



FRENCKEN GROUP LIMITED
(Company Registration No. 199905084D)

Announcement

Guidance on Financial Performance for the Quarter ended 30 September 2012

The Board of Directors of Frencken Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) deems it appropriate to provide guidance on the Group’s financial performance for the quarter ended 30 September 2012 (“**3Q12**”).

Based on a preliminary review of the Group’s unaudited financial results for 3Q12, the Group expects to report a loss in 3Q12, as compared to a net profit recorded in 3Q11. This is attributable to the following factors:

- Softer gross profit margin of the Mechatronics Division in 3Q12 due to a shift in sales mix and higher production overhead costs. As a result, this division is expected to report lower net profit in 3Q12, as compared to 3Q11.
- Higher production overhead costs, low operational efficiencies for automotive products and the depreciation of the Euro against the Malaysian Ringgit are expected to result in the EMS Division registering a loss in 3Q12.

Further information will be provided when the Group releases its unaudited financial statements for 3Q12.

On behalf of the Board,

Gooi Soon Hock
Executive Director

25th October 2012

About Frencken Group

Frencken Group Limited is a high-technology capital and consumer equipment service provider that provides complete and integrated one-stop outsourcing solutions in partnership with its customers in the capital equipment, automotive and consumer industries.

The Group’s business is classified under two main divisions:

- *The Mechatronics Division provides solutions for the design, development and production of complex, high precision industrial machinery and capital equipment for the medical, semiconductor, analytical and industrial automation industries.*
- *The EMS Division offers integrated design and manufacturing services for automotive, office automation and other consumer products.*

Leveraging on the advanced capabilities of strategically located production facilities in The Netherlands, Singapore, Malaysia, China and USA, the Group provides 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 diversified customer base that comprises renowned global companies in the medical, semiconductor, analytical, industrial automation, automotive and office automation industries.

MEDIA AND INVESTOR RELATIONS CONTACT

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