

**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 2023**

(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30 Jun 2023 RM '000	Preceding Year Corresponding Quarter 30 Jun 2022 RM '000	Changes RM'000 (%)	Current Year To-date 30 Jun 2023 RM '000	Preceding Year Corresponding Period 30 Jun 2022 RM '000	Changes RM'000 (%)
Revenue	121,152	128,198	(7,046) (5)	235,139	247,344	(12,205) (5)
Operating expenses	<u>(75,627)</u>	<u>(81,755)</u>	6,128 (7)	<u>(151,771)</u>	<u>(157,767)</u>	5,996 (4)
Profit before depreciation and finance costs	45,525	46,443	(918) (2)	83,368	89,577	(6,209) (7)
Depreciation	(5,050)	(4,349)		(9,885)	(8,438)	
Finance costs	(246)	(230)		(619)	(416)	
Other operating income	4,080	2,717		6,573	4,718	
Profit before tax	44,309	44,581	(272) (1)	79,437	85,441	(6,004) (7)
Taxation	<u>(9,327)</u>	<u>(9,525)</u>	198 (2)	<u>(18,323)</u>	<u>(21,598)</u>	3,275 (15)
Profit after tax	<u>34,982</u>	<u>35,056</u>	(74) (0)	<u>61,114</u>	<u>63,843</u>	(2,729) (4)
Profit after tax attributable to :						
Owners of the Company	31,914	32,201	(287) (1)	55,498	58,716	(3,218) (5)
Non-controlling interests	<u>3,068</u>	<u>2,855</u>		<u>5,616</u>	<u>5,127</u>	
Profit for the period	<u>34,982</u>	<u>35,056</u>		<u>61,114</u>	<u>63,843</u>	
Profit for the period	34,982	35,056		61,114	63,843	
Other comprehensive income:						
Foreign currency translation	18,667	3,504		22,391	(5,307)	
Total comprehensive income for the period	<u>53,649</u>	<u>38,560</u>		<u>83,505</u>	<u>58,536</u>	
Total comprehensive income attributable to:						
Owners of the Company	49,385	35,489		76,494	53,855	
Non-controlling interests	<u>4,264</u>	<u>3,071</u>		<u>7,011</u>	<u>4,681</u>	
Total comprehensive income for the period	<u>53,649</u>	<u>38,560</u>		<u>83,505</u>	<u>58,536</u>	
Earnings per share attributable to equity holders of the company :						
Basic (sen)	<b>2.03</b>	<b>2.05</b>		<b>3.53</b>	<b>3.74</b>	

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 2022.

**FRONTKEN CORPORATION BERHAD**

(Co. No. 651020-T)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

(The figures have not been audited)

	<b>Unaudited 30 Jun 2023 RM'000</b>	<b>Audited 31 Dec 2022 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	238,259	229,265
Right-of-use assets	36,708	35,561
Other receivables and prepaid expenses	145	161
Goodwill on consolidation	33,761	33,761
Deferred tax assets	1,506	1,447
<b>Total non-current assets</b>	<b>310,379</b>	<b>300,195</b>
<b>Current assets</b>		
Inventories	28,302	21,282
Trade receivables	129,592	124,086
Other receivables, deposits and prepaid expenses	10,965	17,752
Current tax assets	-	-
Short-term investments	18,698	11,985
Fixed deposits with licensed banks	25,279	13,161
Cash and bank balances	336,740	317,359
<b>Total current assets</b>	<b>549,576</b>	<b>505,625</b>
<b>Total assets</b>	<b>859,955</b>	<b>805,820</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserve</b>		
Share capital	118,441	118,441
Treasury shares	(4,748)	(4,748)
Reserves	470,294	434,775
Equity attributable to owners of the Company	583,987	548,468
Non-controlling interests	46,316	39,454
<b>Total equity</b>	<b>630,303</b>	<b>587,922</b>
<b>Non-current liabilities</b>		
Borrowings	106	-
Lease liabilities	30,896	30,030
Other payables	337	826
Deferred tax liabilities	1,118	1,142
<b>Total non-current liabilities</b>	<b>32,457</b>	<b>31,998</b>
<b>Current liabilities</b>		
Trade payables	26,391	27,661
Other payables and accrued expenses	148,059	111,668
Borrowings	63	19,720
Lease liabilities	3,371	2,886
Current tax liabilities	19,311	23,965
<b>Total current liabilities</b>	<b>197,195</b>	<b>185,900</b>
<b>Total liabilities</b>	<b>229,652</b>	<b>217,898</b>
<b>Total equity and liabilities</b>	<b>859,955</b>	<b>805,820</b>
<b>Net assets per share attributable to owners of the parents (RM)</b>	<b>0.37</b>	<b>0.35</b>

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 2022.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023**

(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	Share grant plan reserve RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	
Balance at 1 January 2023	118,441	(4,748)	39,624	33,862	4,184	357,105	548,468	39,454	587,922
Other comprehensive income recognised for the period:									
Foreign currency translation	-	-	20,996	-	-	-	20,996	1,395	22,391
Profit for the period	-	-	-	-	-	55,498	55,498	5,616	61,114
Total comprehensive income for the period	-	-	20,996	-	-	55,498	76,494	7,011	83,505
Dividend - by the Company	-	-	-	-	-	(40,845)	(40,845)	-	(40,845)
Transfer to statutory reserve	-	-	-	11,609	-	(11,609)	-	-	-
Changes in ownership interests in a subsidiary that do not result in loss of control	-	-	-	-	-	(130)	(130)	(149)	(279)
<b>Balance at 30 June 2023</b>	<b>118,441</b>	<b>(4,748)</b>	<b>60,620</b>	<b>45,471</b>	<b>4,184</b>	<b>360,019</b>	<b>583,987</b>	<b>46,316</b>	<b>630,303</b>

**CORRESPONDING PERIOD CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022**

	<----- Non-distributable ----->					Distributable			Total RM'000
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Statutory reserve RM'000	Share grant plan 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:									
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>-</b>	<b>316,145</b>	<b>513,192</b>	<b>36,411</b>	<b>549,603</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 PERIOD ENDED 30 JUNE 2023**

(The figures have not been audited)

	<b>CUMULATIVE QUARTER</b>	
	<b>Current Period To Date</b>	<b>Preceding Corresponding Period</b>
	<b>30 Jun 2023 RM'000</b>	<b>30 Jun 2022 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	79,437	85,441
Adjustments for:		
Depreciation of property, plant and equipment	8,069	6,761
Depreciation of right-of-use assets	1,816	1,677
Interest expense	619	416
Unrealised gain on foreign exchange	(1,467)	(2,305)
Interest income	(2,196)	(327)
Gain on disposal of short-term investment	(175)	-
Gain on disposal of property, plant and equipment	(898)	(32)
Reversal of allowance for impairment losses on receivables	(26)	-
Fair value gain on short-term investments	(555)	-
Inventories written down	27	-
Operating profit before working capital changes	84,651	91,631
Inventories	(6,244)	(1,100)
Trade receivables	(820)	(19,787)
Other receivables, deposits and prepaid expenses	7,584	(1,201)
Trade payables	(2,098)	2,369
Other payables and accrued expenses	(9,115)	8,258
Cash generated from operations	73,958	80,170
Taxes paid	(23,791)	(20,521)
Net cash from operating activities	50,167	59,649
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	2,196	327
Additional investment in an existing subsidiary	(279)	(4,739)
Purchase of property, plant and equipment	(8,174)	(32,893)
Proceeds from disposal of short-term investments	1,151	-
Proceeds from disposal of property, plant and equipment	920	32
Net withdrawal/(placement) of fixed deposits with licensed banks	(6,804)	(13,296)
Net cash for investing activities	(10,990)	(50,569)

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	<b>CUMULATIVE QUARTER</b>	
	<b>Current Period To Date</b>	<b>Preceding Corresponding Period</b>
	<b>30 Jun 2023 RM'000</b>	<b>30 Jun 2022 RM'000</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Interest paid	(619)	(416)
Dividend paid by the Company	-	(39,274)
Dividend paid by a subsidiary to non-controlling interests	-	(825)
Drawdown of term loans	-	2,532
Repayment of term loans	(20,645)	(2,532)
Payment of lease liabilities	(1,497)	(1,510)
Net cash for financing activities	(22,761)	(42,025)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	16,416	(32,945)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	327,441	302,359
<b>EFFECT OF EXCHANGE DIFFERENCES</b>	14,815	(1,182)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	358,672	268,232
<b>THE CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	336,740	255,666
Fixed deposits with licensed banks	25,279	27,128
Short-term investments - money market fund	16,112	11,566
	378,131	294,360
Less: Fixed deposits pledged with banks	(533)	(490)
Less: Fixed deposits with maturity more than 3 months	(18,926)	(25,638)
Cash and cash equivalents	358,672	268,232

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 2022.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023****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 2022.

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 2022.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2022 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2023. 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 2022 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 June 2023, 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 2023, the Company announced the following dividend:

Second single-tier dividend on 2 June 2023, of 2.6 sen per share on 1,570,951,425 ordinary shares, to be paid on 13 July 2023, in respect of the financial year ended 31 December 2022 amounting to RM40,844,736.



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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 2023 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

**Current Quarter  
30 June 2023**

	<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 revenue	15,284	22,808	3,619	(7)	79,448	121,152
Inter-companies revenue	17	1,876	-	-	44	1,937
Total revenue	15,301	24,684	3,619	(7)	79,492	123,089

Segment Results

Operating profit	2,699	4,065	471	876	35,201	43,312
Interest income						1,243
Finance cost						(246)
Profit before taxation						44,309

**Current Year-to-date  
30 June 2023**

<u>Segment Revenue</u>						
External revenue	28,912	45,372	7,332	60	153,463	235,139
Inter-companies revenue	40	3,579	-	-	62	3,681
Total revenue	28,952	48,951	7,332	60	153,525	238,820





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**Current Year-to-date  
30 June 2023**

	<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	4,316	7,414	1,013	1,276	63,841	-	77,860
Interest income							2,196
Finance cost							(619)
Profit before taxation							<u>79,437</u>
<u>Assets</u>							
Non-current assets							
- Property, plant and equipment	20,772	16,038	1,627	723	199,099	-	238,259
- Right-of-use assets	7,164	4,096	3,016	823	21,609	-	36,708
- Deferred tax assets	-	-	12	-	1,494	-	1,506
- Goodwill	-	33,761	-	-	-	-	33,761
- Other receivables	-	-	-	-	145	-	145
Current assets	42,813	28,358	23,217	711	426,473	28,004	<u>549,576</u>
Consolidated total assets							<u>859,955</u>
<u>Liabilities</u>							
Tax liabilities	2,738	1,964	257	-	15,470	-	20,429
Segment liabilities	17,790	61,271	6,696	9,863	128,482	(14,879)	<u>209,223</u>
Consolidated total liabilities							<u>229,652</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 2023 RM'000</b>	<b>Current Year-to-date 30 Jun 2023 RM'000</b>
Interest income	1,243	2,196
Fair value gain on short-term investments	190	555
Foreign exchange gain	1,566	1,189
Gain on disposal of property, plant and equipment	898	898
Gain on disposal of short-term investments	2	175
Reversal of allowance for impairment losses on receivables	26	26
Depreciation of property, plant and equipment	(4,137)	(8,069)
Depreciation of right-of-use assets	(913)	(1,816)
Interest expense	(246)	(619)
Inventories written down	(32)	(27)

**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**

Save as disclosed below, there were no changes in the composition of the Group for the current quarter under review.

In the month of June 2023, the Company acquired 10,300 ordinary shares of NT\$10 each representing 0.03% of the issued and paid-up share capital of Ares Green Technology Corporation ("AGTC") for a total cash consideration of NT\$1,854,000 (equivalent to RM279,113). Following the acquisition, the Group's interest in AGTC increased to 92.53%.

**A13. Contingent liabilities**

As at 30 June 2023, the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position of the Group.

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**A14. Cash and cash equivalents**

	<b>As at 30 Jun 2023</b>
	<b>RM'000</b>
Cash at bank	336,673
Cash on hand	67
Fixed deposits with licensed banks	25,279
Short-term investments – unit trust	16,112
	378,131
Less: Fixed deposits pledged with banks	(533)
Less: Fixed deposits with maturity period more than 3 months	(18,926)
	<b>358,672</b>

**A15. Significant related party transactions**

	<b>Current Quarter 30 Jun 2023</b>	<b>Current Year-to-date 30 Jun 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Sales to AMT	4	7
Sales to A&I	9	21
Sales to TTM	-	14
Purchase from TTM	7	16
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:

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

**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 2023</b>
	<b>RM'000</b>
Plant and equipment	4,551

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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 June 2022

The Group's revenue for the current quarter ended 30 June 2023 decreased by approximately RM7.0 million or 5% compared to the preceding year corresponding quarter. Our subsidiaries in Taiwan and Singapore recorded a slightly lower revenue compared to the preceding year corresponding quarter due partly to weaker demand from our semiconductor customers flowing on from the first quarter.

However, the Group's subsidiaries in Malaysia performed better due to the improvement in the oil and gas industry. 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.

Despite having a lower revenue, the profit after tax ("PAT") of RM35.0 million for current quarter was approximately the same as the corresponding quarter. This is mainly contributed by the interest income earned from placements with financial institutions amounting to RM1.2 million as compared to RM0.2 million interest income in the previous corresponding quarter and gain on disposal of plant and equipment of RM0.9 million. However, the foreign exchange gain was slightly lower compared to the corresponding quarter.

Current 6 months period's performance against the 6 months period ended 30 June 2022

The Group's revenue of RM235.1 million for the current period ended 30 June 2023 was RM12.2 million or 5% lower than that achieved in the previous corresponding period. This is mainly due to lower demand from our semiconductor customers.

Against the same period last year, the PAT for the Group decreased by 4% or RM2.7 million as a result of weaker operating environment particularly in the first quarter of this year.

**B2. Comparison with immediate preceding quarter**

	<b>2nd Quarter 30 Jun 2023</b>	<b>1st Quarter 31 Mar 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	121,152	113,987
Profit before tax	44,309	35,128
Profit after tax	34,982	26,132
Profit attributable to owners of the Company	31,914	23,584

The Group's revenue was 6% or approximately RM7.2 million higher during the current quarter as compared to the immediate preceding quarter mainly due to improved performance by our subsidiaries in Taiwan, Singapore and Malaysia. Consequently, the PAT also increased significantly by 34% or RM8.9 million. Likewise, the profit attributable to the shareholders also increased by 35%.

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**B3. Prospects**

The Semiconductor Industry Association (“SIA”) announced that the global semiconductor industry sales during the month of May 2023 totaled USD40.7 billion, an increase of 1.7% compared to April 2023 but 21.1% less than May 2022. Despite continuing market sluggishness compared to 2022, month-to-month global semiconductor sales inched upward in May for the third consecutive month, sparking optimism for a bigger market demand during the traditionally stronger second half of the year. To that end, we are hopeful to see more activities in our new second facilities in Taiwan.

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.

The Group remains prudent on the overall business conditions in the second half of the year despite the positive overview from SIA, considering the current geopolitical tension, rising interest rates and inflationary pressure. We will continue to focus our attention on the quality of our services to our customers and efficiencies in our operation so as to maintain our competitiveness and to deliver long term value to our stakeholders.

**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 2023</b>	<b>Current Year-to-date 30 Jun 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax	9,368	18,386
Deferred tax	(41)	(63)
	<u>9,327</u>	<u>18,323</u>

The Group’s effective tax rate for the period under review is lower than the statutory tax rate principally due to relatively lower statutory tax rate of overseas subsidiaries.

**B6. Status of corporate proposals**

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

**FRONTKEN CORPORATION BERHAD**

(Co. No. 651020-T)

(Incorporated in Malaysia)

**B7. Group borrowings**

The Group's borrowings as at 30 Jun 2023 are as follows:

	As at 30 Jun 2023		As at 30 Jun 2022	
	Foreign currencies RM'000	RM'000	Foreign currencies RM'000	RM'000
<u>Short term</u>				
Hire Purchase Payables - Ringgit Malaysia	-	63	-	43
		63		43
<u>Long term</u>				
Hire Purchase Payables - Ringgit Malaysia	-	106	-	71
		169		114

The Group's borrowings are denominated in functional currency.

**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 25 July 2023.

**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 weighted average number of ordinary shares in issue after deducting treasury shares.

	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)	31,914	32,201	55,498	58,716
Weighted average number of shares in issue ('000)	1,572,906	1,570,952	1,572,906	1,570,952
Basic EPS (sen)	2.03	2.05	3.53	3.74

**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 June 2023.

This report has been approved by the Board of Directors on 1 Aug 2023.