



NEWS RELEASE

Frencken Acquires Avimac for S\$14 million to Drive Expansion

- Acquisition will enable the Group to expand capacity for new programs and enhance competencies
- Avimac will also open doors for Frencken to build a new business pillar in the aerospace sector

Singapore, 7 September 2021 – Frencken Group Limited (“Frencken” or the “Company” and together with its subsidiaries, the “Group”), a global integrated technology solutions company, is pursuing business expansion through the acquisition of 100% interest in Singapore-incorporated Avimac Pte Ltd (“Avimac”) for a cash consideration of S\$14 million (the “Acquisition”). This Acquisition was carried out via Frencken’s wholly-owned subsidiary ETLA Limited (“ETLA”).

Avimac supplies high precision machining parts to a variety of industries with a specialisation in the aerospace and semiconductor sectors. With a manufacturing facility located in Singapore, Avimac is managed by a highly skilled team that has accumulated experience of over 40 years serving major players in the global aerospace sector. Avimac was started in 2018 by Mr Joe Lau, who is a veteran in the precision engineering industry and the founder of JEP Precision Engineering.

As a supplier to ETLA prior to the Acquisition, Avimac has supported the Group’s needs in various manufacturing programs. The Acquisition will enable the Group to accelerate the expansion of its capacity to support customers’ new programs, as well as gain access to new technologies and competencies.

Group President of Frencken, Mr Dennis Au said, “We are pleased to welcome Joe Lau and his team to the Frencken fold. Avimac has advanced technologies and capabilities in high precision machining, especially for stainless steel parts given its significant exposure to the aerospace industry. This is a good fit to our Mechatronics Division’s integrated capabilities from design and development to manufacturing solutions.

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We believe the Acquisition will enable Frencken to quickly ramp up capacity and strengthen competencies to meet the requirements in our pipeline of new programs, particularly from our customers in the semiconductor industry. The Group will also be better positioned to undertake more programs and win wallet share with customers in future.

Beyond the current scope of business, the Acquisition will also open a pathway for Frencken to access new technologies and potentially build a new business pillar in the aerospace industry. While the Group already has experience serving the aerospace industry through our cooperation with NASA Jet Propulsion Laboratory, Avimac will act as a springboard for us to penetrate the commercial aerospace engineering industry given its established customer base, certified manufacturing facilities and forthcoming programs.”

The cash consideration 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 Avimac. The net book value of Avimac was S\$4.4 million as at 31 July 2021. No independent valuation was conducted on Avimac. The Acquisition shall be financed using the Group’s internal resources and is not expected to have a material impact on the net tangible assets per share or earnings per share of the Group for the financial year ending 31 December 2021.

Rule 1006(a) and Rule 1006(d) of the SGX-ST Listing Manual 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 the Company has any interest, direct or indirect in the Acquisition, save for their interests arising by way of their shareholdings and/or directorships, as the case may be, in the Company.

About Frencken Group Limited

Frencken Group is a Global Integrated Technology Solutions Company that serves world-class multinational companies in the automotive, healthcare, industrial, 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, new product introductions, supply chain design and management, state-of-the-art value and volume manufacturing services to logistics solutions.

For more information, please visit www.frenckengroup.com

About Avimac Pte Ltd

Established in 2018 by precision engineering industry veteran Joe Lau, Avimac provides high-precision manufacturing solutions for the aerospace and semiconductor industries in Singapore.

With a manufacturing facility in Singapore, Avimac is managed by a highly skilled team that has accumulated experience of over 40 years serving customers in the global aerospace sector. Its clients include Singapore Aerospace Manufacturing and Collins Aerospace who are the major players in the aerospace industry. The company's engineering team also works cohesively with suppliers and customers to produce flawless components for the semiconductor industry.

Avimac's aim is to be among the leaders of innovation by continually revolutionizing its products and manufacturing capabilities to meet its customers' needs.