



Corporate Presentation



FOCUS



INNOVATE



SIMPLIFY

FRENCKEN GROUP LIMITED

INCORPORATED IN SINGAPORE

OSK | DMG Small Cap Book Launch Event
6 May 2014

Investment Highlights

- **HIGH-TECH SERVICE PROVIDER WITH GLOBAL OPERATIONS**

- Strategically located operations spanning Europe, Asia and the USA
- Customers are leading players in diverse industries

- **MECHATRONICS DIVISION TO RIDE ON RECOVERY OF EUROPEAN & USA ECONOMIES**

- Expect sales to improve from second quarter of FY2014

- **IMS POISED TO RIDE ON THE GROWTH OF ASIA PACIFIC'S AUTOMOTIVE MARKET**

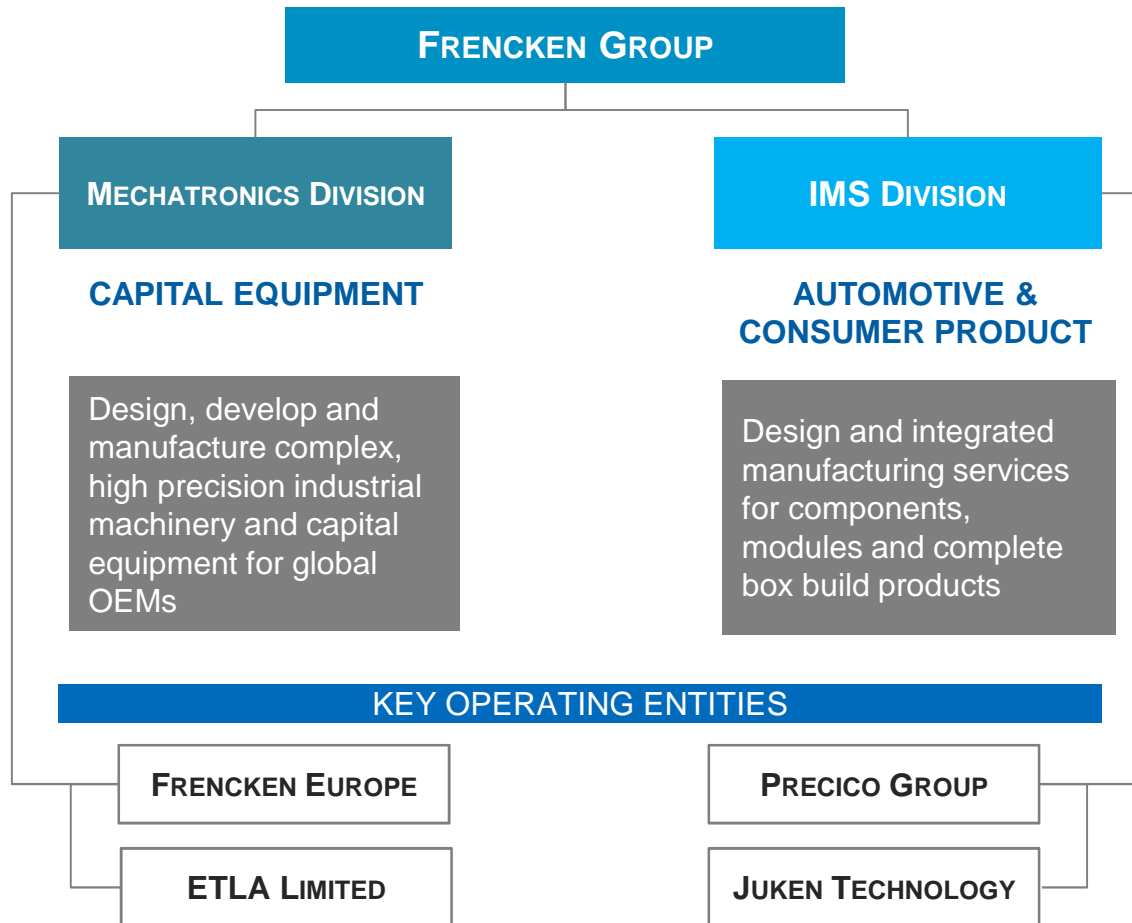
- Expect higher automotive sales in FY2014

- **TRACK RECORD OF DIVIDEND PAYMENT**

- Historical dividend payout of at least 30%

Business Overview

High-Tech Capital Equipment and Consumer Product Service Provider



Business Overview

Global scale of operations – Europe, Asia, the USA



Legend

Mechatronics Division
IMS Division

- operating sites
- sales representative office
- operating sites
- sales representative offices

Business Overview

Global customer base includes ...

Mechatronics Division

MEDICAL



SEMICONDUCTOR



ANALYTICAL



INDUSTRIAL AUTOMATION



Assembly Systems



IMS Division

AUTOMOTIVE



OFFICE AUTOMATION



CONSUMER & INDUSTRIAL

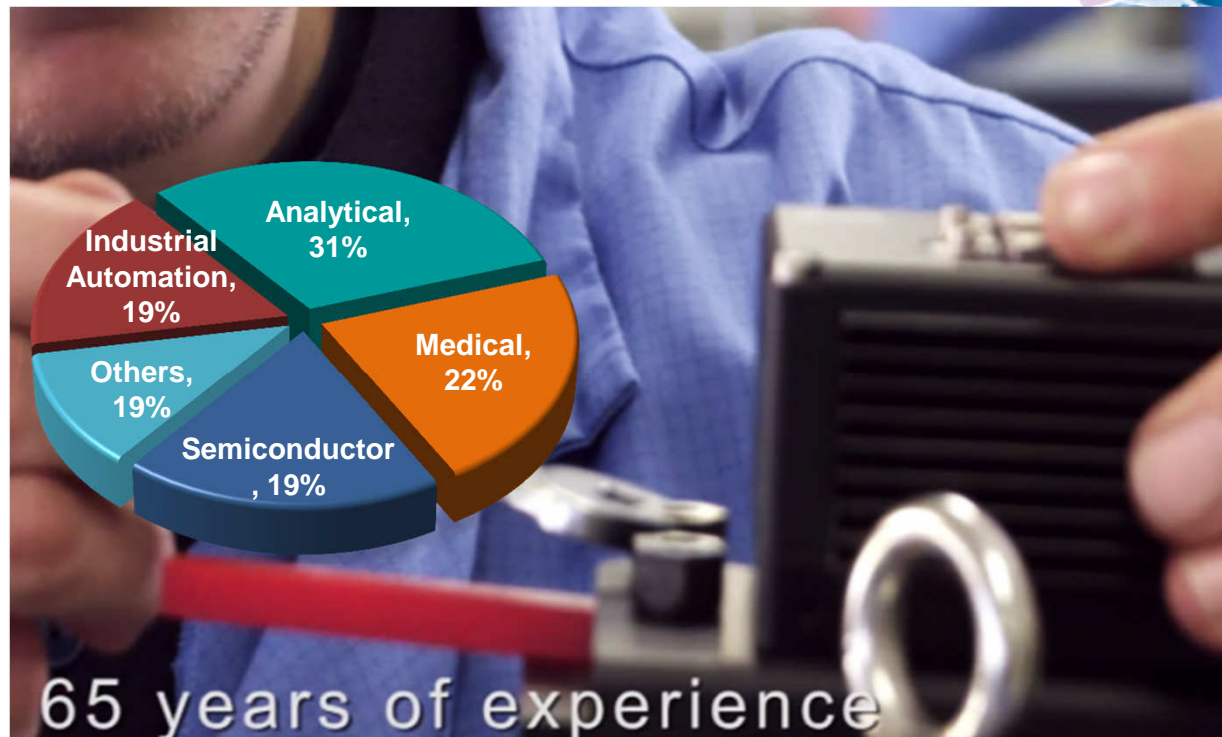


* Customer list is not exhaustive due to confidentiality requirements

Mechatronics Division

One-stop Outsourcing Solutions Provider

- **Excellent reputation** within the global high-precision capital equipment industry for both product development and production
- **Global presence** close to key customers worldwide
- **Manufacturer of**
 - Mechanical parts
 - Mechanical assemblies
 - Complex mechatronic modules
 - Complete equipment
- Typically the **single supplier** of key components, modules and equipment manufactured
- Focus on **high-mix, low to mid-volume** products with **longer life cycles** – typically 7 to 10 years



Mechatronics Division

One-stop Outsourcing Solutions Provider

MEDICAL



Patient Table for Interventional X-Ray System



Carriage Assembly for Oncology System

SEMICONDUCTOR

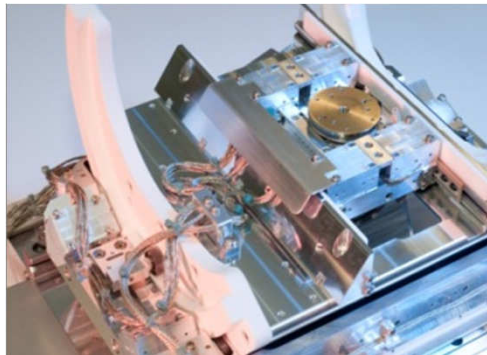


E-beam Lithography Tool



Test Head Assembly for IC Tester

ANALYTICAL

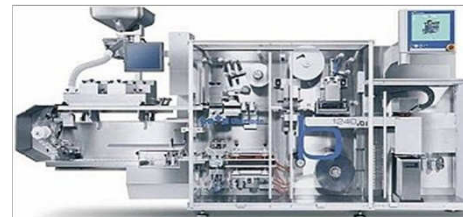


Specimen Stage for Scanning Electron Microscope

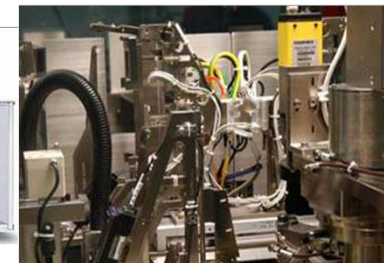


Ion Source for Mass Spectrometer

INDUSTRIAL AUTOMATION



Pharmaceutical Packaging Machine

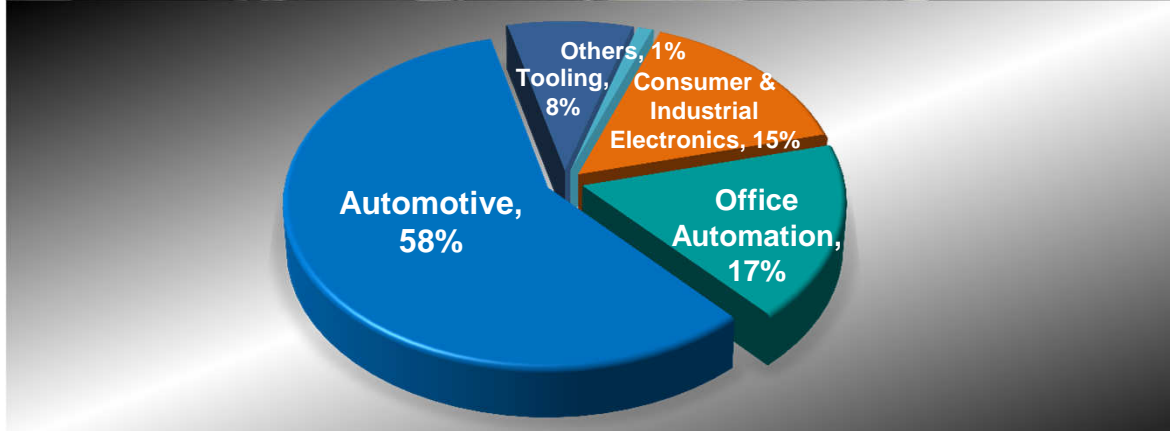


High-speed Automation For Data Storage Assembly

IMS Division

Integrated Manufacturing Services Provider

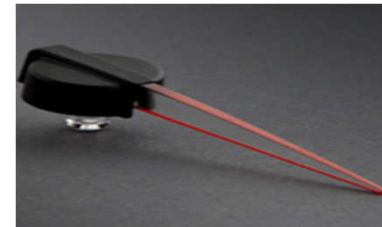
- **Track record** of providing integrated contract design and manufacturing services to the automotive, industrial and consumer electronics industries
- **Strategic operating presence** in key Asia Pacific growth markets for automotive products
- **Manufacturer of:**
 - Single components
 - Conventional moulding
 - 2K moulding
 - Micro-moulding (gears)
 - Mechanical assemblies
 - Switch and switch lever modules
 - Box build products
- **Focus on Automotive products**
 - Longer product life cycles (5 to 10 years) & higher barriers of entry



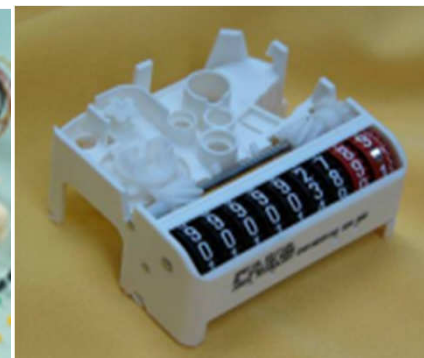
IMS Division

Integrated Manufacturing Services Provider

AUTOMOTIVE



CONSUMER PRODUCTS



Mechatronics Division

Growth Drivers and Long-term Strategy

- **CURRENT INDICATORS SUPPORT GROWTH IN 2014**

- Driven by semiconductor, analytical and medical segments
- Gradual recovery expected in the European and USA economies

- **DIGITAL PATHOLOGY SCANNER RECEIVED APPROVAL FROM US FDA (SECTION 510K)**

- Identified as major future growth area by customer Philips



Mechatronics Division

Growth Drivers and Long-term Strategy

- **CHINA TO BE A KEY GROWTH MARKET**

- Increasing proportion of our customers' products being sold into the China market
- Wuxi and SE Asia plants support customers' expansion in Asian region
- Local-to-local strategy optimizes supply chain and helps improve customers' time to market leadership

- **JOINT PRODUCT DEVELOPMENT WITH CUSTOMERS (BUILD-TO-PRINT "PLUS")**

- Engaged from early stages of product development to full life-cycle management
- Presence close to customer R&D groups in Europe, USA and Asia

- **FOCUS ON LONG LIFE CYCLE PRODUCTS**

- Typical product development can go up to 4 years, leading to long term stable sales of between 10-15 years and providing after-sales service for parts for another 10 years

- **PROPRIETARY PRODUCTS – CATALYST FOR FUTURE GROWTH**

- Investing into the development of ODM products for the medical business segment
- Motors and motion control products driven from Frencken America

IMS Division

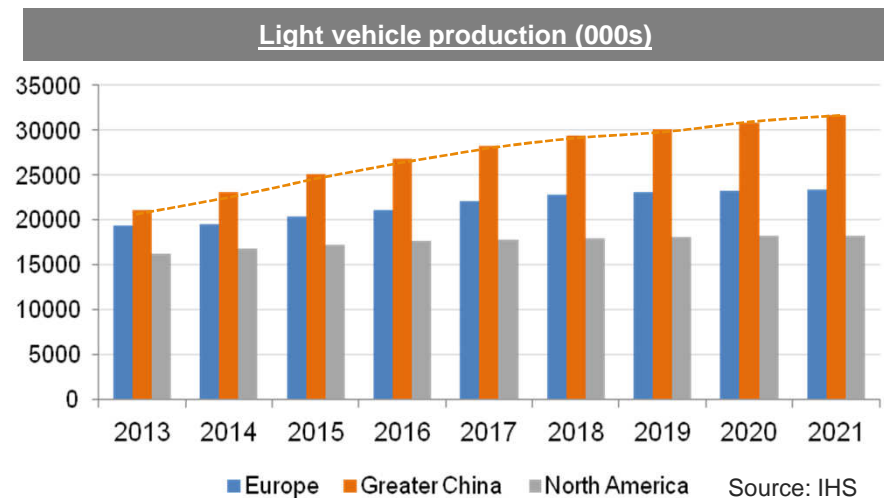
Growth Drivers and Long-term Strategy

- **CURRENT INDICATORS SUPPORT HIGHER AUTOMOTIVE SALES IN 2014**

- Driven by existing projects in hand as well as new product launches in 2014
- Revenue of office automation & consumer electronics business is expected to gradually decline

- **TARGETING THE AUTOMOTIVE GROWTH MARKETS IN THE ASIA PACIFIC REGION**

- Automotive markets in China, India and Asean region are at the growth stage
- Local-to-local strategy improves time to market, reduces pipeline inventory and currency exchange risk
- Expand integrated capabilities to more operating sites – China, India, Indonesia and Thailand



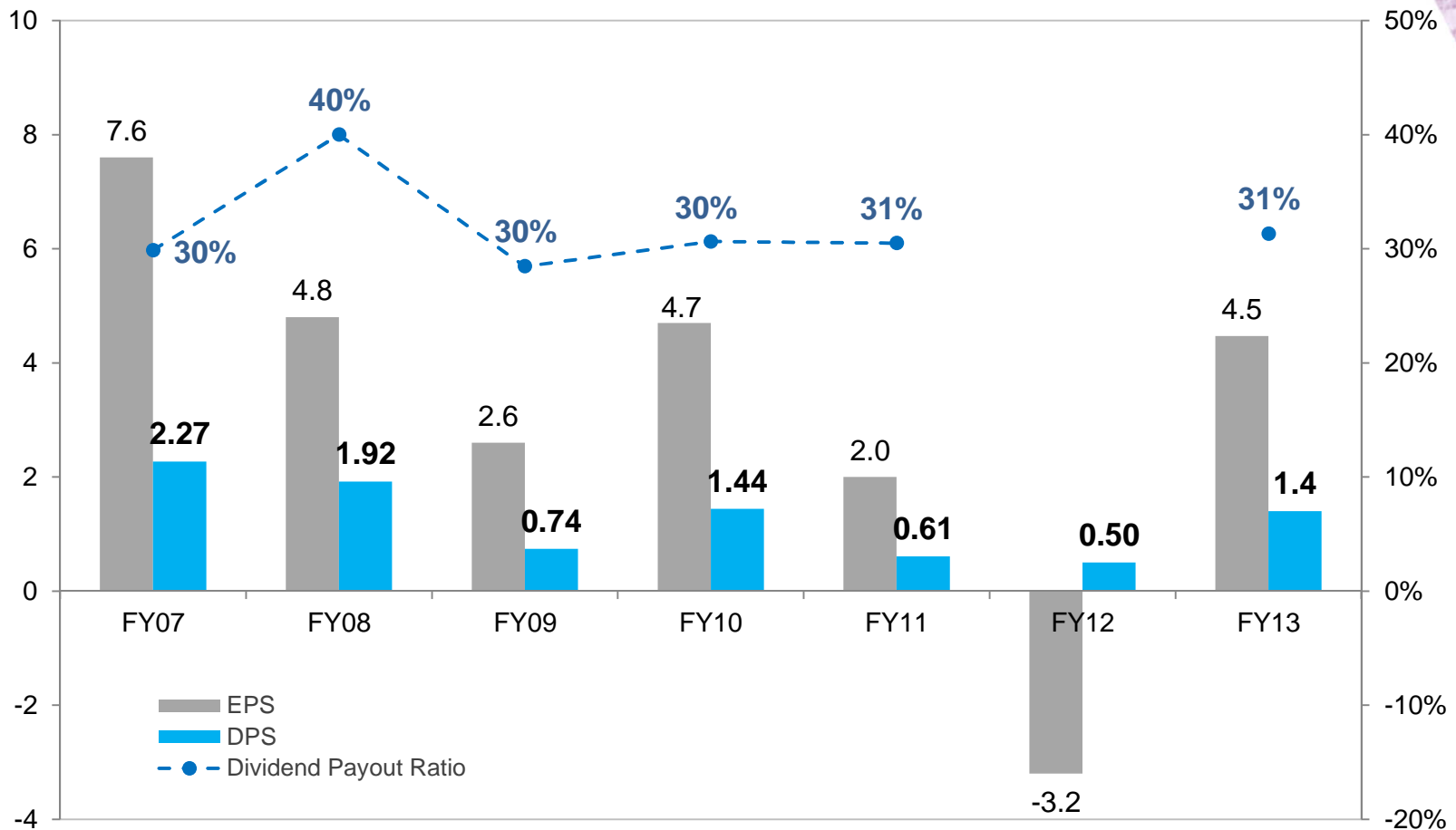
- **INCREASE MARKET SHARE IN EUROPE AND USA**

- Cross sell to existing customers of Precico and Juken
- Capitalise on the Precico/Juken combined capabilities to win new projects
- Labour rates in Asia Pacific are still very competitive as compared to Europe and North America

Dividend History

Dividend payout of at least 30% since listing on SGX

(cents per share)



Safe Harbour for Forward-Looking Statements



This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. Investors can identify some of these statements by forward-looking items such as 'expect', 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', and 'could' or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. These forward-looking statements are based on current expectations, indicators, projections and assumptions about future events. Although Frencken Group Limited believes that these expectations, indicators, projections, and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Frencken Group Limited and its business operations.

Some of the key factors that could cause such differences are, among others, the following:

- changes in the political, social and economic conditions and regulatory environment in the jurisdictions where we conduct business or expect to conduct business;
- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- changes in and new developments in technologies and trends;
- changes in currency exchange rates;
- changes in customer preferences and needs;
- changes in competitive conditions in our customers' industries and our ability to compete under these conditions;
- changes in pricing for our products; and
- changes in our future capital needs and the availability of financing and capital to fund these needs.

Given these risks, uncertainties and assumptions, the forward-looking events referred to in this presentation may not occur and actual results may differ materially from those expressly or impliedly anticipated in these forward-looking statements. Investors are advised not to place undue reliance on these forward-looking statements.

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