income tax increased 30.6% to S\$6.3 million in 4Q17 from S\$4.8 million in 4Q16. Excluding an exceptional expense of S\$0.3 million due to the impairment loss of financial asset, available-for-sale, the Group would have registered profit before tax of S\$6.6 million for 4Q17, up 37.5% from 4Q16.

Profit before income tax in FY2017 gained 97.6% to S\$40.1 million from S\$20.3 million in FY2016. Excluding an exceptional gain of S\$10.1 million arising mainly from a net gain on disposal of subsidiaries, the Group would have recorded a 47.7% increase in profit before income tax to S\$30.0 million in FY2017 compared to FY2016.

Group Net Profit Attributable to Equity Holders of the Company

	1Q	2Q	3Q	4Q	Full Year
FY2017 (S\$'000)	16,275 *	6,636	5,014 *	5,185 #	33,110
FY2016 (S\$'000)	3,060	4,104	4,379	4,362	15,905
yoy (%)	431.9	61.7	14.5	18.9	108.2

*including net gain on disposal of subsidiaries of S\$10.2 million in 1Q17 and S\$0.3 million in 3Q17.

#including impairment loss of financial asset, available-for-sale of S\$0.3 million

After accounting for income tax, the Group reported net profit attributable to equity holders of S\$5.2 million in 4Q17, an increase of 18.9% from S\$4.4 million in 4Q16.

Net profit attributable to equity holders for FY2017 increased by 108.2% to S\$33.1 million from S\$15.9 million in FY2016. Excluding the net gain on disposal of subsidiaries and impairment loss of financial asset, available-for-sale, the Group posted a 44.5% increase in net profit to S\$23.0 million in FY2017 from S\$15.9 million in FY2016.

The Mechatronics and IMS Divisions posted net profits of S\$23.1 million and S\$0.6 million respectively in FY2017 as compared to S\$15.3 million and S\$0.8 million in FY2016.

Balance Sheet

As at 31 December 2017, the Group had shareholders' equity of S\$247.2 million, equivalent to net asset value of 59.37 cents per share based on the total number of issued shares of 416.4 million shares.

Total assets as at 31 December 2017 increased to S\$420.2 million from S\$363.0 million at the end of December 2016. Property, plant and equipment decreased to S\$93.9 million from S\$100 million as at 31 December 2016, attributable mainly to disposal of subsidiaries and depreciation charges which were partially offset by additions to property, plant and equipment during the year in review.

Cash and cash equivalents increased to S\$68.2 million from S\$18.5 million as at 31 December 2016 due mainly to proceeds from disposal of subsidiaries. Inventories increased to S\$112.2 million from S\$109.3 million at the end of December 2016 to meet the fulfillment of orders to customers. Trade receivables increased to S\$100.3 million from S\$90.7 million as at 31 December 2016 in tandem with higher sales.

Trade payables increased to S\$61.9 million as at 31 December 2017 from S\$51.5 million as at 31 December 2016, attributed to higher purchases of materials required to fulfill customers' orders. Total borrowings as at 31 December 2017 increased to S\$63.6 million from S\$58.7 million as at 31 December 2016 due to higher requirement for working capital purposes.

The Group had net cash of S\$4.5 million as at 31 December 2017, compared to net borrowings of S\$40.3 million as at 31 December 2016. Total debt-to-equity ratio stood at 25.7%, compared to 27.6% as at 31 December 2016.

Cash Flow Analysis

The Group generated net cash from operating activities of S\$34.9 million in FY2017. Net cash generated from investing activities amounted to S\$14.2 million in FY2017, attributed mainly to proceeds from the disposal of subsidiaries which was offset partially by capital expenditure. Net cash generated from financing activities amounted to S\$6.7 million in FY2017 due primarily to net proceeds derived from short term bank borrowings which was partially offset by dividends paid to shareholders in respect of FY2016.

As a result of the above, the Group recorded a net increase in cash and cash equivalents of S\$55.8 million during FY2017. When added to its opening cash and cash equivalents of minus S\$10.0 million at the beginning of FY2017 and after accounting for the negative effect of foreign currency movements of S\$1.2 million on its opening cash and cash equivalents, the Group had an ending cash balance of S\$44.6 million as at 31 December 2017.

9. 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 results for 4Q17 are in line with the guidance provided in its financial statements posted on the SGX website on 8 November 2017.

10. 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 AND GROUP STRATEGIES

While the world economy is widely expected to continue on its recovery path during 2018, uneven demand conditions may persist across the different business sectors. The Group believes the diversity of its business, customer base and geographical footprint will provide resilience and stability in its performance.

The Group's goal is to deliver sustainable and profitable long-term growth. The Group intends to continue executing strategies and implementing initiatives to strengthen its position as a premier Global Integrated Technology Solutions Company.

In FY2017, the Group achieved net profit (excluding exceptional items) growth of 44.5% to S\$23.0 million on record revenue of S\$515.1 million. The improvement in its performance was due to strong sales from the semiconductor, medical, analytical and automotive (excluding PESB's contribution) segments as the Group has been successful in securing new programs with its existing global customers and new customers. In addition, the Group's results also reflect the benefits of several programs undertaken to enhance operational and cost efficiencies.

To further expand its market share, the Group continues to work in close collaboration with customers to develop the next generation of technology and products.

The Mechatronics Division will continue investing in state-of-the-art facilities and equipment to maintain its competitive advantage and ensure it has the requisite capabilities to support customers' technology and product roadmaps.

The IMS Division is enhancing its competencies and increasing its differentiation in the automotive segment. The division is developing a "IMS Centre of Technology" to focus on mould design and fabrication, moulding technology, and engineering support for new programs. It is also setting up a new manufacturing facility in Chuzhou, Anhui Province, to capture new business opportunities.

BUSINESS SEGMENT OUTLOOK

Based on current indicators, demand for semiconductor equipment is expected to remain good in 1Q18. The performance of the Group's semiconductor segment will track this demand.

The analytical and medical segments are anticipated to record higher revenues in 1Q18 as compared to 1Q17.

The industrial automation segment is projected to post higher revenue in 1Q18 versus 1Q17 due to an expected improvement in the demand for production equipment for storage drives.

Revenue of the automotive segment is expected to be lower in 1Q18 as compared to 1Q17, owing mainly to the disposal of PESB with effect from 1 April 2017. Excluding the revenue of PESB in 1Q17, the automotive segment is expected to show higher year-on-year growth.

11. 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 of 1.66 cents per ordinary share and a special exempt (one-tier) dividend of 0.73 cents per ordinary share in respect of the financial year ended 31 December 2017 for approval by shareholders at the forthcoming Annual General Meeting to be convened on 25 April 2018.

Name of Dividend	Final proposed	Special proposed
Dividend Type	Cash	Cash
Dividend amount per share (in cents)	1.66 cents per ordinary share	0.73 cents per ordinary share
Par value of shares	Not applicable	Not applicable
Tax Rate	Not applicable	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 in respect of the financial year ended 31 December 2016 of 1.20 cents per ordinary share which was approved by shareholders at the Annual General Meeting convened on 27 April 2017.

Name of Dividend	Ordinary Tax Exempt
Dividend Type	Cash
Dividend amount per share (in cents)	1.20 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 11 May 2018.

(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 Friday, 4 May 2018 for the purpose of determining the entitlement of Shareholders to the Final and Special Dividend.

Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00, Singapore 068898, up to the close of business at 5.00 p.m. on Thursday, 3 May 2018 will be registered to determine Shareholder's entitlements to the Final and Special Dividend.

12. If no dividend has been declared/ recommended, a statement to that effect.

Not applicable.

PART 11- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

13 (a) Business segments

FY2017

	Mechatronics \$'000	Integrated Manufacturing Services \$'000	Investment Holding \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Turnover						
External revenue	373,324	141,554	-	208	-	515,086
Inter-segment sales	-	-	979	-	(979)	-
	<u>373,324</u>	<u>141,554</u>	<u>979</u>	<u>208</u>	<u>(979)</u>	<u>515,086</u>
Segment results	30,337	1,952	(2,091)	95	-	30,293
Interest income	36	278	1,310	2	(333)	1,293
Finance costs	(559)	(1,358)	(47)	-	333	(1,631)
Net gain on disposal of subsidiaries	-	(877)	11,336	-	-	10,459
Impairment loss of financial asset, available-for-sale	-	-	(327)	-	-	(327)
Profit before income tax						40,087
Income tax expense	(6,574)	30	(13)	(38)	-	(6,595)
Total profit						<u>33,492</u>
Segment assets	<u>225,851</u>	<u>137,344</u>	<u>55,151</u>	<u>1,809</u>	-	<u>420,155</u>
Segment liabilities	<u>104,362</u>	<u>61,744</u>	<u>4,439</u>	<u>68</u>	-	<u>170,613</u>
Other segment information:						
Capital expenditure	9,259	15,296	217	-	-	24,772
Addition of intangible assets	426	463	-	-	-	889
Depreciation and amortisation	6,545	9,161	62	40	-	15,808
Other non-cash expenses other than depreciation and amortisation	20	1,220	500	8	-	1,748
Amortisation of deferred gain	797	-	-	-	-	797

FY2016

	Mechatronics \$'000	Integrated Manufacturing Services \$'000	Investment Holding \$'000	Eliminations \$'000	Total \$'000
Turnover					
External revenue	301,930	164,481	8	-	466,419
Inter-segment sales	-	-	1,068	(1,068)	-
	<u>301,930</u>	<u>164,481</u>	<u>1,076</u>	<u>(1,068)</u>	<u>466,419</u>
Segment results	18,975	2,970	(298)	-	21,647
Interest income	21	92	134	(85)	162
Finance costs	(547)	(1,061)	-	85	(1,523)
Profit before income tax					20,286
Income tax expense	(3,227)	(1,085)	(5)	-	(4,317)
Total profit					<u>15,969</u>
Segment assets	<u>185,901</u>	<u>164,269</u>	<u>12,825</u>	-	<u>362,995</u>
Segment liabilities	<u>86,881</u>	<u>60,929</u>	<u>513</u>	-	<u>148,323</u>
Other segment information:					
Capital expenditure	9,636	10,774	7	-	20,417
Addition of intangible assets	405	2,283	-	-	2,688
Depreciation and amortisation	6,409	10,809	6	-	17,224
Other non-cash expenses other than depreciation and amortisation	41	122	-	-	163
Amortisation of deferred gain	1,063	-	-	-	1,063

13 (b) Geographical segments

	Revenue from external customers		Non-current assets	
	FY2017	FY2016	FY2017	FY2016
	\$'000	\$'000	\$'000	\$'000
Based on location of customer				
The Netherlands	121,742	111,370	48,992	49,187
People's Republic of China	76,466	91,323	22,476	20,988
Malaysia	67,977	44,972	32,967	39,754
Czech Republic	37,133	41,039	-	-
Singapore	54,633	40,759	7,660	8,222
Hungary	15,124	31,743	-	-
America	24,694	20,994	3,319	3,762
Germany	39,132	20,044	-	-
Switzerland	15,470	12,964	1,868	2,114
Thailand	7,293	8,182	2,198	2,321
India	7,215	5,747	3,521	2,866
Indonesia	3,463	3,772	1,464	1,783
United Kingdom	587	451	-	-
Others	44,157	33,059	-	2
	<u>515,086</u>	<u>466,419</u>	<u>124,465</u>	<u>130,999</u>

13 (c) Information about major customers

Included in revenues arising from Mechatronics division of \$373,324,000 (2016 : \$301,930,000) are revenues of approximately \$64,929,000 (2016 : \$57,718,000) which arose from sales to the Group's largest customer.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

15. A breakdown of sales.

	31/12/2017	31/12/2016	% increase/ (decrease)
	\$'000	\$'000	
Sales reported for first half year	260,372	234,530	11.0%
Operating profit after tax before deducting minority interests reported for first half year	23,168	7,192	222.1%
Sales reported for second half year	254,714	231,889	9.8%
Operating profit after tax before deducting minority interests reported for second half year	10,324	8,777	17.6%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	Latest Full Year	Previous Full Year
	2017	2016
	\$'000	\$'000
Ordinary Dividend	6,912	4,880
Special Dividend	3,040	-
Preference Dividend	-	-
Total	<u>9,952</u>	<u>4,880</u>

17. Interested Person Transactions

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000)	
	31/12/17	31/12/16
	Not applicable.	-

18. 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) in the format below. 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.

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

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

BY ORDER OF THE BOARD

Mohamad Anwar Au
Executive Director
22-Feb-18