

FRONTKEN CORPORATION BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2026**
(The figures have not been audited)

	Individual Quarter				Cumulative Quarter			
	Current Year Quarter 31 Mar 2026 RM '000	Preceding Year Corresponding Quarter 31 Mar 2025 RM '000	Changes RM'000 (%)		Current Year To-date 31 Mar 2026 RM '000	Preceding Year Corresponding Period 31 Mar 2025 RM '000	Changes RM'000 (%)	
Revenue	189,813	132,559	57,254	43	189,813	132,559	57,254	43
Operating expenses	(131,174)	(83,980)	(47,194)	56	(131,174)	(83,980)	(47,194)	56
Profit before depreciation and finance costs	58,639	48,579	10,060	21	58,639	48,579	10,060	21
Depreciation	(5,280)	(5,232)			(5,280)	(5,232)		
Finance costs	(238)	(182)			(238)	(182)		
Other operating income	8,165	5,533			8,165	5,533		
Profit before tax	61,286	48,698	12,588	26	61,286	48,698	12,588	26
Taxation	(14,274)	(14,580)	306	(2)	(14,274)	(14,580)	306	(2)
Profit after tax	47,012	34,118	12,894	38	47,012	34,118	12,894	38
Profit after tax attributable to :								
Owners of the Company	42,354	31,067	11,287	36	42,354	31,067	11,287	36
Non-controlling interests	4,658	3,051			4,658	3,051		
Profit for the year	47,012	34,118			47,012	34,118		
Profit for the year	47,012	34,118			47,012	34,118		
Other comprehensive expense:								
Actuarial gain	-	-			-	-		
Foreign currency translation	(15,829)	(10,073)			(15,829)	(10,073)		
Total comprehensive income for the year	31,183	24,045			31,183	24,045		
Total comprehensive income attributable to:								
Owners of the Company	27,504	21,783			27,504	21,783		
Non-controlling interests	3,679	2,262			3,679	2,262		
Total comprehensive income for the year	31,183	24,045			31,183	24,045		
Earnings per share attributable to equity holders of the company :								
Basic (sen)	2.56	1.96			2.56	1.96		
Diluted (sen)	2.56	1.95			2.56	1.95		

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 31 March 2025.

FRONTKEN CORPORATION BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026
(The figures have not been audited)

	Unaudited	Audited
	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	239,644	238,378
Right-of-use assets	30,640	30,785
Other receivables and prepaid expenses	776	827
Goodwill on consolidation	33,761	33,761
Deferred tax assets	2,915	3,033
Total non-current assets	307,736	306,784
Current assets		
Inventories	21,509	21,726
Trade receivables	158,009	120,203
Other receivables, deposits and prepaid expenses	12,622	11,761
Current tax assets	-	63
Short-term investments	285,368	293,489
Fixed deposits with licensed banks	270,238	181,483
Cash and bank balances	305,602	366,155
Total current assets	1,053,348	994,880
Total assets	1,361,084	1,301,664
EQUITY AND LIABILITIES		
Capital and reserve		
Share capital	449,674	449,666
Treasury shares	(10,124)	(9,661)
Reserves	623,579	596,075
Equity attributable to owners of the Company	1,063,129	1,036,080
Non-controlling interests	57,586	53,907
Total equity	1,120,715	1,089,987
Non-current liabilities		
Lease liabilities	26,201	26,062
Other payables	209	204
Deferred tax liabilities	1,381	1,504
Total non-current liabilities	27,791	27,770
Current liabilities		
Trade payables	37,726	19,291
Other payables and accrued expenses	129,161	130,145
Bank borrowing	6	15
Lease liabilities	2,706	2,829
Current tax liabilities	42,979	31,627
Total current liabilities	212,578	183,907
Total liabilities	240,369	211,677
Total equity and liabilities	1,361,084	1,301,664
Net assets per share attributable to owners of the parents (RM)	0.64	0.65

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 2025.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2026

(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 2026	449,666	(9,661)	(27,049)	68,608	-	554,516	1,036,080	53,907	1,089,987
Other comprehensive (expenses)/income recognised for the period:									
Foreign currency translation	-	-	(14,850)	-	-	-	(14,850)	(979)	(15,829)
Profit for the period	-	-	-	-	-	42,354	42,354	4,658	47,012
Total comprehensive income for the period	-	-	(14,850)	-	-	42,354	27,504	3,679	31,183
Exercise of warrants	8	-	-	-	-	-	8	-	8
Purchase of treasury shares	-	(463)	-	-	-	-	(463)	-	(463)
Balance at 31 March 2026	449,674	(10,124)	(41,899)	68,608	-	596,870	1,063,129	57,586	1,120,715

CORRESPONDING YEAR CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2025

	← 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 (expense)/income recognised for the period:									
Foreign currency translation	-	-	(9,284)	-	-	-	(9,284)	(789)	(10,073)
Profit for the period	-	-	-	-	-	31,067	31,067	3,051	34,118
Total comprehensive income for the period	-	-	(9,284)	-	-	31,067	21,783	2,262	24,045
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	-	(3,769)	-	-	-	-	(3,769)	-	(3,769)
Balance at 31 March 2025	173,507	(7,508)	3,043	56,140	-	483,477	708,659	52,460	761,119

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 31 MARCH 2026

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Year To Date	Preceding Corresponding Period
	31 Mar 2026 RM'000	31 Mar 2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	61,286	48,698
Adjustments for:		
Depreciation of property, plant and equipment	4,431	4,408
Depreciation of right-of-use assets	849	824
Interest expense	238	182
Unrealised gain on foreign exchange	(2,448)	(1,297)
Interest income	(3,097)	(2,495)
Fair value (gain)/loss on short-term investments	(1,054)	573
Inventories written down	17	13
Operating profit before working capital changes	60,222	50,906
Inventories	(231)	1,094
Trade receivables	(39,909)	5,635
Other receivables, deposits and prepaid expenses	(209)	(43)
Trade payables	18,403	(5,155)
Other payables and accrued expenses	1,665	620
Cash generated from operations	39,941	53,057
Taxes paid	(2,308)	(4,996)
Net cash from operating activities	37,633	48,061
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	3,097	2,495
Purchase of property, plant and equipment	(11,254)	(5,132)
Purchase of short-term investments	-	(21,541)
Proceeds from disposal of short-term investments	8,997	-
Net cash from/(for) investing activities	840	(24,178)

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	CUMULATIVE QUARTER	
	Current Year To Date 31 Mar 2026 RM'000	Preceding Corresponding Period 31 Mar 2025 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(238)	(182)
Dividend paid by subsidiaries to non-controlling interests	-	(2,145)
Repayment of bank borrowings	(9)	(8)
Payment of lease liabilities	(741)	(800)
Treasury shares acquired	(463)	(3,769)
Proceeds from exercise of warrants	8	1,792
Net cash for financing activities	(1,443)	(5,112)
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,030	18,771
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	534,206	469,112
EFFECT OF EXCHANGE DIFFERENCES	(8,525)	(5,899)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	562,711	481,984
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	305,602	353,677
Fixed deposits with licensed banks	270,238	135,518
	575,840	489,195
Less: Fixed deposits pledged with banks	(501)	(520)
Less: Fixed deposits with maturity more than 3 months	(12,628)	(6,691)
Cash and cash equivalents	562,711	481,984

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 31 March 2025.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2026**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 2025.

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 2025.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2025 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2026. 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 2025 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 31 March 2026, the Company increased its issued share capital by way of issuance of 1,850 ordinary shares pursuant to the exercise of 1,850 warrants at an exercise price of RM4 each.

During the quarter ended 31 March 2026, the Company repurchased 121,500 of its ordinary shares from the open market at an average price of RM3.81 per share. The total consideration paid for the repurchase including transaction costs was RM463,315.

As at 31 March 2026, the Company held 9,218,050 repurchased shares as treasury shares out of its total issued and paid-up share capital of 1,662,960,825 ordinary shares. Such treasury shares are held at a carrying amount of RM10,124,592.

A7. Dividends

No dividend was paid during the financial period ended 31 March 2025.



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A8. Segmental Information

The breakdown of the Group's revenue and results by geographical regions for the quarter ended 31 March 2026 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						
31 March 2026						
<u>Segment Revenue</u>						
External revenue	13,087	63,443	3,911	-	109,372	189,813
Inter-companies revenue	8	1,468	57	-	14	1,547
Total revenue	13,095	64,911	3,968	-	109,386	191,360
<u>Segment Results</u>						
Operating profit	2,341	4,716	844	(105)	50,631	58,427
Interest income						3,097
Finance cost						(238)
Profit before taxation						61,286
Current Year-to-date						
31 March 2026						
<u>Segment Revenue</u>						
External revenue	13,087	63,443	3,911	-	109,372	189,813
Inter-companies revenue	8	1,468	57	-	14	1,547
Total revenue	13,095	64,911	3,968	-	109,386	191,360



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Current Year-to-date 31 March 2026	Singapore RM'000	Malaysia RM'000	Philippines RM'000	Indonesia RM'000	Taiwan RM'000	Elimination RM'000	Total RM'000
<u>Segment Results</u>							
Operating profit	2,341	4,716	844	(105)	50,631	-	58,427
Interest income							3,097
Finance cost							(238)
Profit before taxation							<u>61,286</u>
<u>Assets</u>							
Non-current assets							
- Property, plant and equipment	13,167	23,870	1,019	444	201,144	-	239,644
- Right-of-use assets	5,007	3,792	3,050	630	18,161	-	30,640
- Deferred tax assets	-	-	21	-	2,894	-	2,915
- Goodwill	-	33,761	-	-	-	-	33,761
- Other receivables	-	-	-	-	776	-	776
Current assets	47,346	313,138	22,937	331	638,338	31,258	1,053,348
Consolidated total assets							<u>1,361,084</u>
<u>Liabilities</u>							
Tax liabilities	1,853	1,855	314	-	40,338	-	44,360
Segment liabilities	13,369	36,698	3,992	8,464	143,768	(10,282)	196,009
Consolidated total liabilities							<u>240,369</u>

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A9. Profit before tax

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

	Current Quarter 31 Mar 2026 RM'000	Current Year-to-date 31 Mar 2026 RM'000
Fair value gain on short-term investments	1,054	1,054
Interest income	3,097	3,097
Depreciation of property, plant and equipment	(4,431)	(4,431)
Depreciation of right-of-use assets	(849)	(849)
Interest expense	(238)	(238)
Inventories written down	(17)	(17)
Realised exchange loss	(694)	(694)
Unrealised exchange gain	2,448	2,448

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 31 March 2026, 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 31 Mar 2026
	RM'000
Cash at bank	305,556
Cash on hand	46
Fixed deposits with licensed banks	270,238
	575,840
Less: Fixed deposits pledged with banks	(501)
Less: Fixed deposits with maturity more than 3 months	(12,628)
	562,711

A15. Significant related party transactions

	Current Quarter 31 Mar 2026	Current Year-to-date 31 Mar 2026
	RM'000	RM'000
Sales to AMT	3	3
Purchase from AMT	16	16
Purchase from TTM	9	9
Rental payable to AMT	36	36
Rental payable to a director of a subsidiary	30	30

Name of Related Parties	Relationship
AMT	Sia Chiok Meng, a Director of FEM, is also a director and substantial shareholder of AMT.
A&I	Sia Chiok Meng, a director of FEM, is also a director and substantial shareholder of A&I.
TTM	Mohd Shukri Bin Hitam and Fauziah Binti Hamlawi, directors and shareholders of TTES, are also directors and shareholders of TTM.

Abbreviations:

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

A16. Capital commitments

Capital expenditure of the Group approved by the Directors but not provided for in the condensed financial statements are as follows:

	As at 31 Mar 2026
	RM'000
Plant and equipment	22,072

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Analysis of performance

Current quarter's performance against the quarter ended 31 March 2025

The Group's revenue for the current quarter ended 31 March 2026 increased by approximately 43% compared to the preceding year corresponding quarter mainly due to higher contributions from our subsidiaries in Malaysia and Taiwan.

The revenue for our Malaysia subsidiaries increased by 266% compared to the corresponding period mainly due to higher sales contribution from supply-related activities in the oil and gas business. The revenue for our Taiwan subsidiary increased by 11% year-on-year. 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 20%. Volume in the semi-conductor space continued to grow due to higher demand and strong orders from our customers which benefited our Taiwan subsidiary.

Against the same period last year, the Group's profit after tax ("PAT") increased by 38% or RM12.9 million primarily due to overall better performance from the Group's core businesses and effective costs control.

B2. Comparison with immediate preceding quarter

	1st Quarter 31 Mar 2026	4th Quarter 31 Dec 2025
	RM'000	RM'000
Revenue	189,813	156,897
Profit before tax	61,286	62,305
Profit after tax	47,012	47,712
Profit attributable to owners of the Company	42,354	43,838

The Group's revenue increased by 21% mainly due to higher contributions from our subsidiaries in Malaysia. However, PAT decreased marginally mainly due to lower margin contribution from supply-related activities in the oil and gas business.

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B3. Prospects

The Group remains focused on maintaining operational resilience and supply chain stability. While recent geopolitical tensions may affect the supply and pricing of certain raw materials, the Group continues to monitor these developments closely and has proactively managed its procurement and supply planning to mitigate potential disruptions.

In the semiconductor segment, activity level remains stable and the Group continues to strengthen its operational capabilities and capacity to support growth. Ongoing demand across technology nodes coupled with investments in advanced manufacturing is expected to support sustained activity levels. The Group continues to deepen collaboration across the supply chain and strengthen customer relationships to support long-term growth. Looking ahead, the Group remains optimistic about the growth prospects of the semiconductor industry.

In the oil and gas segment, stronger crude oil prices continue to support activity levels across the industry. While this environment places greater demands on equipment and operations, it also creates opportunities for service providers. The Group is encouraged by the performance of its business units in this segment and remains cautiously optimistic on the outlook for 2026.

Amid ongoing uncertainties, the Group remains resilient and focused. Our continued emphasis on service quality, innovation and capability development positions us well to capture opportunities, sustain competitiveness and 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 31 Mar 2026	Current Year-to-date 31 Mar 2026
	RM'000	RM'000
Income tax	14,323	14,323
Deferred tax	(49)	(49)
	<u>14,274</u>	<u>14,274</u>

The Group's effective tax rate for the year 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 31 March 2026 are as follows:

	As at 31 Mar 2026		As at 31 Mar 2025	
	Foreign currencies		Foreign currencies	
	RM'000	RM'000	RM'000	RM'000
<u>Short-term</u>				
Hire Purchase Payables				
- Ringgit Malaysia	-	6	-	35
		6		35
<u>Long-term</u>				
Hire Purchase Payables				
- Ringgit Malaysia	-	-	-	6
		6		41
		6		41

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 6 May 2026.

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)	42,354	31,067	42,354	31,067
Weighted average number of shares in issue ('000)	1,653,793	1,586,075	1,653,793	1,586,075
Basic EPS (sen)	2.56	1.96	2.56	1.96

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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)	42,354	31,067	42,354	31,067
Weighted average number of shares in issue (Basic) ['000]	1,653,793	1,586,075	1,653,793	1,586,075
Effect of dilution - warrants	1,132	3,663	1,132	3,663
Weighted average number of shares in issue and issuable (Diluted) ['000]	1,654,925	1,589,738	1,654,925	1,589,738
Diluted EPS (sen)	2.56	1.95	2.56	1.95

B10. Dividends

No dividend was declared for the current quarter ended 31 March 2026.

This report has been approved by the Board of Directors on 6 May 2026.