



FRENCKEN GROUP LIMITED
(Company Registration No. 199905084D)

Announcement

**REPLY TO SGX QUERY REGARDING ANNUAL REPORT FOR
THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

The Board of Directors ("Board") of Frencken Group Limited ("Company") refers to the query regarding Code of Corporate Governance from the Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 April 2016 and sets out its responses as follows:

SGX- ST's query:-

Guideline 11.3 of the Code of Corporate Governance 2012 (the "Code") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report (emphasis added).

SGX-ST note the Board's comment on the adequacy of the internal controls of the Company, including financial, operational, compliance risk.

As required under Listing Rule 710, please disclose the Board's comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems as recommended in the Code; or otherwise provide an explanation for any deviation from the recommendation.

Company's response:-

Based on reports submitted by the external and internal auditors, and the system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems maintained by the management that was in place throughout the financial year and up to date of the Annual Report for the financial year ended 31 December 2015, the Board, with the concurrence of the Audit Committee and the assurance of the management (including the President and Chief Financial Officer as well as the internal auditors) are of the opinion that the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective.

On behalf of the Board,

Sim Mong Huat
Executive Director

26 April 2016

About Frencken Group

Frencken Group is a high-technology capital equipment, automotive and consumer product solution provider of complete and integrated one-stop outsourcing solutions to a diversified customer base comprising of renowned global companies.

Leveraging on its advanced capabilities and strategically located facilities, 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 manufacturing.

The Group's businesses are classified under two main divisions:

- *The **Mechatronics Division** provides solutions for the design, development and production of complex, high precision capital equipment for the medical, semiconductor, analytical and industrial automation industries. The division has a global network of production facilities located in China, Malaysia, Singapore, The Netherlands and USA.*
- *The **IMS Division** offers integrated design and manufacturing services for automotive, office automation, consumer and industrial electronics products. The division has multiple operating sites in Southeast Asia (Malaysia, Thailand, Singapore and Indonesia), China, India, Switzerland and The Netherlands.*

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