



**FRENCKEN GROUP LIMITED**  
(Company Registration No. 199905084D)

**Announcement**

**AUDIT ADJUSTMENT IN THE AUDITED FINANCIAL STATEMENTS FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2011**

The Board of Directors of Frencken Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform that subsequent to the announcement released on 23 February 2012 in relation to the unaudited results of the Group for the financial year ended 31 December 2011 (“**Results Announcement**”), an audit adjustment has been made to the Group’s audited financial statements in the Company’s Annual Report 2011 (“**Annual Report**”).

The audit adjustment was due to the recognition of a surplus of S\$607,000 arising from the realisation of foreign exchange currency translation reserve as a result of winding up of the Company’s subsidiary, ElectroTech EU Limited, in 2011.

Accordingly, the expenses under Exceptional items of S\$4,358,000 in the Consolidated Income Statement of the Results Announcement was reduced by S\$607,000 and restated in the Annual Report as S\$3,751,000. As a result, the Group’s profit before income tax and net profit attributable to equity holders improved by S\$607,000 each to S\$8,403,000 and S\$7,341,000 respectively. The effect of the audit adjustment is shown below.

**Consolidated Income Statement**

<b>Account caption affected by audit adjustment</b>	<b>The Group</b>		
	<b>12 months ended 31 December 2011</b>		
	<b>Per Results Announcement</b> (S\$’000)	<b>Per Annual Report</b> (S\$’000)	<b>Audit Adjustment</b> (S\$’000)
Exceptional items (See Note 1)	(4,358)	<b>(3,751)</b>	607
Profit before income tax	7,796	<b>8,403</b>	607
Net profit attributable to equity holders	6,734	<b>7,341</b>	607
Earnings per ordinary share	Cents	<b>Cents</b>	Cents
- Basic	1.83	<b>2.00</b>	0.17
- Diluted	1.80	<b>1.96</b>	0.16

**Note 1 – Exceptional items after the audit adjustment comprise**

(i)	Provision for settlement of product liability claim	–	(S\$3,088,000)
(ii)	Impairment loss of financial asset, available-for-sale	–	(S\$700,000)
(iii)	Professional fees for proposed acquisition	–	(S\$570,000)
(iv)	Surplus on winding up of a subsidiary	–	S\$607,000

The winding up of ElectroTech EU Limited also required a restatement of certain items in the Group's balance sheet, consolidated cash flow statement and consolidated statement of comprehensive income.

### **Balance Sheet**

<b>Account caption affected by audit adjustment</b>	<b>The Group</b>		
	<b>As at 31 December 2011</b>		
	<b>Per Results Announcement (S\$'000)</b>	<b>Per Annual Report (S\$'000)</b>	<b>Audit Adjustment (S\$'000)</b>
Foreign currency translation reserve	(8,355)	<b>(8,962)</b>	(607)
Retained profits	111,967	<b>112,574</b>	607

### **Consolidated Cash Flow Statement**

<b>Account caption affected by audit adjustment</b>	<b>The Group</b>		
	<b>12 months ended 31 December 2011</b>		
	<b>Per Results Announcement (S\$'000)</b>	<b>Per Annual Report (S\$'000)</b>	<b>Audit Adjustment (S\$'000)</b>
Net profit attributable to equity holders	6,734	<b>7,341</b>	607
Adjustment for:			
- Surplus on winding up of a subsidiary	-	<b>(607)</b>	(607)

### **Consolidated Statement of Comprehensive Income**

<b>Account caption affected by audit adjustment</b>	<b>The Group</b>		
	<b>12 months ended 31 December 2011</b>		
	<b>Per Results Announcement (S\$'000)</b>	<b>Per Annual Report (S\$'000)</b>	<b>Audit Adjustment (S\$'000)</b>
Net profit attributable to equity holders	6,734	<b>7,341</b>	607
Currency translation differences	(2,455)	<b>(3,062)</b>	(607)

The restatement of the aforesaid items did not affect the Group's cash position and net asset value as at 31 December 2011.

On behalf of the Board,

**Gooi Soon Hock**  
**Executive Director**

5 April 2012

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## **About Frencken Group**

Frencken Group Limited is a global high-tech capital and consumer equipment service provider offering complete and integrated 'one-stop' outsourcing solutions in partnership with its customers in the capital equipment and consumer industries.

The Group serves customers in Europe, Asia and USA through a global network of operating subsidiaries. Leveraging on the capabilities of its strategically located facilities in The Netherlands, Singapore, Malaysia, China and the USA, the Group offers a comprehensive range of product solutions that span the entire value chain – from initial product design, development and prototyping, to engineering, final test and series manufacturing.

The Group serves a global customer base that comprises renowned companies from a variety of industries, including medical, semiconductor, analytical, pharmaceutical, industrial/factory automation, automotive, office automation, and consumer electronics.

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## **MEDIA AND INVESTOR RELATIONS CONTACT**

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