

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 2022

(The figures have not been audited)

	Individual Quarter				Cumulative Quarter			
	Current Year Quarter 30 Sept 2022 RM '000	Preceding Year Corresponding Quarter 30 Sept 2021 RM '000	Changes RM'000 (%)		Current Year To-date 30 Sept 2022 RM '000	Preceding Year Corresponding Period 30 Sept 2021 RM '000	Changes RM'000 (%)	
Revenue	134,566	116,592	17,974	15	381,910	328,735	53,175	16
Operating expenses	(84,420)	(75,279)	(9,141)	12	(242,187)	(211,808)	(30,379)	14
Profit before depreciation and finance costs	50,146	41,313	8,833	21	139,723	116,927	22,796	19
Depreciation	(4,485)	(4,535)			(12,923)	(13,393)		
Finance costs	(186)	(134)			(602)	(431)		
Other operating income	3,362	1,472			8,080	4,605		
Profit before tax	48,837	38,116	10,721	28	134,278	107,708	26,570	25
Taxation	(10,803)	(8,141)	(2,662)	33	(32,401)	(25,831)	(6,570)	25
Profit after tax	38,034	29,975	8,059	27	101,877	81,877	20,000	24
Profit after tax attributable to :								
Owners of the Company	34,733	27,304	7,429	27	93,449	74,956	18,493	25
Non-controlling interests	3,301	2,671			8,428	6,921		
Profit for the period	38,034	29,975			101,877	81,877		
Profit for the period	38,034	29,975			101,877	81,877		
Other comprehensive expenses:								
Foreign currency translation	(5,396)	2,206			(10,703)	15,531		
Total comprehensive income for the period	32,638	32,181			91,174	97,408		
Total comprehensive income attributable to:								
Owners of the Company	29,785	29,235			83,640	89,225		
Non-controlling interests	2,853	2,946			7,534	8,183		
Total comprehensive income for the period	32,638	32,181			91,174	97,408		
Earnings per share attributable to equity holders of the company :								
Basic (sen)	2.21	1.74			5.95	4.77		

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 2021.

FRONTKEN CORPORATION BERHAD

(Co. No. 651020-T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

(The figures have not been audited)

	Unaudited	Audited
	<u>30 Sept 2022</u>	<u>31 Dec 2021</u>
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	229,097	197,795
Right-of-use assets	32,778	24,471
Long-term investments	2,007	-
Goodwill on consolidation	33,761	33,761
Deferred tax assets	1,854	1,909
Total non-current assets	<u>299,497</u>	<u>257,936</u>
Current assets		
Inventories	22,614	19,608
Trade receivables	137,078	115,600
Other receivables, deposits and prepaid expenses	10,710	10,124
Short-term investments	1,532	51,738
Fixed deposits with licensed banks	30,384	14,008
Cash and bank balances	264,028	249,621
Total current assets	<u>466,346</u>	<u>460,699</u>
Total assets	<u>765,843</u>	<u>718,635</u>
EQUITY AND LIABILITIES		
Capital and reserve		
Share capital	118,441	118,441
Treasury shares	(4,748)	(4,748)
Reserves	404,149	387,162
Equity attributable to owners of the Company	<u>517,842</u>	<u>500,855</u>
Non-controlling interests	38,004	34,225
Total equity	<u>555,846</u>	<u>535,080</u>
Non-current liabilities		
Lease liabilities	28,585	18,749
Other payables	2,830	2,931
Deferred tax liabilities	528	615
Total non-current liabilities	<u>31,943</u>	<u>22,295</u>
Current liabilities		
Trade payables	27,427	21,463
Other payables and accrued expenses	130,660	115,273
Lease liabilities	1,232	2,560
Current tax liabilities	18,735	21,964
Total current liabilities	<u>178,054</u>	<u>161,260</u>
Total liabilities	<u>209,997</u>	<u>183,555</u>
Total equity and liabilities	<u>765,843</u>	<u>718,635</u>
Net assets per share attributable to owners of the parents (RM)	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 THIRD QUARTER ENDED 30 SEPTEMBER 2022

(The figures have not been audited)

	{--- Non-distributable ---}			Distributable				Total RM'000
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Statutory reserve RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000	Non-controlling interests 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:			9,809					
Foreign currency translation	-	-	(9,809)	-	-	(9,809)	(894)	(10,703)
Profit for the period	-	-	-	-	93,449	93,449	8,428	101,877
Total comprehensive income for the period	-	-	(9,809)	-	93,449	83,640	7,534	91,174
Dividend:								
- by the Company	-	-	-	-	(64,409)	(64,409)	-	(64,409)
- by subsidiaries to non-controlling interests	-	-	-	-	-	-	(1,260)	(1,260)
Transfer to statutory reserve	-	-	-	9,389	(9,389)	-	-	-
Changes in ownership interests in a subsidiary that do not result in loss of control	-	-	-	-	(2,244)	(2,244)	(2,495)	(4,739)
Balance at 30 September 2022	118,441	(4,748)	44,468	33,906	325,775	517,842	38,004	555,846

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

	{--- Non-distributable ---}			Distributable				Total RM'000
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Statutory reserve RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000	Non-controlling interests 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)
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
Transfer to statutory reserve	-	-	-	6,776	(6,776)	-	-	-
Striking off of subsidiary	-	-	774	-	(774)	-	-	-
Balance at 30 September 2021	118,441	(4,748)	54,174	24,480	281,017	473,364	35,222	508,586

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	30 Sept 2022 RM'000	30 Sept 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	134,278	107,708
Adjustments for:		
Depreciation of property, plant and equipment	10,487	11,017
Depreciation of right-of-use assets	2,436	2,376
Interest expense	602	431
Unrealised gain on foreign exchange	(4,116)	(244)
Interest income	(612)	(627)
Gain on disposal of property, plant and equipment	(32)	(22)
Writeback of allowance for impairment losses on trade receivables	-	(205)
Plant and equipment written off	-	3
Allowance for impairment losses on receivables	-	66
Operating profit before working capital changes	143,043	120,503
Inventories	(3,502)	(471)
Trade receivables	(22,795)	(13,641)
Other receivables, deposits and prepaid expenses	(840)	(3,388)
Trade payables	6,290	(1,050)
Other payables and accrued expenses	18,796	9,350
Cash generated from operations	140,992	111,303
Taxes paid	(35,405)	(27,547)
Net cash from operating activities	105,587	83,756
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	612	627
Additional investment in an existing subsidiary	(4,739)	-
Purchase of property, plant and equipment	(46,277)	(58,803)
Investment	(2,007)	-
Proceeds from disposal of property, plant and equipment	32	22
Net placement of fixed deposits with licensed banks	(15,090)	(8)
Net cash for investing activities	(67,469)	(58,162)

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	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	30 Sept 2022 RM'000	30 Sept 2021 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(602)	(431)
Dividend paid by the Company	(64,409)	(52,907)
Dividend paid by a subsidiary to non-controlling interests	(2,085)	(341)
Drawdown of term loans	2,591	-
Repayment of term loans	(2,591)	-
Share issuance expenses	-	(484)
Payment of lease liabilities	(2,267)	(2,452)
Treasury shares acquired	-	(4,120)
Net proceeds from disposal of treasury shares	-	1,655
Net cash for financing activities	(69,363)	(59,080)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(31,245)	(33,486)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	302,359	299,801
EFFECT OF EXCHANGE DIFFERENCES	(2,935)	11,025
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	268,179	277,340
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	264,028	267,554
Fixed deposits with licensed banks	30,384	14,000
Short-term investments	1,532	8,786
	295,944	290,340
Less: Fixed deposits pledged with banks	(502)	(476)
Less: Fixed deposits with maturity more than 3 months	(27,263)	(12,524)
Cash and cash equivalents	268,179	277,340

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 2021.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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.

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 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 September 2022, the Company paid the following dividend:

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

First single-tier dividend on 20 September 2022, in respect of the financial year ending 31 December 2022, of 1.6 sen per share on 1,570,951,425 ordinary shares amounting to RM25,135,222.

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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 2022 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

Current Quarter 30 September 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	16,070	25,149	3,662	158	89,527	134,566
Inter-segment sales	14	1,669	-	-	30	1,713
Total revenue	16,084	26,818	3,662	158	89,557	136,279
<u>Segment Results</u>						
Operating profit/(loss)	4,174	5,958	519	(68)	38,155	48,738
Interest income						285
Finance cost						(186)
Profit before taxation						48,837

Current Year-to-date 30 September 2022

<u>Segment Revenue</u>						
External sales	47,661	61,708	10,418	444	261,679	381,910
Inter-segment sales	44	5,067	-	-	350	5,461
Total revenue	47,705	66,775	10,418	444	262,029	387,371

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Current Year-to-date 30 September 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)	11,713	10,985	1,427	(361)	110,504	-	134,268
Interest income							612
Finance cost							(602)
Profit before taxation							<u>134,278</u>
<u>Assets</u>							
Non-current assets							
- Property, plant and equipment	19,620	15,993	1,706	778	191,000	-	229,097
- Right-of-use assets	7,061	4,426	82	804	20,405	-	32,778
- Investments	-	-	-	-	2,007	-	2,007
- Deferred tax assets	-	-	5	-	1,849	-	1,854
- Goodwill	-	33,761	-	-	-	-	33,761
Current assets	34,820	22,588	21,810	329	361,912	24,887	466,346
Consolidated total assets							<u>765,843</u>
<u>Liabilities</u>							
Tax liabilities	3,208	1,446	312	-	14,297	-	19,263
Segment liabilities	17,934	22,159	4,881	10,053	153,270	(17,563)	190,734
Consolidated total liabilities							<u>209,997</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 2022 RM'000	Current Year-to-date 30 Sept 2022 RM'000
Interest income	285	612
Foreign exchange gain	2,301	4,868
Gain on disposal of property, plant and equipment	-	32
Depreciation of property, plant and equipment	(3,726)	(10,487)
Depreciation of right-of-use assets	(759)	(2,436)
Interest expense	(186)	(602)

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 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

	As at 30 Sept 2022 RM'000
Cash at bank	263,944
Cash on hand	84
Fixed deposits with licensed banks	30,384
Short-term investments – unit trust	1,532
	295,944
Less: Fixed deposits pledged with banks	(502)
Less: Fixed deposits with maturity period more than 3 months	(27,263)
	268,179

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A15. Significant related party transactions

	Current Quarter 30 Sept 2022	Current Year-to-date 30 Sept 2022
	RM'000	RM'000
Sales to AMT	14	27
Sales to A&I	27	32
Sales to TTM	2	4
Purchase from AMT	-	1
Purchase from TTM	25	129
Rental payable to AMT	36	108
Rental payable to a director of a subsidiary	30	90

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>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:

	As at 30 Sept 2022
	RM'000
Plant and equipment	1,978

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Analysis of performance

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

The Group's revenue for the current quarter ended 30 September 2022 increased by approximately RM18.0 million (15.4%) compared to the preceding year corresponding period mainly due to better contributions from nearly all our subsidiaries. Our Taiwan semiconductor business continued to benefit from the higher demand in the semiconductor space. The improvement in the Group's local business was largely due to pick-up in orders for its maintenance and repair services of mechanical rotating equipment and manpower supply through its various contracts that it has with Petronas Group of Companies. Our engineering division in Singapore also saw an increase in its activities partly attributable to the improvement in the oil and gas industry.

Despite having to pay a withholding tax of RM1.9 million imposed on the dividend declared by our Taiwan subsidiary, the Group's profit after tax ("PAT") for the current quarter increased by approximately RM8.1 million (26.9%) compared to the preceding year corresponding quarter as a result of improved revenue and better profit margin resulting from the continual efforts to improve efficiency across the Group. If we were to remove the withholding tax impact, for a like-for-like comparison, the current quarter PAT would have been RM40.0 million compared to RM30.0 million achieved in the preceding year corresponding quarter; an increase of 33.4%.

Current 9 months period's performance against the 9 months period ended 30 September 2021

The Group's revenue of RM381.9 million for the current period ended 30 September 2022 was RM53.2 million (16.2%) 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 RM20.0 million (24.4%) as a result of higher revenue and strict cost management. If we were to remove the withholding tax impact, the current period PAT would have been RM103.8 million compared to RM81.9 million achieved in the preceding year corresponding period; an increase of 26.8%.

B2. Comparison with immediate preceding quarter

	3rd Quarter 30 Sept 2022	2nd Quarter 30 Jun 2022
	RM'000	RM'000
Revenue	134,566	128,198
Profit before tax	48,837	44,581
Profit after tax	38,034	35,056
Profit attributable to owners of the Company	34,733	32,201

The Group's revenue was 5% or approximately RM6.4 million higher sequentially mainly due to better contributions from nearly all our subsidiaries.

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The Group's PAT for the current quarter increased by RM3.0 million (8.5%) compared to the immediate preceding quarter. If we were to remove the withholding tax impact, for a like-for-like comparison, the current quarter PAT would have been RM40.0 million compared to RM35.1 million achieved in the immediate preceding quarter; an increase of 14.0%.

B3. Prospects

The Group achieved a remarkable record third quarter results with a 26.9% and 8.5% increase respectively in its PAT compared to the preceding year corresponding quarter and immediate preceding quarter mainly attributable to the significant growth in all our businesses.

The World Semiconductor Trade Statistics (WSTS) has re-calculated its semiconductor market forecast in August 2022 where the global semiconductor market is expected to increase 13.9% in 2022 instead of 16.3% forecasted in May 2022. Despite the revised forecast, WSTS expects the global semiconductor market to grow further in 2023.

While the semiconductor industry is seeing demand cringes as inventory adjustments continue in the customer electronics sector and macroeconomic growth slows, one of our major customers in Taiwan expects the end market demand weakens and customers' ongoing inventory adjustment will be balanced by continued ramp-up for their industry-leading advance technologies. We believe the persistent 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 strong for the remaining months in 2022 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.

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

	Current Quarter 30 Sept 2022	Current Year-to-date 30 Sept 2022
	RM'000	RM'000
Income tax	8,910	30,540
Deferred tax	(50)	(82)
Withholding tax	1,943	1,943
	<u>10,803</u>	<u>32,401</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

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

B7. Group borrowings

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

	As at 30 Sept 2022		As at 30 Sept 2021	
	Foreign currencies RM'000	RM'000	Foreign currencies RM'000	RM'000
<u>Short term</u>				
Lease liabilities				
- New Taiwan Dollar	198	198	309	309
- Philippine Peso	89	89	1,086	1,086
- Singapore Dollar	485	485	438	438
- Ringgit Malaysia	-	460	-	192
		1,232		2,025
<u>Long term</u>				
Lease liabilities				
- New Taiwan Dollar	20,323	20,323	1,524	1,524
- Singapore Dollar	7,192	7,192	7,294	7,294
- Ringgit Malaysia	-	1,070	-	791
- Philippine Peso	-	-	93	93
		29,817		11,727

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 Sept 2022			
<u>Currency</u>			
Singapore Dollar	485	7,192	7,677
New Taiwan Dollar	198	20,323	20,521
Philippine Peso	89	-	89
	772	27,515	28,287
As at 30 Sept 2021			
<u>Currency</u>			
Singapore Dollar	438	7,294	7,732
New Taiwan Dollar	309	1,524	1,833
Philippine Peso	1,086	93	1,179
	1,833	8,911	10,744

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 24 October 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.

	Current Quarter	Preceding Corres- ponding Quarter	Current Year-to- date	Preceding Corres- ponding Year-to- date
Profit attributable to owners of the Company (RM'000)	34,733	27,304	93,449	74,956
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)	(9,201)	(9,201)	(8,612)
Weighted average number of shares in issue ('000)	1,570,952	1,570,952	1,570,952	1,571,541
Basic EPS (sen)	2.21	1.74	5.95	4.77

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

No dividend was declared for the current quarter ended 30 September 2022.

By Order of the Board
Frontken Corporation Berhad

Ng Wai Pin
Chairman
1 November 2022