



FRENCKEN GROUP LIMITED
(Company Registration No. 199905084D)

Announcement

RESPONSE TO QUERY FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE COMPANY'S FY2021 ANNUAL REPORT

The Board of Directors of Frencken Group Limited (the "Company") and together with its subsidiaries (the "Group") refers to questions raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") in respect of the Company's annual report for the financial year ended 31 December 2021 ("FY2021"). The Company's responses are set out as follows:

SGX's Questions:

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

We note that the Company had not complied with Provision 8.1 of the Code with regards to the disclosure of remuneration, and there was no explanation provided for in your FY2021 annual report on how it is consistent with the intent of Principle 8 of the Code.

Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Company's Reply:

The Company has decided to disclose the remuneration of each of the Directors (including CEO) and key management personnel in bands of S\$250,000 which is a deviation from Principle 8 of the Code. In arriving at its decision, the Board is of the view that full disclosure of the remuneration of each individual director and key management personnel in dollar terms is not in the best interests of the Company. This is due to the sensitive and confidential nature of the disclosure as well as potential competitive pressures resulting from such disclosure.

The Company is of the view that the disclosure of the indicative range of the Directors' and key management personnel remunerations as well as the composition of the nature of the remunerations essentially into its fixed (salary, fee and fringe benefits) and variable (bonus) components provides a reasonable amount of information on the Company's remuneration framework to enable the shareholders to understand the link between the Company's performance and the remuneration of the Directors and key management personnel. The fees to the Chairman and Independent Directors do not have variable components and are put forward annually to shareholders for approval at the Company's Annual General Meeting.

(Please refer to Principle 8, second and third paragraphs of page 78 of the FY2021 Annual Report)

On behalf of the Board,

Dennis Au
Executive Director

20 April 2022

About Frencken Group Limited

Frencken Group is a Global Integrated Technology Solutions Company that serves world-class multinational companies in the analytical & life sciences, automotive, healthcare, industrial, and semiconductor segments.

Frencken Group operates on a worldwide scale through its established local presence of 18 operating sites and over 3,600 employees across Asia, Europe and the USA. Working in partnership with its growing base of global customers, the Group unites the strengths of its strategically located businesses to create value for a wide variety of end-user markets.

Leveraging on its advanced technological and manufacturing capabilities, Frencken Group provides comprehensive Original Design, Original Equipment and Diversified Integrated Manufacturing solutions. The Group's extensive solutions span from product conceptualization, integrated design, prototyping, new product introductions, supply chain design and management, state-of-the-art value and volume manufacturing services to logistics solutions.

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