

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

In line with the provisions of Practice Note 18 on Perusal of Draft Circulars and Other Documents, Bursa Malaysia Securities Berhad has not perused this Circular ("Circular") appended herewith as such a matter falls under the category of Exempt Circulars as outlined in the aforesaid practice note.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

F R O N T K E N
FRONTKEN CORPORATION BERHAD

(651020-T)

(Incorporated in Malaysia under the Companies Act 2016)

CIRCULAR TO SHAREHOLDERS

PART A

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF
AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

PART B

PROPOSED ALTERATION OF THE CONSTITUTION OF THE COMPANY

The above proposal will be tabled as Special Business at Frontken Corporation Berhad's Sixteenth Annual General Meeting ("AGM") which will be held at Ballroom 2, Eastin Hotel Kuala Lumpur, Level LG, 13, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor on Wednesday, 5 August 2020 at 10.30 a.m. The Notice of the Sixteenth AGM and the Form of Proxy are attached in this Circular.

If you are unable to attend and vote at the AGM in person, you are requested to complete the enclosed Form of Proxy in accordance with the instructions as contained therein and deposit it at the office of the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or via TIH Online at <https://tiah.online> not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Monday, 3 August 2020 at 10.30 a.m

Date and time of AGM : Wednesday, 5 August 2020 at 10.30 a.m.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	:	Companies Act 2016 as amended from time to time and all subsidiary legislations thereof
“AGM”	:	Annual General Meeting or any adjournment thereof
“Board”	:	Board of Directors of FCB
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Code”	:	Malaysian Code of Take-Overs and Mergers 2016
“Director”	:	<p>A person within the meaning of Section 2(1) of the Capital Markets and Services Act 2007 and includes a reference to:</p> <p>(a) a person occupying or acting in the position of director of a corporation, by whatever name called and whether or not validly appointed to occupy, or duly authorised to act in, the position;</p> <p>(b) a person in accordance with whose directions or instructions the directors of a corporation are accustomed to act; or</p> <p>(c) an alternate or substitute director</p>
“EPS”	:	Earnings per share
“FCB” or “Company”	:	Frontken Corporation Berhad
“FCB Group” or “Group”	:	FCB and its subsidiaries
“FCB Share(s)” or “Share(s)”	:	Ordinary shares in FCB
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
“LPD”	:	30 June 2020, being the latest practicable date prior to the printing of this Circular
“Major Shareholder”	:	<p>A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:</p> <p>(a) 10% or more of the total number of voting shares in the corporation; or</p> <p>(b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in section 8 of the Act.</p>
“Proposed Alteration”	:	Proposed deletion of Clause 12(4) of the Constitution of the Company
“Proposed Renewal of Share Buy-Back Mandate”	:	Proposed renewal of authority for the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company
“Rules”	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions

DEFINITIONS (*Cont'd*)

“Substantial Shareholder” : A person who has an interest in one or more voting shares in the company and the number or the aggregate number of such shares is not less than 5% of the total number of all the voting shares included in the company.

For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act.

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FRONTKEN

FRONTKEN CORPORATION BERHAD

(651020-T)

(Incorporated in Malaysia under the Companies Act 2016)

1. INTRODUCTION

At the last AGM of the Company held on 30 May 2019, the Company had obtained the shareholders' approval to purchase its own shares on Bursa Securities of not more than 10% of the total number of issued shares of the Company, subject to the prevailing laws and relevant regulations, rules and guidelines as may be issued by the relevant authorities, and the availability of retained profits in the Company. The said authority will lapse at the conclusion of the forthcoming AGM of the Company to be held on 5 August 2020.

On 12 May 2020, the Company announced that it would seek the approval of the shareholders for the Proposed Renewal of Share Buy-Back Mandate and Proposed Alteration at the forthcoming AGM of the Company.

The purpose of this Circular is to provide you with the details of the Proposed Renewal of Share Buy-Back Mandate and the Proposed Alteration and to seek your approval for the ordinary resolution and the special resolution respectively, to be tabled at the forthcoming AGM of the Company. The Notice of the AGM and the Form of Proxy are attached to this Circular.

2. PART A – THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

2.1 Details

As at LPD, the total number of issued shares of FCB stood at RM118,925,352 comprising 1,053,435,130 Shares. Assuming no further FCB Shares is issued, a total of up to 99,876,913 Shares (after deducting 5,466,600 Shares held as treasury shares as at LPD) may be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Mandate.

The approval from the shareholders for the Proposed Renewal of Share Buy-Back Mandate will be effective immediately after the passing of the ordinary resolution relating to the Proposed Renewal of Share Buy-Back Mandate to be tabled at the forthcoming AGM and will continue to be in force until:

- (a) the conclusion of the next AGM or any adjournment thereof of the Company following the general meeting at which such resolution is passed, at which time the authority will lapse unless renewed by an ordinary resolution, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

The shareholders' approval for the Proposed Renewal of Share Buy-Back Mandate does not impose an obligation on the Company to purchase its own Shares. Rather, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

2.2 Maximum amount of funds to be allocated and the source of funds

The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Mandate shall not exceed the retained profits of the Company. The Proposed Renewal of Share Buy-Back Mandate is subject to compliance with Sections 112, 113 and 127 of the Act and any prevailing laws, rules and regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase. The retained profits of the Company based on the latest audited financial statements of the Company as at 31 December 2019 is RM29,738,270.

The Proposed Renewal of Share Buy-Back Mandate will be funded by internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, among others, the availability of internally generated funds, actual number of Shares to be purchased and other relevant cost factors. The actual number of FCB Shares to be purchased and/or held, and the timing of such purchases will depend on, among others, the market conditions and sentiments of the stock market as well as the retained profits and financial resources available to the Company. In the event that the Company purchases and holds its own Shares using external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of the Group.

2.3 Purchase, resale or transfer or cancellation of its own shares in the last financial year

Details of the purchase of FCB Shares during the financial year ended 31 December 2019 are set out in the “Additional Disclosure” section of the 2019 Annual Report. There was no resale or transfer or cancellation of treasury shares during the said financial year.

2.4 Rationale

The Proposed Renewal of Share Buy-Back Mandate will enable the Company to utilise its surplus financial resources to purchase its own Shares on Bursa Securities as and when the Board deems fit in the interests of the Company and its shareholders during the validity period of the mandate.

The purchased Shares can be held as treasury shares and transferred under an employees’ share scheme or as purchase consideration and/or resold on Bursa Securities at a higher price with the intention of realising potential gains without affecting the total number of issued shares of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

2.5 Potential advantages and disadvantages

2.5.1 Potential advantages

The potential advantages of the Proposed Renewal of Share Buy-Back Mandate are as follows:

- (a) it will allow the Company to utilise its financial resources where there is no immediate use, to purchase FCB Shares. If the purchased Shares are subsequently cancelled, this may strengthen the EPS of the Group;
- (b) it may stabilise the supply and demand of FCB Shares traded on Bursa Securities and reduce the volatility of share prices. The stability of FCB Share price is important to maintain investors’ confidence and may also assist in facilitating future fund raising exercises via the equity market;
- (c) it will provide the Company with opportunities for potential gains if the purchased FCB Shares which are retained as treasury shares are resold at prices higher than the costs of purchase;
- (d) in the event the treasury shares are distributed as share dividends or bonus shares, it will serve to reward the shareholders of FCB;
- (e) in the event the treasury shares are transferred under an employees’ share scheme, it will serve to reward the employees of FCB; and

- (f) in the event the treasury shares are transferred to be used as purchase consideration for any acquisition, it will save the company the time and costs associated with the fresh issuance of share.

2.5.2 Potential disadvantages

The potential disadvantages of the Proposed Renewal of Share Buy-Back Mandate are as follows:

- (a) if implemented, it will reduce the financial resources of the Group, which may result in the Group having to forego other feasible investment opportunities that may emerge in the future and/or any income that may be derived from alternative uses of such funds, such as deposit in interest-bearing instruments. However, the financial resources of the Group may recover or increase if the purchased Shares held are resold on Bursa Securities at or higher than the costs of purchase; and
- (b) as the funds to be allocated must be made wholly out of the Company's retained profits, the amount available from these accounts for distribution of dividends to shareholders of the Company may decrease accordingly.

Nevertheless, the Board is of the view that the Proposed Renewal of Share Buy-Back Mandate is not expected to have any potential material disadvantage to the Group and the shareholders of the Company as it will be implemented only after careful consideration of the financial resources of the Group and the resultant impact on the shareholders of the Company.

2.6 Financial effects

The effects of the Proposed Renewal of Share Buy-Back Mandate are as follows:

2.6.1 Share Capital

The effect of the Proposed Renewal of Share Buy-Back Mandate on the total number of issued shares of the Company will depend on whether the purchased Shares are cancelled or transferred or retained as treasury shares. The Proposed Renewal of Share Buy-Back Mandate will result in a reduction of the total number of issued shares of the Company if the purchased Shares are cancelled.

However, if the purchased FCB Shares are retained as treasury shares, the Proposed Renewal of Share Buy-Back Mandate will not have any effect on the total number of issued shares of the Company. Nevertheless, the rights attached to the FCB Shares as to voting, dividends and participation in other distribution are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purpose including without limiting to the generality of this provision, the provision of any law or requirements of the Constitution of FCB or the Listing Requirements on substantial shareholding, takeovers, notices, the requisitioning of meetings, quorum for general meetings and the result of votes on resolution at a general meeting.

Based on the Company's total number of issued shares as at the LPD, the effect of the Proposed Renewal of Share Buy-Back Mandate, assuming that all the purchased Shares are cancelled, is as follows:

	No. of Shares
As at LPD	1,053,435,130
Treasury shares held as at LPD	(5,466,600)
Assuming full implementation of the Proposed Renewal of Share Buy-Back Mandate and cancellation of the purchased Shares	(99,876,913)
Resultant share capital	<u>948,091,617</u>

2.6.2 Earnings

The effective reduction in the total number of issued shares of the Company pursuant to the Proposed Renewal of Share Buy-Back Mandate will, generally, all else being equal, have a positive impact on the consolidated EPS of the Company.

The effects of the Proposed Renewal of Share Buy-Back Mandate on the earnings of the Group are dependent on the number of Shares purchased, the effective funding cost to finance such purchases and/or any loss of interest income to the Group if internally generated funds are utilised. Further, the purchase of the Shares will result in a lower number of FCB Shares being taken into account for the purpose of EPS computation.

2.6.3 Net Assets

If the purchased Shares are cancelled, the Proposed Renewal of Share Buy-Back Mandate would reduce the net assets per Share if the purchase price of each Share exceeds the net assets per Share at the time of purchase. Conversely, the net assets per Share will increase if the purchase price is less than the net assets per Share at the time of purchase.

The net assets per Share will decrease by the cost of the treasury shares if the purchased Shares are retained as treasury shares due to the requirement for the treasury shares to be carried at cost.

If the treasury shares are subsequently resold on Bursa Securities, the net assets per Share will increase upon a resale, if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed as dividends, the net assets of the Group will be reduced by the cost of the treasury shares.

2.6.4 Working Capital

The implementation of the Proposed Renewal of Share Buy-Back Mandate will reduce the working capital and cash flow of the FCB Group, the quantum of which depends on, among others, the number of Shares purchased and the purchase prices of the Shares.

2.6.5 Dividend

The Proposed Renewal of Share Buy-Back Mandate may have an impact on the Company's dividend pay-out as it may reduce the cash available, which would otherwise be used for the dividend payment.

2.6.6 Directors' and Major Shareholders' Shareholdings

Based on the Company's Register of Directors' Shareholding and Register of Substantial Shareholders as at the LPD, the proforma effects of the Proposed Renewal of Share Buy-Back Mandate on the Directors' and Major Shareholders' shareholdings in the Company are set out below:

	As at LPD			After Proposed Renewal of Share Buy-Back Mandate ^(a)		
	Direct		Indirect	Direct		Indirect
	No. of Shares	% ^(b)		No. of Shares	%	
<u>Directors</u>						
Ng Wai Pin	6,682,900	0.638	256,591,473 ^(c)	6,682,900	0.705	256,591,473 ^(c)
Dr Tay Kiang Meng	9,404,808	0.897	-	9,404,808	0.992	-
Dato' Haji Johar Bin Murat @ Murad	-	-	-	-	-	-
Ng Chee Whye	20,000	0.002	125,720 ^(d)	20,000	0.002	125,720 ^(d)
Gerald Chiu Yoong Chian	-	-	-	-	-	-
<u>Major Shareholders</u>						
Dazzle Clean Ltd	256,591,473	24.485	-	256,591,473	27.064	-
Ooi Keng Thye	158,682,900	15.142	-	158,682,900	16.737	-

Notes:

- (a) Assuming the Proposed Renewal of Share Buy-Back Mandate is implemented in full and that the FCB Shares are purchased from parties other than the Directors and Major Shareholders of the Company.
- (b) Excluding 5,466,600 Shares held as treasury shares as at LPD.
- (c) Deemed interested by virtue of section 8(4)(c) of the Act, through his substantial shareholding in Dazzle Clean Ltd.
- (d) Deemed interested by virtue of section 8(4)(c) of the Act, through his spouse's shareholding.

2.7 Pricing

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company shall purchase its own Shares on Bursa Securities at a price which is not more than fifteen percent (15%) above the weighted average market price of the Shares for the five (5) market days immediately before the purchase.

In addition, pursuant to Paragraph 12.18 of the Listing Requirements, in the case of a resale or transfer of treasury shares, the Company may only re-sell the purchased Shares held as treasury shares on Bursa Securities or transfer the treasury shares at:

- (a) a price which is not less than the weighted average market price for FCB Shares for the 5 market days immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price for FCB Shares for the 5 market days immediately before the resale provided that:
 - (i) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of FCB Shares being resold or transferred.

2.8 Public shareholding spread of FCB

As at LPD, the public shareholding spread of the Company was 58.6% (excluding treasury shares). Assuming the Proposed Renewal of Share Buy-Back Mandate is implemented, the public shareholding spread of the Company is expected to be reduced to 54.2%. The Board undertakes that any proposed purchase of the Shares will only be conducted in accordance with prevailing law at the time of the purchase, including compliance with the public shareholding spread that at least 25% of the Company's total listed Shares (excluding any treasury shares) are in the hands of public shareholders as required by the Listing Requirements.

2.9 Implication on the Code and the Rules

The implementation of the Proposed Renewal of Share Buy-Back Mandate is not expected to trigger any obligation to undertake a mandatory offer under the Code and the Rules based on the total number of issued shares of the Company and the shareholdings of the Directors and major and substantial shareholders and/or persons connected as at LPD.

2.10 Directors' and Major Shareholders' interests

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholders of the Company as a result of the Proposed Renewal of Share Buy-Back Mandate, none of the Directors and/or Major Shareholders of the Company and/or persons connected with them has any interest, direct or indirect, in the proposed purchase of shares and/or resale and/or transfer of treasury shares, if any.

3. PART B – PROPOSED ALTERATION

3.1 Details

The Board proposes that the existing Clause 12(4) of the Constitution of the Company under the sub-heading of "*General mandate for issue of securities*" which reads as follows be deleted in its entirety:

Subject to Paragraph 6.06 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are

issued with the prior Members' approval in a General Meeting of the precise terms and conditions of the issue.

3.2 Rationale

Bursa Securities has vide its letter dated 16 April 2020 has introduced Additional Temporary Relief Measures to aid and facilitate listed issuers in sustaining their business or easing their compliance with the Listing Requirements, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 outbreak and extended Movement Control Order.

Among others, one relief is for listed issuer to increase the general mandate limit for new issue of securities from 10% to 20% until 31 December 2021 to facilitate listed issuer to raise funds more quickly and efficiently during this unprecedented challenging time.

However, FCB's Constitution has limited the general mandate to 10% only. In order to avail FCB to such a higher general mandate, the Board proposed that the existing Clause 12(4) of the Constitution to be deleted *in toto* in order to enjoy such a relief granted by Bursa Securities above as well as not to restrict itself to a specific limit but to avail itself and tag along with any limit of the general mandate as may be allowed and/or authorised by Bursa Securities and/or any other regulatory body(ies) from time to time.

4. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Mandate and Proposed Alteration are conditional upon the approval of the shareholders of the Company at the forthcoming 16th AGM.

5. DIRECTORS' RECOMMENDATION

Your Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Mandate and the Proposed Alteration, is of the opinion that both the proposals are in the best interests of the Company and accordingly recommends that you vote in favour of the ordinary resolution and the special resolution in relation to the Proposed Renewal of Share Buy-Back Mandate and the Proposed Alteration to be tabled at the forthcoming 16th AGM respectively.

6. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

7. AGM

The resolution pertaining to the Proposed Renewal of Share Buy-Back Mandate and the Proposed Alteration are set out under the Ordinary Resolution 7 and Special Resolution 1 as Special Business in the Notice of the AGM.

The AGM will be held at Ballroom 2, Eastin Hotel Kuala Lumpur, Level LG, 13, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor on Wednesday, 5 August 2020 at 10.30 a.m. for the purpose of considering and if thought fit, passing, among others, the ordinary resolution to give effect to the Proposed Renewal of Share Buy-Back Mandate and the special resolution in respect of the Proposed Alteration.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the attached Form of Proxy in accordance with the instructions printed therein as soon as possible and in any event, so as to arrive at the office of the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or via TIIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time set for the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

8. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the Registered Office of the Company at B-11-10, Level 11, Megan Avenue II, Jalan Yap Kwan Seng, 50450 Kuala Lumpur from the date of issuance of this Circular until the date of the AGM:

- (a) Constitution; and
- (b) The Audited Financial Statements of Frontken for the past 2 financial years ended 31 December 2018 and 31 December 2019 and the latest unaudited quarterly results for the quarter ended 31 March 2020.

Yours faithfully,
For and on behalf of the Board of Directors
FRONTKEN CORPORATION BERHAD

NG WAI PIN
Chairman/Chief Executive Officer

FRONTKEN

FRONTKEN CORPORATION BERHAD

(651020-T)

(Incorporated in Malaysia under the Companies Act 2016)

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of the Company ("16th AGM") will be held at Ballroom 2, Eastin Hotel Kuala Lumpur, Level LG, 13, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor on Wednesday, 5 August 2020 at 10.30 a.m. for the transaction of the following businesses:-

AGENDA

As Ordinary Business:-

1. To receive the Audited Financial Statements for the year ended 31 December 2019 together with the Reports of the Directors and the Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To re-elect the following Directors:-
 - (a) Dato' Haji Johar Bin Murat @ Murad, who will be retiring pursuant Clause 75(2) of the Company's Constitution; *(Ordinary Resolution 1)*
 - (b) Mr Gerald Chiu Yoong Chian who will be retiring pursuant Clause 77 of the Company's Constitution; and *(Ordinary Resolution 2)*
 - (c) Mr Ng Chee Whye, who will be retiring pursuant Clause 77 of the Company's Constitution. *(Ordinary Resolution 3)*
3. To approve the payment of Directors' fees and Benefits of up to RM500,000.00 for the financial year ending 31 December 2020 up to the following next Annual General Meeting. *(Ordinary Resolution 4)*
4. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2020 and to authorize the Directors to fix their remuneration. *(Ordinary Resolution 5)*

As Special Business:-

To consider and if thought fit, to pass the following Resolutions:-

5. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")** *(Ordinary Resolution 6)*

"**THAT** subject always to the Act, the Constitution of the Company and the approvals of Bursa Malaysia Securities Berhad ("Bursa Securities") and the relevant regulatory authorities where such approval is necessary and the passing of the Special Resolution 1 as contained herein in respect of the alteration of the Constitution of the Company, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue shares of the Company at any time until the conclusion of the next Annual General Meeting ("AGM") or any adjournment thereof and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at the time of issue.

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities and that such authority shall continue to be in force until the conclusion of the next AGM of the Company."
6. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE")** *(Ordinary Resolution 7)*

"**THAT** subject to the provisions under the Act, the Constitution of the Company, the Listing Requirements and any other applicable laws, rules, regulations and guidelines for the time being in force, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company ("Shares") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed 10% of the total number of issued shares of the Company.

THAT the maximum amount of funds to be allocated for the purpose of purchasing the Shares shall not exceed the retained profits of the Company.

THAT authority be and is hereby given to the Directors to decide at their discretion, as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any of the Shares so purchased by the Company in the following manner:

 - (a) the Shares so purchased could be cancelled or transferred; or
 - (b) the Shares so purchased could be retained as treasury shares for distribution as dividends or bonus shares to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or transferred to employees under an employees' share scheme and/or as purchase consideration for any acquisition; or

- (c) combination of (a) and (b) above.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution and shall continue to be in force until:

- (a) the conclusion of the next AGM or any adjournment thereof of the Company, at which time the said authority would lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT the Directors be and are hereby authorised to take such steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."

7. RETENTION OF INDEPENDENT DIRECTOR

(Ordinary Resolution
8)

To consider and if thought fit, to pass the following as Ordinary Resolution:

"**THAT** approval be and is hereby given to Dato' Haji Johar Bin Murat @ Murad, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company."

8. SPECIAL RESOLUTION FOR ALTERATION OF CONSTITUTION

(Special Resolution
1)

To consider and if thought fit, to pass the following Special Resolution:

"That the Clause 12(4) of the Constitution of the Company which reads as below be hereby deleted and thereafter, the Clauses 12(5) and 12(6) be renumbered as Clauses 12(4) and 12(5) accordingly:

General mandate for issue of securities

Subject to Paragraph 6.06 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior Members' approval in a General Meeting of the precise terms and conditions of the issue."

9. To transact any other business of which due notice shall be given.

BY ORDER OF THE BOARD

Mah Li Chen (MAICSA 7022751) (PC No. 202008002006)
Chew Mei Ling (MAICSA 7019175) (PC No. 201908003198)
Company Secretaries

Kuala Lumpur
7 July 2020

Notes:-

1. A Member entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where the appointer is a corporation, this form must be executed under its common seal, if any or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or via TIIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time fixed for convening the Meeting or any adjournment thereof. Please refer to the Administrative Guide for further information on submission via TIIH Online.
5. For the purpose of determining a member who shall be entitled to attend the 16th AGM, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at **29 July 2020**. Only a depositor whose name appears on the Record of the Depositor as at **29 July 2020** shall be entitled to attend and vote at this 16th AGM or appoint proxies to attend and/or vote on his/her behalf.
6. All resolutions at the 16th AGM or any adjournment thereof shall be voted by poll.

Explanatory Notes on Ordinary Business:-

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item is not put forward to shareholders for voting.

2. Item 3 of the Agenda

Section 230(1) of the Act requires that the fees of the directors and any benefits payable to the directors be approved at a general meeting. The benefits comprised of travelling allowance.

Explanatory Note on Special Business:-

3. Item 5 of the Agenda

According to Bursa Malaysia Berhad's letter dated 16 April 2020, one of the additional temporary relief to listed issuers is the increase of general mandate limit for new issue of securities from 10% to 20% which will be valid up to 31 December 2021. However, the Company's Constitution has restricted the mandate to 10% of the total number of issued shares that it could issue and therefore this relief will not be available to the Company unless the Constitution is amended by deleting the Clause 12(4) in its entirety.

Subject to the passing of the special resolution on the alteration of the Constitution, the proposed Ordinary Resolution 6, if passed, will empower the Directors from the conclusion of this AGM, to allot and issue up to a maximum of 20% of the total number of issued shares of the Company (excluding treasury shares) at the time of issue (other than bonus or rights issue) without the need to convene a general meeting and for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of next AGM of the Company. This mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for the purpose of funding working capital, future investment project(s) and/or acquisition(s).

At this juncture, there is no decision to issue new shares. If there should be a decision to issue any new share after the general mandate is sought, the Company will make an announcement in respect thereof.

The proposed Ordinary Resolution 6 is a renewal of the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act. The Company had, at the 15th AGM held on 30 May 2019, obtained its shareholders' approval for the general mandate for issuance of 10% of the total number of issued shares of the Company (excluding treasury shares) pursuant to Sections 75 and 76 of the Act. As at the date of this notice, the Company did not issue any share pursuant to the said mandate.

4. Item 6 of the Agenda

The proposed Ordinary Resolution 7, if passed, will give the Directors of the Company the authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or effect the purchase(s) of Shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. This authority will, unless renewed or revoked or varied by the Company at a general meeting, continue to be in force until the conclusion of the next AGM or any adjournment thereof of the Company or the expiry of the period within which the next AGM of the Company following the 16th AGM is required by the law to be held. Please refer to the Share Buy-Back Statement in the Circular to Shareholders dated 7 July 2020 for more information.

5. Item 7 of the Agenda

The Nomination Committee has assessed the independence of Dato' Haji Johar Bin Murat @ Murad, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, and recommended that he continues to act as an Independent Non-Executive Director of the Company based on the following justifications:

- (a) He fulfills the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus, he is able to provide a check and balance by bringing an element of objectivity and independent judgement to the Board's deliberation;
- (b) He brings with him vast experience and expertise to complement the competencies of the other Directors to enhance boardroom discussion and decision;
- (c) He has been with the Company for more than twelve (12) years and accordingly, is familiar with the nuances and understands the Group's business operations;
- (d) He has exercised due care and diligence during his tenure as an Independent Non-Executive Director of the Company and carried out his duties professionally and objectively in the interest of the Company and shareholders; and
- (e) The Company will carry out the two-tier voting on the re-election of Dato' Haji Johar Bin Murat @ Murad at this 16th AGM or any adjournment thereof.

6. Item 8 of the Agenda – Special Resolution 1

The proposed alteration to the existing Constitution of the Company is to delete in its entirety the Clause 12(4) of the Constitution in respect of the general mandate to issue securities so that the Company could issue securities at any limit as allowed or authorized by Bursa Securities or any other authorities from time to time without having to alter its Constitution.

The Board is of the opinion that the proposed alteration, if approved, will be in the best interest of the Company as well as its shareholders as it gives the Company the flexibility to raise funds and/or issue new shares as part or full payment consideration for any viable and feasible acquisition quickly and in a more cost effective manner.

Proxy Form

FRONTKEN

FRONTKEN CORPORATION BERHAD

(Company No. 651020-T)

(Incorporated in Malaysia under the Companies Act 2016)

CDS Account No.

No. of shares held

I/We _____ Tel. No.: _____
[Full name in block, NRIC No./Company No.]

of _____
[Address]

being a member/members of **Frontken Corporation Berhad**, hereby appoint:-

Full Name (in Block)	NRIC/Passport/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or (delete as appropriate)

Full Name (in Block)	NRIC/Passport/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting as my/our proxy to attend and to vote for me/us and on my/our behalf at the 16th AGM of the Company to be held at Ballroom 2, Eastin Hotel Kuala Lumpur, Level LG, 13, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor on Wednesday, 5 August 2020 at 10.30 a.m. or any adjournment thereof, and to vote as indicated below:-

Item	Agenda	Resolution	For	Against
1.	Re-election of Dato' Haji Johar Bin Murat @ Murad	Ordinary Resolution 1		
2.	Re-election of Mr Gerald Chiu Yoong Chian	Ordinary Resolution 2		
3.	Re-election of Mr Ng Chee Whye	Ordinary Resolution 3		
4.	Payment of Directors' fees and Benefits	Ordinary Resolution 4		
5.	Re-appointment of auditors	Ordinary Resolution 5		
6.	Authority to issue shares	Ordinary Resolution 6		
7.	Proposed Renewal of Share Buy-Back Mandate	Ordinary Resolution 7		
8.	Retention of Independent Director	Ordinary Resolution 8		
9.	Proposed Alteration of Constitution	Special Resolution 1		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signed this _____ day of _____, 2020.

Signature of Shareholder(s)/Common Seal

Notes:-

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- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where the appointer is a corporation, this form must be executed under its common seal, if any or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or via TIIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time fixed for convening the Meeting or any adjournment thereof. Please refer to the Administrative Guide for further information on submission via TIIH Online.
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- All resolutions at the 16th AGM or any adjournment thereof shall be voted by poll.

Fold this flap for sealing

Affix
stamp

FRONTKEN CORPORATION BERHAD (651020-T)
c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
MALAYSIA

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