



FRENCKEN GROUP LIMITED
(Company Registration No. 199905084D)

Announcement

ACQUISITION OF THE REMAINING 20% EQUITY INTEREST IN FRENCKEN AMERICA

The Board of Directors of Frencken Group Limited ("Frencken" or the "Company", and together with its subsidiaries, the "Group") wishes to announce that its wholly-owned subsidiary, Frencken Europe B.V. ("FEBV") has on 31 March 2020 entered into, and completed a Stock Purchase Agreement ("SPA") in respect of Frencken America, Inc ("Frencken America").

Under the SPA, FEBV has acquired the remaining 20% equity interests in Frencken America that it does not own from Darren and Cassie Helm (the "Acquisition"). Accordingly, Frencken America is now a wholly-owned subsidiary of FEBV.

The Group believes the Acquisition will strengthen its Mechatronics Division by providing it with greater flexibility to manage the business and implement operational decisions of Frencken America to achieve the division's strategic objectives.

The cash consideration of US\$1,058,558.74 for the Acquisition was determined on a willing-seller and willing-buyer basis after taking into account, inter alia, the business operations, financial status and prospects of Frencken America. The net book value of Frencken America was US\$3,075,254 as at 29 February 2020. No independent valuation was conducted on Frencken America.

The Acquisition was financed using the Group's internal resources and is not expected to have a material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2020.

Rule 1006(a) and Rule 1006(d) are not applicable to the Acquisition as it is not a disposal of assets and the consideration is to be satisfied entirely by cash. All the relative figures computed on the bases set out in Rule 1006(b) and Rule 1006(c) amount to less than 5%. Hence, the Acquisition is classified as a Non-discloseable Transaction.

None of the directors or controlling shareholders of Frencken have any interest, direct or indirect, in the Acquisition, save for their respective interests arising by way of their shareholdings and/or directorships, as the case may be, in the Company.

On behalf of the Board,

Dennis Au
Executive Director

31 March 2020

About Frencken Group Limited

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

Frencken Group operates on a worldwide scale through its established local presence of 17 operating sites and 3,400 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 and new product introductions to supply chain design and management, state-of-the-art value and volume manufacturing and logistics services.

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