

**FRONTKEN CORPORATION BERHAD**

(Co. No. 651020-T)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

(The figures have not been audited)

	Individual Quarter				Cumulative Quarter			
	Current Year Quarter 30 Jun 2022 RM '000	Preceding Year Corresponding Quarter 30 Jun 2021 RM '000	Changes RM'000 (%)		Current Year To-date 30 Jun 2022 RM '000	Preceding Year Corresponding Period 30 Jun 2021 RM '000	Changes RM'000 (%)	
Revenue	128,198	108,626	19,572	18	247,344	212,143	35,201	17
Operating expenses	(81,755)	(70,393)	(11,362)	16	(157,767)	(136,529)	(21,238)	16
Profit before depreciation and finance costs	46,443	38,233	8,210	21	89,577	75,614	13,963	18
Depreciation	(4,349)	(4,443)			(8,438)	(8,858)		
Finance costs	(230)	(144)			(416)	(297)		
Other operating income	2,717	890			4,718	3,133		
Profit before tax	44,581	34,536	10,045	29	85,441	69,592	15,849	23
Taxation	(9,525)	(7,541)	(1,984)	26	(21,598)	(17,690)	(3,908)	22
Profit after tax	35,056	26,995	8,061	30	63,843	51,902	11,941	23
Profit after tax attributable to :								
Owners of the Company	32,201	24,738	7,463	30	58,716	47,652	11,064	23
Non-controlling interests	2,855	2,257			5,127	4,250		
Profit for the period	35,056	26,995			63,843	51,902		
Profit for the period	35,056	26,995			63,843	51,902		
Other comprehensive expenses:								
Foreign currency translation	3,504	6,029			(5,307)	13,325		
Total comprehensive income for the period	38,560	33,024			58,536	65,227		
Total comprehensive income attributable to:								
Owners of the Company	35,489	30,244			53,855	59,990		
Non-controlling interests	3,071	2,780			4,681	5,237		
Total comprehensive income for the period	38,560	33,024			58,536	65,227		
Earnings per share attributable to equity holders of the company :								
Basic (sen)	2.05	1.57			3.74	3.03		

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 June 2021.

**FRONTKEN CORPORATION BERHAD**

(Co. No. 651020-T)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022**  
(The figures have not been audited)

	<b>Unaudited</b>	<b>Audited</b>
	<b><u>30 Jun 2022</u></b>	<b><u>31 Dec 2021</u></b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	221,667	197,795
Right-of-use assets	33,648	24,471
Goodwill on consolidation	33,761	33,761
Deferred tax assets	1,880	1,909
<b>Total non-current assets</b>	<u>290,956</u>	<u>257,936</u>
<b>Current assets</b>		
Inventories	20,446	19,608
Trade receivables	134,653	115,600
Other receivables, deposits and prepaid expenses	11,190	10,124
Short-term investments	11,566	51,738
Fixed deposits with licensed banks	27,128	14,008
Cash and bank balances	255,666	249,621
<b>Total current assets</b>	<u>460,649</u>	<u>460,699</u>
<b>Total assets</b>	<u>751,605</u>	<u>718,635</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserve</b>		
Share capital	118,441	118,441
Treasury shares	(4,748)	(4,748)
Reserves	399,499	387,162
Equity attributable to owners of the Company	<u>513,192</u>	<u>500,855</u>
Non-controlling interests	36,411	34,225
<b>Total equity</b>	<u>549,603</u>	<u>535,080</u>
<b>Non-current liabilities</b>		
Lease liabilities	28,948	18,749
Other payables	2,864	2,931
Deferred tax liabilities	581	615
<b>Total non-current liabilities</b>	<u>32,393</u>	<u>22,295</u>
<b>Current liabilities</b>		
Trade payables	23,643	21,463
Other payables and accrued expenses	121,347	115,273
Lease liabilities	1,747	2,560
Current tax liabilities	22,872	21,964
<b>Total current liabilities</b>	<u>169,609</u>	<u>161,260</u>
<b>Total liabilities</b>	<u>202,002</u>	<u>183,555</u>
<b>Total equity and liabilities</b>	<u>751,605</u>	<u>718,635</u>
<b>Net assets per share attributable to owners of the parents (RM)</b>	0.33	0.32

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 2021.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

(The figures have not been audited)

	<--- Non-distributable ---> Distributable							
	Foreign currency		Attributable to					
	<u>Share capital</u>	<u>Treasury shares</u>	<u>translation reserve</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>owners of the Company</u>	<u>Non-controlling interests</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2022	118,441	(4,748)	54,277	24,517	308,368	500,855	34,225	535,080
Other comprehensive income recognised for the period:								
Foreign currency translation	-	-	(4,861)	-	-	(4,861)	(446)	(5,307)
Profit for the period	-	-	-	-	58,716	58,716	5,127	63,843
Total comprehensive income for the period	-	-	(4,861)	-	58,716	53,855	4,681	58,536
Dividend:								
- by the Company	-	-	-	-	(39,274)	(39,274)	-	(39,274)
Transfer to statutory reserve	-	-	-	9,421	(9,421)	-	-	-
Changes in ownership interests in a subsidiary that do not result in loss of control	-	-	-	-	(2,244)	(2,244)	(2,495)	(4,739)
<b>Balance at 30 June 2022</b>	<b>118,441</b>	<b>(4,748)</b>	<b>49,416</b>	<b>33,938</b>	<b>316,145</b>	<b>513,192</b>	<b>36,411</b>	<b>549,603</b>

**CORRESPONDING PERIOD CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

	<--- Non-distributable ---> Distributable							
	Foreign currency		Attributable to					
	<u>Share capital</u>	<u>Treasury shares</u>	<u>translation reserve</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>owners of the Company</u>	<u>Non-controlling interests</u>	<u>Total</u>
	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	-	-	12,338	-	-	12,338	987	13,325
Profit for the period	-	-	-	-	47,652	47,652	4,250	51,902
Total comprehensive income for the period	-	-	12,338	-	47,652	59,990	5,237	65,227
Dividend								
- by the Company	-	-	-	-	(29,343)	(29,343)	-	(29,343)
Share issuance expenses	(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 of subsidiary	-	-	774	-	(774)	-	-	-
<b>Balance at 30 June 2021</b>	<b>118,441</b>	<b>(4,748)</b>	<b>52,243</b>	<b>17,704</b>	<b>284,053</b>	<b>467,693</b>	<b>32,276</b>	<b>499,969</b>

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 STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	30 Jun 2022 RM'000	30 Jun 2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	85,441	69,592
Adjustments for:		
Depreciation of property, plant and equipment	6,761	7,375
Depreciation of right-of-use assets	1,677	1,483
Interest expense	416	297
Unrealised (gain)/loss on foreign exchange	(2,305)	75
Interest income	(327)	(444)
Gain on disposal of property, plant and equipment	(32)	(22)
Plant and equipment written off	-	3
Allowance for impairment losses on receivables	-	283
Operating profit before working capital changes	91,631	78,642
Inventories	(1,100)	(2,216)
Trade receivables	(19,787)	(5,525)
Other receivables, deposits and prepaid expenses	(1,201)	(12,624)
Trade payables	2,369	(1,727)
Other payables and accrued expenses	8,258	4,263
Cash generated from operations	80,170	60,813
Taxes paid	(20,521)	(16,666)
Net cash from operating activities	59,649	44,147
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	327	444
Additional investment in an existing subsidiary	(4,739)	-
Purchase of property, plant and equipment	(32,893)	(2,856)
Proceeds from disposal of property, plant and equipment	32	22
Net placement of fixed deposits with licensed banks	(13,296)	(7)
Net cash for investing activities	(50,569)	(2,397)

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	<b>CUMULATIVE QUARTER</b>	
	<b>Current Period To Date</b>	<b>Preceding Corresponding Period</b>
	<b>30 Jun 2022 RM'000</b>	<b>30 Jun 2021 RM'000</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Interest paid	(416)	(297)
Dividend paid by the Company	(39,274)	(29,343)
Dividend paid by a subsidiary to non-controlling interests	(825)	(341)
Drawdown of term loans	2,532	-
Repayment of term loans	(2,532)	-
Share issuance expenses	-	(484)
Payment of lease liabilities	(1,510)	(1,611)
Treasury shares acquired	-	(4,120)
Net proceeds from disposal of treasury shares	-	1,655
Net cash for financing activities	(42,025)	(34,541)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(32,945)	7,209
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	302,359	299,801
<b>EFFECT OF EXCHANGE DIFFERENCES</b>	(1,182)	9,671
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	268,232	316,681
<b>THE CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	255,666	312,617
Fixed deposits with licensed banks	27,128	13,879
Short-term investments	11,566	3,063
	294,360	329,559
Less: Fixed deposits pledged with banks	(490)	(477)
Less: Fixed deposits with maturity more than 3 months	(25,638)	(12,401)
Cash and cash equivalents	268,232	316,681

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 June 2021.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022****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 2021.

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 2021.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2021 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2022. 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 2021 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 Covid-19 Conditional Movement Control Order where the amount of workforce was reduced. Nevertheless, we are substantially back to full strength except for a small number of 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.

**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 June 2022, 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 June 2022, the Company declared the following dividend:

Second single-tier dividend on 25 February 2022, of 2.5 sen per share on 1,570,951,425 ordinary shares, paid on 13 April 2022, in respect of the financial year ended 31 December 2021 amounting to RM39,273,785.

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### A8. Segmental information

The breakdown of the Group's revenue and results by geographical regions for the quarter ended 30 June 2022 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

#### Current Quarter 30 June 2022

	<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	17,177	20,242	3,424	116	87,239	128,198
Inter-segment sales	4	2,308	-	-	117	2,429
Total revenue	17,181	22,5507	3,424	116	87,356	130,627
<u>Segment Results</u>						
Operating profit/(loss)	4,004	3,241	461	(194)	37,116	44,628
Interest income						183
Finance cost						(230)
Profit before taxation						44,581

#### Current Year-to-date 30 June 2022

<u>Segment Revenue</u>						
External sales	31,591	36,559	6,756	286	172,152	247,344
Inter-segment sales	30	3,398	-	-	320	3,748
Total revenue	31,621	39,957	6,756	286	172,472	251,092



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### Current Year-to-date 30 June 2022

	<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)	7,539	5,027	908	(293)	72,349	-	85,530
Interest income							327
Finance cost							(416)
Profit before taxation							<u>85,441</u>
<u>Assets</u>							
Non-current assets							
- Property, plant and equipment	18,122	16,240	1,642	778	184,885	-	221,667
- Right-of-use assets	7,046	4,552	334	783	20,933	-	33,648
- Deferred tax assets	-	-	5	-	1,875	-	1,880
- Goodwill	-	33,761	-	-	-	-	33,761
Current assets	32,146	25,857	21,199	424	354,405	26,618	<u>460,649</u>
Consolidated total assets							<u>751,605</u>
<u>Liabilities</u>							
Tax liabilities	3,331	1,473	203	-	18,446	-	23,453
Segment liabilities	17,815	18,526	4,641	9,845	143,514	(15,792)	<u>178,549</u>
Consolidated total liabilities							<u>202,002</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:

	<b>Current Quarter 30 Jun 2022 RM'000</b>	<b>Current Year-to-date 30 Jun 2022 RM'000</b>
Interest income	183	327
Foreign exchange gain	1,650	2,567
Gain on disposal of property, plant and equipment	15	32
Depreciation of property, plant and equipment	(3,503)	(6,761)
Depreciation of right-of-use assets	(846)	(1,677)
Interest expense	(230)	(416)

**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 June 2022, 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**

	<b>As at 30 Jun 2022 RM'000</b>
Cash at bank	255,583
Cash on hand	83
Fixed deposits with licensed banks	27,128
Short-term investments – unit trust	11,566
	294,360
Less: Fixed deposits pledged with banks	(490)
Less: Fixed deposits with maturity period more than 3 months	(25,638)
	268,232

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**A15. Significant related party transactions**

	<b>Current Quarter 30 Jun 2022</b>	<b>Current Year-to-date 30 Jun 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Sales to AMT	7	13
Sales to A&I	-	5
Sales to TTM	1	2
Purchase from AMT	-	1
Purchase from TTM	74	104
Rental payable to AMT	36	72
Rental payable to a director of a subsidiary	30	60

<b>Name of Related Parties</b>	<b>Relationship</b>
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&amp;I</i>	<i>A&amp;I Engine Rebuilders Sdn Bhd</i>	<i>TTM</i>	<i>Tenaga-Tech (M) Sdn Bhd</i>
<i>TTES</i>	<i>TTES Frontken Integrated Services 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:

	<b>As at 30 Jun 2022</b>
	<b>RM'000</b>
Plant and equipment	4,611

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**

**B1. Analysis of performance**

Current quarter's performance against the quarter ended 30 June 2021

The Group's revenue for the current quarter ended 30 June 2022 increased by approximately RM19.6 million (18%) compared to the preceding year corresponding period mainly due to bigger contributions by our subsidiaries in Taiwan, Malaysia and Singapore. Volume in the semi-conductor space picked up significantly due to higher demand and strong orders from our customers which benefited our Taiwan subsidiary.

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 also benefitted from the improvement in the oil and gas business.

Against the same period last year, the profit after tax ("PAT") increased by approximately RM8.1 million (30%) as a result of improved revenue and better profit margin resulting from the continual efforts to improve efficiency across the Group.

Current 6 months period's performance against the 6 months period ended 30 June 2021

The Group's revenue of RM247.3 million for the current period ended 30 June 2022 was RM35.2 million (17%) higher than that achieved in the preceding year corresponding period. The improvement was mainly due to better performances from the Group's subsidiaries in Taiwan, Malaysia and Singapore due to the positive growth in their respective businesses.

Against the same period last year, the PAT for the Group increased by RM11.9 million (23%) as a result of higher revenue and strict cost management.

**B2. Comparison with immediate preceding quarter**

	<b>2nd Quarter 30 Jun 2022</b>	<b>1st Quarter 31 Mar 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	128,198	119,146
Profit before tax	44,581	40,860
Profit after tax	35,056	28,787
Profit attributable to owners of the Company	32,201	26,515

The Group's revenue was 8% or approximately RM9.1 million higher sequentially due to improved business performance by our subsidiaries in Taiwan, Malaysia and Singapore.

The Group's improved unaudited PAT for the current quarter was partly attributable to our continual efforts in improving our production processes leading to better efficiency and cost management.

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**B3. Prospects**

The Group achieved a remarkable second quarter and first half results with an increase of 30% and 23% respectively in its PAT compared to the preceding year corresponding period, mainly attributable to the significant growth in our semi-conductor business.

Semiconductors are a crucial element in modern electronics, making up an important component of many commonly used electronic devices including smartphones, high performance computers, tablets, and PCs – essentially all modern devices that many of us have become so highly dependent on in our everyday life. The World Semiconductor Trade Statistics (WSTS) has released its new semiconductor market forecast generated in May 2022 where the global semiconductor market is expected to increase 16.3% in 2022. Following the strong growth of 26.2% in the year 2021, WSTS expects another year of double-digit growth for the global semiconductor market in 2022 with a forecast of USD646 billion, up 16.3%. The global semiconductor market is expected to grow further in 2023. We believe the persistent high demand of chips will be positive for our semiconductor business in years to come where continuing high demand for the same will necessitate more chip research, design and manufacturing in the years ahead.

As for the oil and gas industry, we are cautiously optimistic that our business will be stronger compared to last year due to increased orders from the various 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 this momentum will continue for the rest of this year.

Amidst the promising business developments, we are cautiously optimistic that our performance in 2022 will be good and we are very excited with what lies ahead of 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**

	<b>Current Quarter 30 Jun 2022</b>	<b>Current Year-to-date 30 Jun 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax	9,536	21,630
Deferred tax	(11)	(32)
	9,525	21,598

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.

**B6. Status of corporate proposals**

There were no corporate proposals that were announced but not completed.

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**B7. Group borrowings**

The Group's borrowings as at 30 June 2022 are as follows:

	As at 30 Jun 2022		As at 30 Jun 2021	
	Foreign currencies RM'000	RM'000	Foreign currencies RM'000	RM'000
<u>Short term</u>				
Lease liabilities				
- New Taiwan Dollar	401	401	286	286
- Philippine Peso	361	361	1,109	1,109
- Singapore Dollar	468	468	434	434
- Ringgit Malaysia	-	517	-	348
		1,747		2,177
<u>Long term</u>				
Lease liabilities				
- New Taiwan Dollar	20,613	20,613	568	568
- Singapore Dollar	7,150	7,150	7,437	7,437
- Ringgit Malaysia	-	1,185	-	814
- Philippine Peso	-	-	382	382
		30,695		11,378

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 Jun 2022			
<u>Currency</u>			
Singapore Dollar	468	7,150	7,618
New Taiwan Dollar	401	20,613	21,014
Philippine Peso	361	-	361
	1,230	27,763	28,993
As at 30 Jun 2021			
<u>Currency</u>			
Singapore Dollar	434	7,437	7,871
New Taiwan Dollar	286	568	854
Philippine Peso	1,109	382	1,491
	1,829	8,387	10,216

**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 20 July 2022.

**FRONTKEN CORPORATION BERHAD**

(Co. No. 651020-T)  
(Incorporated in Malaysia)

**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.

	<b>Current Quarter</b>	<b>Preceding Corres- ponding Quarter</b>	<b>Current Year-to- date</b>	<b>Preceding Corres- ponding Year-to- date</b>
Profit attributable to owners of the Company (RM'000)	32,201	24,738	58,716	47,652
Number of shares in issue ('000)	1,580,153	1,580,153	1,580,153	1,580,153
Effects of: Treasury shares acquired ('000)	(9,201)	(8,575)	(9,201)	(8,313)
Weighted average number of shares in issue ('000)	1,570,952	1,571,578	1,570,952	1,571,840
Basic EPS (sen)	2.05	1.57	3.74	3.03

**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 and hence, the diluted earnings per share is equal to the basic earnings per share.

**B10. Dividends**

The Board is pleased to announce a first single tier dividend of 1.6 sen per ordinary share in respect of the financial year ending 31 December 2022. The entitlement and payment dates will be announced at a later date.

By Order of the Board  
Frontken Corporation Berhad

Ng Wai Pin  
Chairman  
28 July 2022