

FRONTKEN CORPORATION BERHAD

(Co. No. 651020-T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

(The figures have not been audited)

	Individual Quarter				Cumulative Quarter			
	Current Year Quarter 30 Sept 2021 RM '000	Preceding Year Corresponding Quarter 30 Sept 2020 RM '000	Changes RM'000 (%)		Current Year To-date 30 Sept 2021 RM '000	Preceding Year Corresponding Period 30 Sept 2020 RM '000	Changes RM'000 (%)	
Revenue	116,592	94,792	21,800	23	328,735	267,283	61,452	23
Operating expenses	(75,279)	(62,432)	(12,847)	21	(211,808)	(177,480)	(34,328)	19
Profit before depreciation and finance costs	41,313	32,360	8,953	28	116,927	89,803	27,124	30
Depreciation	(4,535)	(4,573)			(13,393)	(13,890)		
Finance costs	(134)	(159)			(431)	(518)		
Other operating income	1,472	2,703			4,605	7,577		
Profit before tax	38,116	30,331	7,785	26	107,708	82,972	24,736	30
Taxation	(8,141)	(7,336)	(805)	11	(25,831)	(19,905)	(5,926)	30
Profit after tax	29,975	22,995	6,980	30	81,877	63,067	18,810	30
Profit after tax attributable to :								
Owners of the Company	27,304	21,341	5,963	28	74,956	58,677	16,279	28
Non-controlling interests	2,671	1,654			6,921	4,390		
Profit for the period	29,975	22,995			81,877	63,067		
Profit for the period	29,975	22,995			81,877	63,067		
Other comprehensive expenses:								
Foreign currency translation	2,206	(4,935)			15,531	11,720		
Total comprehensive income for the period	32,181	18,060			97,408	74,787		
Total comprehensive income attributable to:								
Owners of the Company	29,235	16,662			89,225	69,413		
Non-controlling interests	2,946	1,398			8,183	5,374		
Total comprehensive income for the period	32,181	18,060			97,408	74,787		
Earnings per share attributable to equity holders of the company :								
Basic (sen)	1.74	1.36			4.77	3.73		

The condensed consolidated income statement is to be read in conjunction with the accompanying notes to the interim financial report.

The comparative figures are based on unaudited financial statements of the Company for the financial period ended 30 September 2020.

FRONTKEN CORPORATION BERHAD

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

(The figures have not been audited)

	Unaudited 30 Sept 2021 RM'000	Audited 31 Dec 2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	175,235	121,687
Right-of-use assets	16,800	17,310
Goodwill on consolidation	33,761	33,761
Deferred tax assets	2,810	2,603
Total non-current assets	228,606	175,361
Current assets		
Inventories	21,166	19,976
Trade receivables	120,290	103,138
Other receivables, deposits and prepaid expenses	10,980	7,531
Current tax assets	10	75
Short-term investments	8,786	8,333
Fixed deposits with licensed banks	14,000	13,390
Cash and bank balances	267,554	290,468
Total current assets	442,786	442,910
Total assets	671,392	618,271
EQUITY AND LIABILITIES		
Capital and reserve		
Share capital	118,441	118,925
Treasury shares	(4,748)	(663)
Reserves	359,671	321,733
Equity attributable to owners of the Company	473,364	439,995
Non-controlling interests	35,222	27,039
Total equity	508,586	467,034
Non-current liabilities		
Lease liabilities	9,702	9,532
Other payables	2,925	2,846
Deferred tax liabilities	452	448
Total non-current liabilities	13,079	12,826
Current liabilities		
Trade payables	18,443	18,831
Other payables and accrued expenses	112,642	99,155
Lease liabilities	2,025	2,796
Current tax liabilities	16,617	17,629
Total current liabilities	149,727	138,411
Total liabilities	162,806	151,237
Total equity and liabilities	671,392	618,271
Net assets per share attributable to owners of the parents (RM)	0.30	0.42

The condensed consolidated balance sheet is to be read in conjunction with the accompanying notes to the interim financial report.

The comparative figures are based on audited financial statements of the Company for the financial year ended 31 December 2020.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

(The figures have not been audited)

	<--- Non-distributable --->				Distributable		Non-controlling interests	Total
	Share capital	Treasury shares	Foreign currency translation reserve	Statutory reserve	Retained earnings	Attributable to owners of the Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2021	118,925	(663)	39,131	17,704	264,898	439,995	27,039	467,034
Other comprehensive income recognised for the period:								
Foreign currency translation	-	-	14,269	-	-	14,269	1,262	15,531
Profit for the period	-	-	-	-	74,956	74,956	6,921	81,877
Total comprehensive income for the period	-	-	14,269	-	74,956	89,225	8,183	97,408
Dividend:								
- by the Company	-	-	-	-	(52,907)	(52,907)	-	(52,907)
Transfer to statutory reserve				6,776	(6,776)	-	-	-
Transaction cost	(484)	-	-	-	-	(484)	-	(484)
Purchase of treasury shares	-	(4,120)	-	-	-	(4,120)	-	(4,120)
Disposal of treasury shares		35			1,620	1,655	-	1,655
Striking off subsidiary	-	-	774	-	(774)	-	-	-
Balance at 30 September 2021	118,441	(4,748)	54,174	24,480	281,017	473,364	35,222	508,586

CORRESPONDING PERIOD CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

	<--- Non-distributable --->				Distributable		Non-controlling interests	Total
	Share capital	Treasury shares	Foreign currency translation reserve	Statutory reserve	Retained earnings	Attributable to owners of the Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2020	118,925	(663)	29,782	13,009	215,919	376,972	21,776	398,748
Other comprehensive income recognised for the period:								
Foreign currency translation	-	-	10,736	-	-	10,736	984	11,720
Profit for the period	-	-	-	-	58,677	58,677	4,390	63,067
Total comprehensive income for the period	-	-	10,736	-	58,677	69,413	5,374	74,787
Dividend:								
- by the Company	-	-	-	-	(28,295)	(28,295)	-	(28,295)
- by a subsidiary to non-controlling interests	-	-	-	-	-	-	(756)	(756)
Transfer to statutory reserve	-	-	-	4,679	(4,679)	-	-	-
Changes in ownership interests in subsidiary that do not result in loss of control	-	-	-	-	105	105	(881)	(776)
Balance at 30 September 2020	118,925	(663)	40,518	17,688	241,727	418,195	25,513	443,708

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes to the interim financial report.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	30 Sept 2021 RM'000	30 Sept 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	107,708	82,972
Adjustments for:		
Depreciation of property, plant and equipment	11,017	11,539
Depreciation of right-of-use assets	2,376	2,351
Interest expense	431	518
Unrealised (gain)/loss on foreign exchange	(244)	80
Interest income	(627)	(1,041)
Gains on lease modification	-	(1)
Gain on disposal of property, plant and equipment	(22)	(1,550)
Writeback of allowance for impairment losses on trade receivables	(205)	-
Plant and equipment written off	3	-
Allowance for impairment losses on receivables	66	256
Operating profit before working capital changes	120,503	95,124
Inventories	(471)	(4,211)
Trade receivables	(13,641)	(18,511)
Other receivables, deposits and prepaid expenses	(3,388)	(1,675)
Trade payables	(1,050)	2,349
Other payables and accrued expenses	9,350	17,576
Cash generated from operations	111,303	90,652
Taxes paid	(27,547)	(20,341)
Net cash from operating activities	83,756	70,311
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	627	1,041
Additional investment of a subsidiary	-	(776)
Purchase of property, plant and equipment	(58,803)	(5,702)
Proceeds from disposal of property, plant and equipment	22	2,000
Net placement of fixed deposits with licensed banks	(8)	(6,677)
Net cash for investing activities	(58,162)	(10,114)

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	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	30 Sept 2021 RM'000	30 Sept 2020 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(431)	(518)
Dividend paid by the Company	(52,907)	(28,295)
Dividend paid by a subsidiary to non-controlling interests	(341)	(756)
Drawdown of term loans	-	1,435
Repayment of term loans	-	(843)
Transaction cost	(484)	-
Payment of lease liabilities	(2,452)	(2,501)
Treasury shares acquired	(4,120)	-
Net proceeds from disposal of treasury shares	1,655	-
Net cash for financing activities	(59,080)	(31,478)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(33,486)	28,719
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	299,801	219,669
EFFECT OF EXCHANGE DIFFERENCES	11,025	7,707
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	277,340	256,095
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	267,554	250,085
Fixed deposits with licensed banks	14,000	13,430
Short-term investments	8,786	5,010
	290,340	268,525
Less: Fixed deposits pledged with banks	(476)	(810)
Less: Fixed deposits with maturity more than 3 months	(12,524)	(11,620)
Cash and cash equivalents	277,340	256,095

The condensed consolidated cash flow statement is to be read in conjunction with the accompanying notes to the interim financial report.

The comparative figures are based on unaudited financial statements of the Company for the financial period ended 30 September 2020.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**A NOTES TO THE INTERIM FINANCIAL REPORT****A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements outlined in the Malaysian Financial Reporting Standards ("MFRS") No.134 : Interim Financial Reporting, and Paragraph 9.22 of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2020.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of Frontken Corporation Berhad ("FCB" or "the Company") and its subsidiaries since the financial year ended 31 December 2020.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2020 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2021. The adoption of the MFRSs and Amendments do not have significant impact on the financial statements of the Group.

A2. Audit qualification

The auditors' report in respect of the audited consolidated financial statements of FCB for the financial year ended 31 December 2020 was not subjected to any qualification.

A3. Seasonality or cyclicity of interim operations

The Group's business operations were not materially affected by any seasonal or cyclical factors during the quarter under review although there was some impact on the operations in Singapore due to the lockdown-like conditions put in place starting on 16 May 2021 where the amount of workforce was reduced. Nevertheless, we are substantially back to full strength except for a small number of Malaysian employees that are still unable to commute to our Singapore office.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows, of the Group that are unusual by reason of their nature, size or incidence during the current quarter.

A5. Material changes in estimates

The Company has not issued any revenue or profit estimate, forecast or target.

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A6. Issuance, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations or resale of treasury shares during the current quarter.

As at 30 September 2021, the Company held 9,201,250 repurchased shares as treasury shares out of its total issued and paid-up share capital of 1,580,152,675 ordinary shares. Such treasury shares are held at a carrying amount of RM4,747,849.

A7. Dividends

During the financial period ended 30 September 2021, the Company paid the following dividend:

Second single-tier dividend on 8 April 2021, in respect of the financial year ended 31 December 2020, of 2.8 sen per share on 1,047,968,530 ordinary shares amounting to RM29,343,118.

First single-tier dividend on 17 September 2021, in respect of the financial year ending 31 December 2021, of 1.5 sen per share on 1,570,951,425 ordinary shares amounting to RM23,564,271.

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A8. Segmental information

The breakdown of the Group's revenue and results by geographical regions for the quarter ended 30 September 2021 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

Current Quarter 30 September 2021

	<u>Singapore</u>	<u>Malaysia</u>	<u>Philippines</u>	<u>Indonesia</u>	<u>Taiwan</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>						
External sales	14,587	16,575	3,848	96	81,486	116,592
Inter-segment sales	222	1,171	-	-	187	1,580
Total revenue	14,809	17,746	3,848	96	81,673	118,172
<u>Segment Results</u>						
Operating profit/(loss)	4,397	2,406	700	28	30,536	38,067
Interest income						183
Finance cost						(134)
Profit before taxation						38,116

Current Year-to-date 30 September 2021

<u>Segment Revenue</u>						
External sales	44,616	46,137	11,210	454	226,318	328,735
Inter-segment sales	628	4,011	-	-	515	5,154
Total revenue	45,244	50,148	11,210	454	226,833	333,889

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Current Year-to-date 30 September 2021

	<u>Singapore</u>	<u>Malaysia</u>	<u>Philippines</u>	<u>Indonesia</u>	<u>Taiwan</u>	<u>Elimination</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Segment Results</u>							
Operating profit/(loss)	12,690	6,857	1,960	(282)	86,287	-	107,512
Interest income							627
Finance cost							(431)
Profit before taxation							<u>107,708</u>
<u>Assets</u>							
Non-current assets							
- Property, plant and equipment	19,177	11,937	857	876	142,388	-	175,235
- Right-of-use assets	7,272	5,820	1,111	775	1,822	-	16,800
- Deferred tax assets	-	-	4	-	2,806	-	2,810
- Goodwill	-	33,761	-	-	-	-	33,761
Current assets	63,485	11,117	21,751	522	318,636	27,275	<u>442,786</u>
Consolidated total assets							<u>671,392</u>
<u>Liabilities</u>							
Tax liabilities	2,888	1,376	429	-	12,376	-	17,069
Segment liabilities	16,221	12,825	5,819	9,594	115,919	(14,641)	<u>145,737</u>
Consolidated total liabilities							<u>162,806</u>

Disclosure of segmental information of the Group by business segment is not presented as the Group is primarily engaged in only one business segment which is the provision of surface treatment technology using thermal spray coating processes and a series of complementary processes, including mechanical and chemical engineering services.

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A9. Profit before tax

Profit before tax is arrived at after crediting/(charging) the following:

	Current Quarter 30 Sept 2021 RM'000	Current Year-to-date 30 Sept 2021 RM'000
Interest income	183	627
Foreign exchange gain	382	389
Gain on disposal of property, plant and equipment	-	22
Writeback of allowance for impairment losses on trade receivables	205	205
Allowance for impairment losses on receivables	217	(66)
Depreciation of property, plant and equipment	(3,642)	(11,017)
Depreciation of right-of-use assets	(893)	(2,376)
Interest expense	(134)	(431)
Property, plant and equipment written off	-	(3)
	-	(3)

A10. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment during the quarter under review.

A11. Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the current quarter under review up to the date of this report.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A13. Contingent liabilities

As at 30 September 2021 the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position of the Group.

A14. Cash and cash equivalents

	As at 30 Sept 2021 RM'000
Cash at bank	267,446
Cash on hand	108
Fixed deposits	14,000
Short-term investments	8,786
	290,340
Less: Fixed deposits pledged with banks	(476)
Less: Fixed deposits with maturity period more than 3 months	(12,524)
	277,340

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A15. Significant related party transactions

	Current Quarter 30 Sept 2021 RM'000	Current Year-to-date 30 Sept 2021 RM'000
Sales to AMT	5	22
Sales to A&I	7	21
Sales to TTM	-	7
Purchase from AMT	3	3
Purchase from TTM	9	261
Rental payable to AMT	36	108

Name of Related Parties	Relationship
AMT	Sia Chiok Meng, a Director of FEM, is also a director and substantial shareholder of AMT.
A&I	Sia Chiok Meng, a director of FEM, is also a director and substantial shareholder of A&I.
TTM	Mohd Shukri Bin Hitam and Fauziah Binti Hamlawi, directors and shareholders of TTES, are also directors and shareholders of TTM.

Abbreviations:

<i>AMT</i> <i>AMT Engineering Sdn Bhd</i>	<i>FEM</i> <i>Frontken (East Malaysia) Sdn Bhd</i>
<i>A&I</i> <i>A&I Engine Rebuilders Sdn Bhd</i>	<i>TTES</i> <i>TTES Frontken Integrated Services Sdn. Bhd.</i>
<i>TTM</i> <i>Tenaga-Tech (M) Sdn Bhd</i>	

A16. Capital commitments

Capital expenditure of the Group approved by the Directors but not provided for in the condensed financial statements are as follows:

	As at 30 Sept 2021 RM'000
Plant and equipment	7,873

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**B1. Analysis of performance**Current quarter's performance against the quarter ended 30 September 2020

The Group's revenue for the current quarter ended 30 September 2021 increased by approximately RM21.8 million (23.0%) compared to the preceding year corresponding quarter mainly due to significant contributions by our subsidiaries in Taiwan and Malaysia. Our Taiwan semi-conductor business continues to show significant growth in the current quarter mainly due to the strong demand from its customers' industry-leading advanced nodes chips. The improvement in our local business was largely due to new orders for provision of manpower supply and mechanical rotating equipment services from various contracts that the Group has with the Petronas Group of Companies.

Our subsidiary in Singapore recorded a slightly lower revenue compared to the preceding year corresponding quarter caused mainly by shortage in workforce and delay in our customers' orders attributable to covid-19 safety measures implemented by the Government of Singapore.

The Group's profit after tax ("PAT") of RM30.0 million for the current quarter was RM7.0 million or 30.4% higher than the corresponding quarter's RM23.0 million. The higher profit was mainly due to improved revenue, strict cost management and continual enhancement of our processes leading to better production efficiency.

Current 9 months performance against the 9 months period ended 30 September 2020

The Group's revenue of RM328.7 million for the current period ended 30 September 2021 was RM61.5 million (23.0%) higher than that achieved in the preceding year corresponding period mainly due to better contributions by our subsidiaries in Taiwan and Malaysia.

Against the same period last year, the PAT for the Group increased by RM18.8 million (29.8%) as a result of higher revenue and strict cost management. If we were to remove the job support subsidy impact, the current period performance would have been 34.5% better than the preceding year corresponding period.

B2. Comparison with immediate preceding quarter

	3rd Quarter 30 Sept 2021	2nd Quarter 30 Jun 2021
	RM'000	RM'000
Revenue	116,592	108,626
Profit before tax	38,116	34,536
Profit after tax	29,975	26,995
Profit attributable to owners of the Company	27,304	24,738

The Group's revenue was 7.3% or approximately RM8.0 million higher during the current quarter as compared to the immediate preceding quarter mainly due to better performance by our subsidiaries in Taiwan, Malaysia and the Philippines.

The Group's PAT for the current quarter increased by RM3.0 million (11.0%) sequentially as a result of higher revenue from both of our semi-conductor and oil & gas businesses.

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B3. Prospects

The Group achieved another remarkable record third quarter results with a 30.4% and 11.0% increase respectively in its PAT compared to the preceding year corresponding quarter and immediate preceding quarter mainly attributable to the robust growth in our semi-conductor business and improvement in our oil and gas business.

According to World Semiconductor Trade Statistics (WSTS), the global semiconductor market is expected to grow to USD551 billion in 2021, up from its previous forecast of USD527.7 billion and the global semiconductor market is expected to expand 25.1% this year. Higher demand and strong orders from one of our customers' advanced nodes chips has benefited our semi-conductor business. The customer has announced earlier this year their plans to invest USD100 billion over the next three years to ramp up production. The strong demand for our customer's industry-leading technology advance nodes chips and their significant investment for capacity expansion augers well for our business growth in years to come. This has led us to the decision to also expand our production capacity. We recently announced the purchase of a new facility in Kaoshiung, Taiwan which we expect to be commissioned sometimes during the second half of 2022.

As for the oil and gas industry, we noticed robust improvement in our business due to new orders trickling in from the various umbrella contracts for provision of manpower supply and also mechanical rotating equipment services and parts that we have with the Petronas Group of Companies. We hope the momentum will pick up further in the fourth quarter of this year and throughout 2022 where our soon to be completed new facility in Pengerang will be ready to support the contracts we have with our customers.

Amidst the encouraging business developments, we are cautiously optimistic that our performance for the remaining months in 2021 will be satisfactory and we are excited with what lies ahead for us.

B4. Variance in profit forecast

Not applicable as no profit forecast or profit guarantee has been announced or disclosed in a public document previously.

B5. Taxation

	Current Quarter 30 Sept 2021 RM'000	Current Year-to-date 30 Sept 2021 RM'000
Income tax	8,159	25,922
Deferred tax	(18)	(91)
	<u>8,141</u>	<u>25,831</u>

The Group's effective tax rate for the period under review was higher than the statutory tax rate principally due to losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries.

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B6. Status of corporate proposals

Save as disclosed below, there were no corporate proposals that were announced but not completed.

On 23 February 2021, the Company proposed to undertake the following:

- (i) an issuance of 526,717,565 new ordinary shares in the Company on the basis of 1 Bonus Share for every 2 existing ordinary shares held in the Company (“Shares”) on an entitlement date to be determined and announced later (“Entitlement Date”) (“Proposed Bonus Issue of Shares”); and
- (ii) an issuance of 526,717,565 free warrants in the Company (“Warrants”) on the basis of 1 Warrant for every 2 Shares held on the same Entitlement Date as the Proposed Bonus Issue of Shares (“Proposed Bonus Issue of Warrants”).

The Proposed Bonus Issue of Shares and the Proposed Bonus Issue of Warrants had been completed following the listing of and quotation for 526,717,545 Shares and 524,137,195 Warrants on the Main Market of Bursa Malaysia Securities Berhad on 30 April 2021 and 7 May 2021 respectively.

B7. Group borrowings

The Group’s borrowings as at 30 September 2021 are as follows:

	As at 30 Sept 2021		As at 30 Sept 2020	
	Foreign currencies RM’000	RM’000	Foreign currencies RM’000	RM’000
<u>Short term</u>				
Lease liabilities				
- New Taiwan Dollar	309	309	128	128
- Philippine Peso	1,086	1,086	1,065	1,065
- Singapore Dollar	438	438	417	417
- Ringgit Malaysia	-	192	-	940
Term loans				
- New Taiwan Dollar	-	-	1,435	1,435
		2,025		3,985
<u>Long term</u>				
Lease liabilities				
- Singapore Dollar	7,294	7,294	7,631	7,631
- Philippine Peso	93	93	1,231	1,231
- New Taiwan Dollar	1,524	1,524	664	664
- Ringgit Malaysia	-	791	-	1,202

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11,727

14,713

The Group's borrowings that are not denominated in functional currency are as follows:

	Short-term	Long-term	Total
	RM'000	RM'000	RM'000
As at 30 September 2021			
<u>Currency</u>			
Singapore Dollar	438	7,294	7,732
Philippine Peso	1,086	93	1,179
New Taiwan Dollar	309	1,524	1,833
	<u>1,833</u>	<u>8,911</u>	<u>10,744</u>
As at 30 September 2020			
<u>Currency</u>			
Singapore Dollar	417	7,631	8,048
Philippine Peso	1,065	1,231	2,296
New Taiwan Dollar	1,563	664	2,227
	<u>3,045</u>	<u>9,526</u>	<u>12,571</u>

B8. Material litigations

The Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially affect the financial position or business of the Group as at 27 October 2021.

B9. Earnings per share ("EPS")

(a) Basic EPS

The calculation of the basic EPS is based on the net profit for the financial period under review divided by the number of ordinary shares in issue.

	Current Quarter	Preceding Corresponding Quarter	Current Year-to-date	Preceding Corresponding Year-to-date
Profit attributable to owners of the Company (RM'000)	27,304	21,341	74,956	58,677
Weighted average number of shares in issue ('000)	1,046,814	1,047,969	1,047,404	1,047,969

FRONTKEN CORPORATION BERHAD

(Co. No. 651020-T)

(Incorporated in Malaysia)

Bonus issue excluding treasury shares ('000)	524,137	524,137	524,137	524,137
Adjusted weighted average number of shares in issue ('000)	1,570,951	1,572,106	1,571,541	1,572,106
Basic EPS (sen)	1.74	1.36*	4.77	3.73*

* Comparative figures for the weighted average number of ordinary shares used in the calculation of basic earnings per share have been restated to reflect the bonus issue as disclosed in Note B6.

b) Diluted EPS

The potential conversion of warrants is anti-dilutive as its exercise price is higher than the average market price of the Company's ordinary shares during the current financial period. Accordingly, diluted earnings per share for the current period has not been presented.

B10. Dividends

No dividend was declared for the current quarter ended 30 September 2021.

By Order of the Board
Frontken Corporation Berhad

Ng Wai Pin
Chairman
3 November 2021