

FRONTKEN

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 2025

(The figures have not been audited)

	Individual Quarter				Cumulative Quarter			
	Current Year Quarter 30 Jun 2025	Preceding Year Corresponding Quarter 30 Jun 2024	Changes		Current Year To-date 30 Jun 2025	Preceding Year Corresponding Period 30 Jun 2024	Changes	
	RM '000	RM '000	RM'000	(%)	RM '000	RM '000	RM'000	(%)
Revenue	156,432	134,925	21,507	16	288,991	275,442	13,549	5
Operating expenses	(106,787)	(86,651)	(20,136)	23	(190,767)	(177,407)	(13,360)	8
Profit before depreciation and finance costs	49,645	48,274	1,371	3	98,224	98,035	189	0
Depreciation	(5,419)	(5,214)			(10,651)	(10,537)		
Finance costs	(176)	(208)			(358)	(427)		
Other operating income	3,573	3,552			9,106	9,586		
Profit before tax	47,623	46,404	1,219	3	96,321	96,657	(336)	(0)
Taxation	(11,085)	(9,924)	(1,161)	12	(25,665)	(26,751)	1,086	(4)
Profit after tax	<u>36,538</u>	<u>36,480</u>	58	-	<u>70,656</u>	<u>69,906</u>	750	1
Profit after tax attributable to :								
Owners of the Company	33,489	33,334	155	-	64,556	63,387	1,169	2
Non-controlling interests	<u>3,049</u>	<u>3,146</u>			<u>6,100</u>	<u>6,519</u>		
Profit for the period	<u>36,538</u>	<u>36,480</u>			<u>70,656</u>	<u>69,906</u>		
Profit for the period	36,538	36,480			70,656	69,906		
Other comprehensive expense:								
Foreign currency translation	43,943	(9,120)			33,870	(14,430)		
Total comprehensive income for the period	<u>80,481</u>	<u>27,360</u>			<u>104,526</u>	<u>55,476</u>		
Total comprehensive income attributable to:								
Owners of the Company	74,103	24,803			95,886	49,987		
Non-controlling interests	<u>6,378</u>	<u>2,557</u>			<u>8,640</u>	<u>5,489</u>		
Total comprehensive income for the period	<u>80,481</u>	<u>27,360</u>			<u>104,526</u>	<u>55,476</u>		
Earnings per share attributable to equity holders of the company :								
Basic (sen)	2.11	2.12			4.07	4.03		
Diluted (sen)	2.11	1.59			4.07	3.02		

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 2024.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025 (The figures have not been audited)

	Unaudited 30 Jun 2025 RM'000	Audited 31 Dec 2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	261,309	226,646
Right-of-use assets	30,541	30,751
Other receivables and prepaid expenses	1,002	871
Goodwill on consolidation	33,761	33,761
Deferred tax assets	1,582	1,553
Total non-current assets	328,195	293,582
Current assets		
Inventories	23,517	21,236
Trade receivables	161,733	140,567
Other receivables, deposits and prepaid expenses	17,441	14,546
Current tax assets	-	20
Short-term investments	29,822	42,144
Fixed deposits with licensed banks	148,990	123,252
Cash and bank balances	332,202	353,196
Total current assets	713,705	694,961
Total assets	1,041,900	988,543
EQUITY AND LIABILITIES		
Capital and reserve		
Share capital	173,507	155,607
Treasury shares	(9,661)	(3,739)
Reserves	616,811	552,588
Share application money	-	16,108
Equity attributable to owners of the Company	780,657	720,564
Non-controlling interests	58,838	52,343
Total equity	839,495	772,907
Non-current liabilities		
Bank borrowing	-	15
Lease liabilities	26,466	26,100
Other payables	193	173
Deferred tax liabilities	1,451	1,541
Total non-current liabilities	28,110	27,829
Current liabilities		
Trade payables	27,867	27,295
Other payables and accrued expenses	120,216	132,542
Bank borrowing	32	34
Lease liabilities	2,170	2,633
Current tax liabilities	24,010	25,303
Total current liabilities	174,295	187,807
Total liabilities	202,405	215,636
Total equity and liabilities	1,041,900	988,543
Net assets per share attributable to owners of the parents (RM)	0.49	0.46

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 2024.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2025

(The figures have not been audited)

	← Non-distributable →					Distributable	Attributable to owners of the Company	Non-controlling interests	Total
	Share capital	Treasury shares	Foreign currency translation reserve	Statutory reserve	Share application money				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2025	155,607	(3,739)	12,327	56,140	16,108	484,121	720,564	52,343	772,907
Other comprehensive income recognised for the period:									
Foreign currency translation	-	-	31,330	-	-	-	31,330	2,540	33,870
Profit for the period	-	-	-	-	-	64,556	64,556	6,100	70,656
Total comprehensive income for the period	-	-	31,330	-	-	64,556	95,886	8,640	104,526
Dividend									
- by the Company	-	-	-	-	-	(31,711)	(31,711)	-	(31,711)
- by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(2,145)	(2,145)
Exercise of warrants	17,900	-	-	-	(16,108)	-	1,792	-	1,792
Purchase of treasury shares	-	(5,940)	-	-	-	-	(5,940)	-	(5,940)
Treasury shares sold	-	18	-	-	-	48	66	-	66
Transfer to statutory reserve	-	-	-	12,468	-	(12,468)	-	-	-
Balance at 30 June 2025	173,507	(9,661)	43,657	68,608	-	504,546	780,657	58,838	839,495

CORRESPONDING PERIOD CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

	← Non-distributable →					Distributable	Attributable to owners of the Company	Non-controlling interests	Total
	Share capital	Treasury shares	Foreign currency translation reserve	Statutory reserve	Share application money				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2024	118,441	(3,739)	61,250	45,543	-	419,672	641,167	46,735	687,902
Other comprehensive (expense)/income recognised for the period:									
Foreign currency translation	-	-	(13,400)	-	-	-	(13,400)	(1,030)	(14,430)
Profit for the period	-	-	-	-	-	63,387	63,387	6,519	69,906
Total comprehensive income for the period	-	-	(13,400)	-	-	63,387	49,987	5,489	55,476
Dividend									
- by subsidiaries to non-controlling interests	-	-	-	-	-	(34,604)	(34,604)	(2,211)	(36,815)
Exercise of warrants	2,100	-	-	-	-	-	2,100	-	2,100
Transfer to statutory reserve	-	-	-	10,998	-	(10,998)	-	-	-
Changes in ownership interests in a subsidiary that do not result in loss of control	-	-	-	-	-	(438)	(438)	390	(48)
Balance at 30 June 2024	120,541	(3,739)	47,850	56,541	-	437,019	658,212	50,403	708,615

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 2025

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	30 Jun 2025 RM'000	30 Jun 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	96,321	96,657
Adjustments for:		
Depreciation of property, plant and equipment	9,004	8,781
Depreciation of right-of-use assets	1,647	1,756
Interest expense	358	427
Unrealised loss/(gain) on foreign exchange	17,704	(3,085)
Interest income	(5,288)	(3,421)
Gains on lease termination	-	(1)
Gain on disposal of short-term investment	-	(43)
Gain on disposal of property, plant and equipment	(19)	-
Fair value gain on short-term investments	(245)	(1,106)
Inventories written down	22	29
Operating profit before working capital changes	119,504	99,994
Inventories	(1,591)	(4,198)
Trade receivables	(17,343)	(13,977)
Other receivables, deposits and prepaid expenses	(2,842)	6,265
Trade payables	(105)	2,110
Other payables and accrued expenses	(18,696)	6,585
Cash generated from operations	78,927	96,779
Taxes paid	(28,126)	(23,210)
Net cash from operating activities	50,801	73,569
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	5,288	3,421
Purchase of property, plant and equipment	(32,017)	(15,324)
Purchase of short-term investments	(1,891)	-
Proceeds from disposal of short-term investments	-	923
Proceeds from disposal of property, plant and equipment	19	-
Net withdrawal of fixed deposits with licensed banks	7,210	11,777
Net cash (for)/from investing activities	(21,391)	797

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	CUMULATIVE QUARTER	
	Current Period To Date 30 Jun 2025 RM'000	Preceding Corresponding Period 30 Jun 2024 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(358)	(427)
Dividend paid by the Company	(31,711)	(34,604)
Dividend paid by subsidiaries to non-controlling interests	(2,145)	(4,411)
Repayment of bank borrowings	(17)	(16)
Payment of lease liabilities	(1,608)	(1,629)
Treasury shares acquired	(5,940)	-
Treasury shares sold	66	-
Proceeds from exercise of warrants	1,792	2,100
Net cash for financing activities	(39,921)	(38,987)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(10,511)	35,379
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	507,591	404,371
EFFECT OF EXCHANGE DIFFERENCES	7,299	(6,253)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	504,379	433,497
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	332,202	309,094
Fixed deposits with licensed banks	148,990	105,567
Short-term investments - money market fund	23,707	19,376
	504,899	434,037
Less: Fixed deposits pledged with banks	(520)	(540)
Cash and cash equivalents	504,379	433,497

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 2024.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2025**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 2024.

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 2024.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2024 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2025. 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 2024 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

Save as disclosed below, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter.

During the quarter ended 30 June 2025, the Company purchased 742,000 of its issued ordinary shares from the open market at an average price of RM2.92 per share and sold 20,000 of its treasury shares in the open market at an average price of RM3.31 per share.

As at 30 June 2025, the Company held 9,096,550 repurchased shares as treasury shares out of its total issued and paid-up share capital of 1,593,919,125 ordinary shares. Such treasury shares are held at a carrying amount of RM9,661,278.

A7. Dividends

During the financial period ended 30 June 2025, the Company paid the following dividend:

Second single tier dividend on 21 April 2025, in respect of the financial year ended 31 December 2024, of 2.0 sen per ordinary share on 1,585,544,575 shares, amounting to RM31,710,892.

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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 2025 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

	Singapore		Malaysia		Philippines		Indonesia		Taiwan		Total	
	RM'000		RM'000		RM'000		RM'000		RM'000		RM'000	
Current Quarter												
30 June 2025												
<u>Segment Revenue</u>												
External revenue	14,046		21,372		4,500		-		116,514		156,432	
Inter-companies revenue	56		963		-		-		45		1,064	
Total revenue	14,102		22,335		4,500		-		116,559		157,496	
<u>Segment Results</u>												
Operating profit	2,327		4,909		985		(203)		36,988		45,006	
Interest income											2,793	
Finance cost											(176)	
Profit before taxation											47,623	
Current Year-to-date												
30 June 2025												
<u>Segment Revenue</u>												
External revenue	26,694		38,693		8,860		-		214,744		288,991	
Inter-companies revenue	276		1,585		-		-		164		2,025	
Total revenue	26,970		40,278		8,860		-		214,908		291,016	

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Current Year-to-date 30 June 2025	Singapore	Malaysia	Philippines	Indonesia	Taiwan	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Results							
Operating profit	3,307	6,521	1,934	(502)	80,131	-	91,391
Interest income							5,288
Finance cost							(358)
Profit before taxation							96,321
Assets							
Non-current assets							
- Property, plant and equipment	16,844	24,804	1,116	515	218,030	-	261,309
- Right-of-use assets	5,654	3,678	382	685	20,142	-	30,541
- Deferred tax assets	-	-	18	-	1,564	-	1,582
- Goodwill	-	33,761	-	-	-	-	33,761
- Other receivables	-	-	-	-	1,002	-	1,002
Current assets	44,355	50,810	23,680	495	563,482	30,883	713,705
Consolidated total assets							1,041,900
Liabilities							
Tax liabilities	2,293	2,082	409	-	20,677	-	25,461
Segment liabilities	13,366	17,392	1,436	9,097	146,981	(11,328)	176,944
Consolidated total liabilities							202,405

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A9. Profit before tax

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

	Current Quarter 30 Jun 2025	Current Year-to-date 30 Jun 2025
	RM'000	RM'000
Fair value gain on short-term investments	818	245
Gain on disposal of property, plant and equipment	19	19
Interest income	2,793	5,288
Depreciation of property, plant and equipment	(4,596)	(9,004)
Depreciation of right-of-use assets	(823)	(1,647)
Interest expense	(176)	(358)
Inventories written down	(9)	(22)
Realised exchange loss	(367)	(63)
Unrealised exchange loss	(19,001)	(17,704)

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.

A13. Contingent liabilities

As at 30 June 2025, 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

	As at 30 Jun 2025
	RM'000
Cash at bank	332,140
Cash on hand	62
Fixed deposits with licensed banks	148,990
Short-term investments – money market fund	23,707
	504,899
Less: Fixed deposits pledged with banks	(520)
	504,379

A15. Significant related party transactions

	Current Quarter 30 Jun 2025	Current Year-to-date 30 Jun 2025
	RM'000	RM'000
Sales to AMT	13	19
Sales to A&I	10	15
Purchase from TTM	21	158
Sales to TTM	5	8
Rental payable to AMT	36	72
Rental payable to a director of a subsidiary	30	60

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:

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:

	As at 30 Jun 2025
	RM'000
Plant and equipment	7,213

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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 2024

The Group's revenue for the current quarter ended 30 June 2025 increased by approximately 16% compared to the preceding year corresponding quarter mainly due to higher contributions from our subsidiaries in Taiwan and Malaysia. Volume in the semi-conductor space increased mainly due to strong demand and good product mix from our customers in Taiwan. Oil and gas business had also picked up after the Lunar New Year and Hari Raya holidays.

Against the same period last year, the Group's profit after tax ("PAT") increased marginally by 0.2% or RM58,000. The PAT was adversely impacted by foreign exchange loss of RM19 million. This loss was mainly due to the revaluation of foreign currency bank balances which were earmarked for a proposed acquisition in the United States of America that did not materialize as a result of a change of mind by the vendor at the very last minute. As the exchange loss is mainly unrealised and non-operational in nature, it does not reflect the underlying performance of the Group. If we were to exclude the foreign exchange loss from the equation, the current quarter's PAT would have improved by 55% or RM19.9 million as illustrated in the table below. Without the foreign exchange loss, the Group would have achieved its strongest quarterly results to date.

	2 nd Quarter 30 Jun 2025	2 nd Quarter 30 Jun 2024	Difference	Year-to-Date 30 Jun 2025	Year-to-Date 30 Jun 2024	Difference
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PAT	36,538	36,480	58	70,656	69,906	750
Add/(Less):						
Foreign exchange loss/(gain)	19,368	(522)	19,890	17,767	(3,502)	21,269
PAT (without foreign exchange loss/gain)	55,906	35,958	19,948	88,423	66,404	22,019

Aside from the factors mentioned above, the unfavourable exchange rates used for translation of our foreign subsidiaries' results had also caused a negative impact on both the revenue and PAT in the current quarter. For a like-to-like comparison, assuming that the foreign currency translation rates remain the same as of 30 June 2024, the Group's revenue and PAT would have increased by RM28.7 million or 21% and RM1.5 million or 4% respectively as illustrated in the table below.

	Adjusted Rate 2 nd Quarter 30 Jun 2025	2 nd Quarter 30 Jun 2024	Difference	Adjusted Rate Year-to-Date 30 Jun 2025	Year-to-Date 30 Jun 2024	Difference
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	163,657	134,925	28,732	308,043	275,442	32,601
Profit after tax	38,016	36,480	1,536	76,035	69,906	6,129
PAT (without foreign exchange loss/gain)	58,905	35,958	22,947	95,121	66,404	28,717

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Based on the above, the YoY PAT (without foreign exchange loss) would have improved by RM22.9 million or 64%.

Current 6 months period's performance against the 6 months period ended 30 June 2024

The Group's revenue of RM289.0 million for the current period ended 30 June 2025 was RM13.5 million or 5% higher than that achieved in the previous corresponding period. This improvement was mainly driven by our Taiwan subsidiary which reported a 15% increase in revenue due to higher customer demand and strong order intake. However, if we look at it on a like-for-like basis based on New Taiwan Dollar, revenue from our Taiwan subsidiary would have reflected an even stronger growth of 24% year-on-year.

Against the same period last year, the PAT for the Group increased marginally by 1% or RM0.8 million. As illustrated in the tables above, if we were to exclude the foreign exchange loss, for a like-to-like comparison, the current period's PAT would have improved by 33% or RM22 million. Assuming that the foreign exchange rates used to translate our foreign subsidiaries' results remain the same as of 30 June 2024, the Group's PAT (without foreign exchange loss) would have increased by RM28.7 million or 43% year-on-year.

B2. Comparison with immediate preceding quarter

	2nd Quarter 30 Jun 2025	1st Quarter 31 Mar 2025
	RM'000	RM'000
Revenue	156,432	132,559
Profit before tax	47,623	48,698
Profit after tax	36,538	34,118
Profit attributable to owners of the Company	33,489	31,067

The Group's revenue increased by 18.0% sequentially mainly due to higher contributions from our subsidiaries in Taiwan and Malaysia. 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.

If we were to exclude the impact of foreign exchange and withholding tax, for a like-to-like comparison, the Group's PAT would have increased by 56% or RM20.1 million.

B3. Prospects

For the first half of 2025, the Group's semiconductor business was supported by strong demand from our customers mainly from continued robust artificial intelligence ("AI") and high-performance computing ("HPC") related demand.

Looking ahead, the Group remains encouraged about the positive prospects shared by our key customers and we are actively exploring how to better support our customers including increasing our capacities.

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The accelerated adoption of AI and other transformative technologies particularly in areas such as next-generation computing, hyperscale data centers and smart devices is expected to drive sustained demand for advanced semiconductor components and high-value services. These developments continue to reinforce the Group's long-term growth trajectory. To that end, the Group remains focused in strengthening its capabilities through ongoing investments in innovation, capacity expansion and operational excellence to support the evolving needs of our customers.

While geopolitical tensions, ongoing trade disputes and new tariff rates continue to pose macroeconomic uncertainties, the Group is confident in its resilience and ability to navigate. We remain committed to strengthening strategic partnerships and deepening collaboration across the supply chain to stay ahead of the curve and ensure a sustainable growth.

In the oil and gas segment, performance has gradually improved following the festive holidays. While we do not anticipate sharp growth in this segment, we are cautiously optimistic that order volumes will pick up under the various contracts that we have with our customers in the second half of 2025.

Amid these dynamic conditions, we continue to place strong emphasis on enhancing operational efficiency and maintaining cost discipline. Our priority remains on delivering high quality services and continuously improving our capabilities 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

	Current Quarter 30 Jun 2025	Current Year-to-date 30 Jun 2025
	RM'000	RM'000
Income tax	11,101	22,445
Deferred tax	(16)	(100)
Withholding tax	-	3,320
	<u>11,085</u>	<u>25,665</u>

Excluding the withholding tax paid for the dividend received from our Taiwan subsidiary, 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.

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B7. Group borrowings

The Group's borrowings as at 30 June 2025 are as follows:

	As at 30 Jun 2025		As at 30 Jun 2024	
	Foreign currencies RM'000	RM'000	Foreign currencies RM'000	RM'000
<u>Short-term</u>				
Hire Purchase Payables				
- Ringgit Malaysia	-	32	-	33
		<u>32</u>		<u>33</u>
<u>Long-term</u>				
Hire Purchase Payables				
- Ringgit Malaysia	-	-	-	32
		<u>32</u>		<u>65</u>

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 5 August 2025.

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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)	33,489	33,334	64,556	63,387
Weighted average number of shares in issue ('000)	1,584,873	1,572,930	1,585,471	1,572,918
Basic EPS (sen)	2.11	2.12	4.07	4.03

b) Diluted EPS

The calculation of the diluted EPS is based on the net profit for the financial period under review divided by the weighted average number of ordinary shares in issue, adjusted for treasury shares and the effects of dilutive potential ordinary shares resulting from conversion of warrants.

	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)	33,489	33,334	64,556	63,387
Weighted average number of shares in issue (Basic) ['000]	1,584,873	1,572,930	1,585,471	1,572,918
Effect of dilution - warrants	-	524,114	1,821	524,126
Weighted average number of shares in issue and issuable (Diluted) ['000]	1,584,873	2,097,044	1,587,292	2,097,044
Diluted EPS (sen)	2.11	1.59	4.07	3.02

In the current quarter ended 30 June 2024, the potential conversion of warrants was anti-dilutive as its exercise price was higher than the average market price of the Company's ordinary shares during the financial period and hence, the diluted earnings per share was equal to the basic earnings per share.

FRONTKEN CORPORATION BERHAD

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B10. Dividends

The Board is pleased to announce a first single tier dividend of 2.0 sen per ordinary share in respect of the financial year ending 31 December 2025. The entitlement and payment dates will be announced at a later date.

This report has been approved by the Board of Directors on 5 August 2025.