



FRONTKEN CORPORATION BERHAD

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

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR 3RD QUARTER ENDED 30 SEPTEMBER 2009

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Sept 2009 RM '000	Preceding Year Corresponding Quarter 30 Sept 2008 RM '000	Current Year To-date 30 Sept 2009 RM '000	Preceding Year Corresponding Period 30 Sept 2008 RM '000
Revenue	35,656	32,992	103,010	98,915
Operating expenses	(25,594)	(25,220)	(82,220)	(76,007)
Profit before amortisation, depreciation and finance	10,062	7,772	20,790	22,908
Depreciation and amortisation	(3,445)	(2,963)	(10,123)	(8,443)
Finance costs	(889)	(488)	(2,752)	(3,153)
Other operating income#	188	1,301	1,484	6,251
Other expenses*	-	(5)	-	(478)
Share of results of associated companies	(256)	390	(993)	1,582
Profit/(Loss) before taxation	5,660	6,007	8,406	18,667
Taxation	(772)	(24)	(1,088)	(2,172)
Profit for the period	<u>4,888</u>	<u>5,983</u>	<u>7,318</u>	<u>16,495</u>
Attributable to :				
Equity holders of the company	4,962	5,983	7,720	16,420
Minority interests	(74)	-	(402)	75
Profit for the period	<u>4,888</u>	<u>5,983</u>	<u>7,318</u>	<u>16,495</u>
Earnings per share attributable to equity holders of the Company :				
Basic (sen)	0.7	1.2	1.1	3.3

Other income for the period ended 30 September 2008 is inclusive of insurance claims received in respect of fire incidents at the Group's plants in Kulim and Singapore.

* Other expenses for the period ended 30 September 2008 is inclusive of the cost of fire consequential losses.

The condensed consolidated income statement is to be read in conjunction with the accompanying notes to the interim financial report.

The comparative figures are based on unaudited financial statements of the Company for the financial period ended 30 September 2008.



FRONTKEN CORPORATION BERHAD

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

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2009

(The figures have not been audited)

	Unaudited 30 Sep 2009 RM'000	Audited 31 Dec 2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	113,800	108,979
Prepaid lease payments on leasehold land	3,506	3,553
Investment in associated companies	47,744	48,192
Goodwill on consolidation	4,745	3,749
Intangible assets	-	-
Total non-current assets	169,795	164,473
Current assets		
Inventories	7,818	5,910
Amount due from contract customers	981	669
Trade receivables	43,444	41,324
Other receivables and prepaid expenses	9,602	13,304
Tax recoverable	-	-
Amount owing by associates	2,707	3,500
Fixed deposits with licensed bank	778	758
Cash and bank balances	7,393	10,441
Total current assets	72,723	75,906
Total assets	242,518	240,379
EQUITY AND LIABILITIES		
Capital and reserve		
Issued capital	72,243	69,977
Reserves	12,057	8,680
Retained earnings	50,730	43,010
Equity attributable to equity holders of the parent	135,030	121,667
Minority interests	302	652
Total equity	135,332	122,319



FRONTKEN CORPORATION BERHAD

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

	Unaudited 30 Sep 2009 RM'000	Audited 31 Dec 2008 RM'000
Non-current liabilities		
Bank borrowings	28,353	33,201
Deferred income	-	-
Hire-purchase payables	15,897	12,091
Deferred tax liabilities	3,400	3,466
Total non-current liabilities	<u>47,650</u>	<u>48,758</u>
Current liabilities		
Trade payables	15,043	19,453
Other payables	10,625	18,195
Amount owing to associate	162	301
Bank overdrafts	6,272	5,618
Bank borrowings - current portion	19,473	18,471
Deferred income - current portion	5	19
Hire purchase payable - current portion	7,128	5,906
Tax liabilities	828	1,339
Total current liabilities	<u>59,536</u>	<u>69,302</u>
Total liabilities	<u>107,186</u>	<u>118,060</u>
Total equity and liabilities	<u>242,518</u>	<u>240,379</u>
Net assets per share (RM)	0.19	0.17

Notes :

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 2008.



FRONTKEN CORPORATION BERHAD

(Co No: 651020-T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2009

(The figures have not been audited)

	<----- Non-distributable ----->			<-Distributable ->			Total RM'000
	Issued capital RM'000	Share premium RM'000	Foreign currency Translation reserve RM'000	Retained earnings/ RM'000	Attributable to equity holders of the Company RM'000	Minority interests RM'000	
Balance as of 1 January 2009	69,977	5,935	2,745	43,010	121,667	652	122,319
Net income (expense) recognised directly in equity:							
Exchange differences arising from translation of foreign operations	-	-	1,307	-	1,307	-	1,307
Profit for the period	-	-	-	7,720	7,720	(402)	7,318
Total recognised income and expenses	-	-	1,307	7,720	9,027	(402)	8,625
Arising from issue of shares by subsidiary	-	-	-	-	-	52	52
Arising from private placement	2,266	2,070	-	-	4,336	-	4,336
Balance as of 30 September 2009	72,243	8,005	4,052	50,730	135,030	302	135,332



FRONTKEN CORPORATION BERHAD

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

CORRESPONDING PERIOD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2008

(The figures have not been audited)

	----- Non-distributable ----->			<-Distributable->			Total RM'000
	Issued capital RM'000	Share premium RM'000	Foreign currency Translation reserve RM'000	Retained/ earnings/ RM'000	Attributable to equity holders of the Company RM'000	Minority interests RM'000	
Balance as of 1 January 2008	49,474	23,888	473	24,159	97,994	1,670	99,664
Net income (expense) recognised directly in equity:							
Exchange differences arising from translation of foreign operations	-	-	3,081	-	3,081	-	3,081
Profit for the period	-	-	-	16,420	16,420	75	16,495
Total recognised income and expenses	-	-	3,081	16,420	19,501	75	19,576
Arising from issue of shares by subsidiary	510	2,040	-	-	2,550	-	2,550
Arising from subscription of shares	-	-	-	-	-	(1,083)	(1,083)
Balance as of 30 September 2008	49,984	25,928	3,554	40,579	120,045	662	120,707

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes to the interim financial report.



FRONTKEN CORPORATION BERHAD

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2009

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date 30 Sept 2009 RM'000	Preceding Corresponding Period 30 Sept 2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	7,318	16,495
Adjustments for:		
Income tax expense recognised in income statement	1,088	2,172
Depreciation for property, plant and equipment	10,077	8,274
Interest expense	2,752	3,153
Unrealised gain on foreign exchange	(586)	887
Interest income	(73)	(347)
Amortisation of prepaid land lease	46	46
Amortisation of intangible assets	-	123
Fixed assets written off	20	283
Government grant	(14)	(38)
Loss/(Gain) on disposal of property, plant and equipment	(102)	(1,006)
Share of results of associated companies	993	(1,582)
Operating profit before working capital changes	21,519	28,460
Inventories	(1,832)	(871)
Amount due from contract customers	(312)	-
Trade receivables	(1,749)	2,268
Other receivables and prepaid expenses	3,942	(23,751)
Amount owing by associates	807	-
Trade payables	(3,740)	7,425
Other payables and accrued expenses	(7,888)	497
Amount owing to associate	(141)	-
Cash generated from operations	10,606	14,028
Tax paid	(1,761)	(2,545)
Net cash from operating activities	8,845	11,483
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	73	347
Acquisition of additional interest in subsidiary	(935)	(2,550)
Purchase of investment in associated company	-	(428)
Purchase of property, plant and equipment	(3,597)	(14,973)
Proceeds from disposal of property, plant and equipment	277	3,602
Dividend received from associated company	-	2,969
Net cash used in investing activities	(4,182)	(11,033)



FRONTKEN CORPORATION BERHAD

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

	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	30 Sept 2009 RM'000	30 Sept 2008 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(2,752)	(3,153)
Proceeds from minority interest	52	661
Proceeds from issuance of shares	4,429	2,550
Drawdown of term loans	-	5,000
Repayment of term loans	(5,390)	(13,002)
Increase in short-term borrowings	637	777
Repayment of hire purchase payables	(5,356)	(4,105)
Share issue expenses	(93)	-
Net cash used in financing activities	<u>(8,473)</u>	<u>(11,272)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,810)	(10,822)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	5,581	13,917
EFFECT OF EXCHANGE DIFFERENCES	128	1,675
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>1,899</u>	<u>4,770</u>
THE CASH AND CASH EQUIVALENTS COMPRISE:		
CASH AND BANK BALANCES	7,393	12,723
SHORT-TERM DEPOSITS WITH LICENSED BANKS	778	373
BANK OVERDRAFT	<u>(6,272)</u>	<u>(8,326)</u>
	<u>1,899</u>	<u>4,770</u>

The condensed consolidated cash flow statement is to be read in conjunction with the accompanying notes to the interim financial report.

The comparative figures are based on unaudited financial statements of the Company for the financial period ended 30 September 2008.



FRONTKEN CORPORATION BERHAD

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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 Financial Reporting Standards ("FRS") No.134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), 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 2008.

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"), its subsidiaries and associated companies (collectively, "the Group") since the financial year ended 31 December 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

A2. Audit qualification

The auditors' report in respect of the audited financial statements of FCB for the financial year ended 31 December 2008 was not subject 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

There were no changes in estimates that had a material effect on the current quarter's results.



FRONTKEN CORPORATION BERHAD

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

A6. Issuance, cancellations, repurchases, resale and repayments of debt and equity securities

Save as disclosed below, there were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares or resale of treasury shares during the current quarter:

On 22 July 2009, a fourth and final tranche of 11,664,000 new ordinary shares of RM0.10 each in FCB ("Placement Shares") were issued pursuant to the private placement which was announced on 2 April 2007 at an issue price of RM0.21 per Placement Share. As a result, the issued and paid-up capital of the Company increased by RM1,166,400 to RM72,243,440 comprising 722,434,400 ordinary shares of RM0.10 each.

A7. Dividends

No dividends were paid and/or declared during the quarter under review.

A8. Segmental information

The breakdown of the Group's revenue and results by geographical regions for the quarter ended 30 September 2009 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

	Current Quarter 30 Sept 2009 RM'000	Current Year-to-date 30 Sept 2009 RM'000
<u>Segment Revenue</u>		
Singapore	20,717	58,588
Malaysia	14,585	41,449
Philippines	283	2,902
China	71	71
	35,656	103,010
<u>Segment Results</u>		
Singapore	4,862	8,558
Malaysia	1,334	1,948
Philippines	(135)	(71)
Taiwan	(3)	(16)
Hong Kong	-	(3)
China	(76)	(781)
Indonesia	(66)	(236)
	5,916	9,399
Add: Share of results of associated companies:		
Thailand	(18)	(92)
Taiwan	(238)	(841)
Malaysia	-	(60)
Profit before taxation	5,660	8,406



FRONTKEN CORPORATION BERHAD

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

Disclosure of segmental information of the Group by business segment is not presented as the Group is primarily engaged in only one business segment which is the provision of surface metamorphosis technology using thermal spray coating processes and a series of complementary processes, including mechanical and chemical engineering works.

A9. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment during the quarter under review.

A10. 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.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A12. Contingent liabilities

Save as disclosed below, the Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position of the Group:

	As at 30 Sept 2009 RM'000
Guarantee by a wholly-owned subsidiary in favour of third party for the due and complete performance of a project by an associated company	2,477

A13. Cash and cash equivalents

	As at 30 Sept 2009 RM'000
Cash at bank	7,295
Cash on hand	98
Fixed deposits	778
	<hr/>
	8,171
Bank overdrafts	(6,272)
	<hr/>
	1,899



FRONTKEN CORPORATION BERHAD

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

A14. Significant related party transactions

	Current Quarter 30 Sept 2009	Current Year-to-date 30 Sept 2009
	RM'000	RM'000
Sales by FM and FEM to AMT	9	19
Sales by FEM to A&I	2	4
Sales by FS, MTI and FEM to Chinyee	751	1,339
Sales by FM and FEM to FPSB	8	291
Purchases from AMT by FEM	-	1
Purchases from Chinyee by FS	742	3,514
Purchases from FPSB by FM	29	44
Rental payable by FMIC to MIC-W	140	512
Fees payable to MIC-W for administrative support functions and services and sharing of resources	97	97
Fees payable to a former director for professional services	18	18

Abbreviations:

<i>AMT</i>	<i>AMT Engineering Sdn Bhd</i>	<i>FMIC</i>	<i>Frontken-MIC (Wuxi) Co. Ltd</i>
<i>A&I</i>	<i>A&I Engine Rebuilders Sdn Bhd</i>	<i>FPSB</i>	<i>Frontken Petroleum Sdn Bhd</i>
<i>Chinyee</i>	<i>Chinyee Engineering & Machinery Pte Ltd</i>	<i>FS</i>	<i>Frontken (Singapore) Pte Ltd</i>
<i>FEM</i>	<i>Frontken (East Malaysia) Sdn Bhd</i>	<i>MIC-W</i>	<i>MIC-Tech (Wuxi) Co., Ltd</i>
<i>FM</i>	<i>Frontken Malaysia Sdn Bhd</i>	<i>MTI</i>	<i>Metall-Treat Industries Pte Ltd</i>

Name of Related Parties	Relationship
AMT	Sia Chiok Meng, a Director of FEM, is also a director and major shareholder of AMT.
Chinyee	Wong Hua Choon, a director and major shareholder of FCB, and Yeo Lay Poh, a substantial shareholder of FCB, are also directors and substantial shareholders of Chinyee. Dr Tay Kiang Meng is a director and shareholder of both FCB and Chinyee.
A&I	Sia Chiok Meng, a director of FEM, is also a director and major shareholder of A&I.
MIC-W	MIC-W is a subsidiary of Marketech International Corporation, which in turn is a deemed major shareholder of FMIC.
FPSB	Zulkifli bin Ali, a deemed major shareholder of FCB within the preceding six (6) months, is also a director and major shareholder of FPSB.



FRONTKEN CORPORATION BERHAD

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

The Directors are of the opinion that the above transactions entered into in the ordinary course of the business have been established on terms and conditions that are not materially different from those transactions with unrelated parties.

A15. Capital commitments

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

	As at 30 Sept 2009
	RM'000
Factory improvement	398
Acquisition of machinery and equipment	5,159
	<u>5,557</u>

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

The Group recorded unaudited revenue and profit before tax ("PBT") of approximately RM103.0 million and RM8.4 million respectively for the nine (9) months ended 30 September 2009 ("FP 2009"), compared to RM98.9 million and RM18.7 million respectively for the preceding corresponding period ended 30 September 2008. This represents an increase of approximately 4.1% in revenue and decrease in PBT of approximately 55.0% compared to that achieved in the preceding corresponding period. Net profit attributable to shareholders was RM7.7 million for FP 2009 as compared to RM16.4 million in the previous corresponding period.

Despite signs of improvement in economic conditions, the Group's sales performance remained mixed by activity and location. In Singapore, demand from the power generation and semiconductor sectors saw tremendous recovery in recent months and demand for maintenance works on critical parts and equipment from the oil and gas industry has also been increasing. The modest revenue growth recorded by the Group for FP 2009 was mainly due to higher demand for the Group's services in Malaysia and the Philippines.

The lower PBT recorded by the Group for FP 2009 was mainly due to the following:

- (a) For the corresponding period in 2008, the Group's PBT of RM18.7 million included a one-off net gain of approximately RM4.2 million in respect of recovery from insurers on the fire incidents. Excluding this one-off gain, the Group's PBT for FP2009 declined by 42.1% over the same period in 2008;
- (b) Lower margin during the current period arising from higher subcontracting cost; and
- (c) Share of losses of associates during the current period as compared to share of profits in the preceding corresponding period.



FRONTKEN CORPORATION BERHAD

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

B2. Comparison with immediate preceding quarter

	3rd Quarter 30 Sept 2009	2nd Quarter 30 Jun 2009
	RM'000	RM'000
Revenue	35,656	36,764
Profit before tax	5,660	1,564

The Group recorded a marginal decline in revenue of 3% or approximately RM1.1 million during the current quarter compared to the preceding quarter. The decline in revenue during the current quarter was primarily due to marginally lower sales in Singapore.

Despite a lower revenue, the Group's unaudited PBT in the current quarter was approximately RM4.1 million higher than the preceding quarter, representing a threefold increase. The increase in the Group's PBT was the result of gross margin improvement during the current quarter.

B3. Prospects for the year

The outlook has turned more positive compared to the first half of 2009, with encouraging demand for the Group's services in the power generation, semiconductor and oil and gas sectors. Nonetheless, the Group intends to maintain a cautious approach towards its cost structures and capital expenditures. Ongoing efforts to focus on its core markets and extend market reach will continue with the aim of strengthening its market position. The Group will also continue to build its balance sheet as a cushion against business volatility and the constantly changing market landscape. Barring unforeseen circumstances, the Directors expect performance for the current financial year to be satisfactory in light of the current financial crisis.

B4. Variance in profit forecast

Not applicable as no profit forecast or profit guarantee has been announced or disclosed in a public document previously.

B5. Taxation

	Current Quarter 30 Sept 2009	Current Year-to-date 30 Sept 2009
	RM'000	RM'000
Income tax	805	1,211
Deferred tax	(33)	(123)
	<u>772</u>	<u>1,088</u>



FRONTKEN CORPORATION BERHAD

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

The Group's effective tax rate for the period under review is 13.6% compared to the statutory tax rate of 25% in Malaysia primarily attributed to deferred tax adjustment arising from reduction in corporation tax rate from 18% to 17% enjoyed by its subsidiaries in Singapore and jobs credit grant received from the Singapore government which is not subject to tax, as well as a relatively lower statutory tax rate of 17% in Singapore.

B6. Unquoted investments and properties

There were no disposals of unquoted investment and properties during the current quarter and financial period under review.

B7. Quoted and marketable securities

There were no purchases and disposals of marketable securities during the current quarter.

On 26 June 2009, Ares Green Technology Corporation ("AGTC") obtained shareholders' approval for the distribution of share dividend on the basis of 1 new share of NT\$10 each for every 20 existing shares held. Consequently, although the percentage shareholding held collectively by FCB and its subsidiary in AGTC remains unchanged, the aggregate number of shares in AGTC held by FCB and its subsidiary increased from 12,633,534 shares to 13,265,210 shares. The share dividend was completed on 16 October 2009.

B8. Status of corporate proposals

As at 18 November 2009, the status of corporate proposals announced but not completed is as follows:

On 27 February 2009, the Company announced that its wholly-owned subsidiary, Frontken (Singapore) Pte Ltd, had agreed to the terms and entered into a conditional Share Purchase Agreement with Wong Hua Choon for the acquisition of 1,397,400 ordinary shares representing 20% of the issued and paid-up share capital of Chinyee Engineering and Machinery Pte Ltd for a cash consideration of SGD820,000 (equivalent to approximately RM1,963,000 based on the exchange rate of SGD1.00 : RM2.3937 as at 26 February 2009) ("Acquisition of Chinyee"). The Acquisition of Chinyee is pending completion.

B9. Group borrowings

The Group's borrowings as at 30 September 2009 are as follows:

	Short-term	Long-term	Total
	RM'000	RM'000	RM'000
<u>Secured</u>			
Bank overdrafts	6,272	-	6,272
Hire purchase creditors	7,128	15,897	23,025
Term loans	19,473	28,353	47,826
	<u>32,873</u>	<u>44,250</u>	<u>77,123</u>



FRONTKEN CORPORATION BERHAD

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

The Group's borrowings that are not denominated in functional currency are as follows:

	Short-term	Long-term	Total
	RM'000	RM'000	RM'000
<u>Currency</u>			
Singapore Dollar	25,658	33,228	58,886
New Taiwan Dollar	1,566	1,512	3,078
	<u>27,224</u>	<u>34,740</u>	<u>61,964</u>

B10. Off balance sheet financial instruments

The Group has not entered into any contract involving off balance sheet financial instruments as at the date of this report.

B11. Material litigation

Save as disclosed below, 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 as at the date of this report:

On 2 February 2009, FM was served a Writ of Summons by IFC. The said Writ of Summons and Statement of Claim were presented to the High Court of Malaya at Alor Star on 7 January 2009.

Under the said Writ of Summons, IFC was alleging that it had successfully completed installation works for Frontken Malaysia Sdn Bhd ("FM") at its plant at Kulim Hi-Tech Park pursuant to its quotation furnished for the said installation, and that FM had partially satisfied the contract sum, leaving a balance of RM1,122,425. However, FM had denied any liability to IFC. IFC is therefore claiming against FM for the above outstanding sum, interest thereon at 8%, costs and other relief that the Court deems fit.

FM is disputing the legitimacy of the claim by IFC in view that FM had at all times contracted with the main contractor, and not IFC, for the performance of the installation works at its plant at Kulim Hi-Tech Park. Further, the installation works were either not performed or unsatisfactorily performed.

On 24 November 2009, the Court allowed IFC's application for summary judgment, thereby ordering FM to pay the amount claimed by IFC. FM will file an appeal against the said decision and an application for stay of execution pending appeal.



FRONTKEN CORPORATION BERHAD

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

B12. Earnings per share (“EPS”)

(a) Basic EPS

The calculation of the basic EPS is based on the net profit for the financial period under review divided by the number of ordinary shares of RM0.10 each in issue.

	Current Quarter	Preceding Corres- ponding Quarter	Current Year-to- date	Preceding Corres- ponding Year-to- date
Profit attributable to ordinary shareholders (RM'000)	4,962	5,983	7,720	16,420
The number/weighted average number of shares in issue ('000)	719,772	499,836	707,115	497,732
Basic EPS (sen)	0.7	1.2	1.1	3.3

(b) Diluted EPS

No diluted EPS has been presented as the Group does not have any dilutive potential ordinary shares in issue as at the Balance Sheet date.

B13. Dividends

No dividend has been declared for the current quarter ended 30 September 2009.

By order of the Board
Frontken Corporation Berhad

Wong Hua Choon
Executive Chairman / Managing Director
Kuala Lumpur
25 November 2009