



FRONTKEN CORPORATION BERHAD

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR 1ST QUARTER ENDED 31 MARCH 2010

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2010 RM '000	Preceding Year Corresponding Quarter 31 Mar 2009 RM '000	Current Year To-date 31 Mar 2010 RM '000	Preceding Year Corresponding Period 31 Mar 2009 RM '000
Revenue	33,897	30,590	33,897	30,590
Operating expenses	<u>(25,785)</u>	<u>(26,516)</u>	<u>(25,785)</u>	<u>(26,516)</u>
Profit before amortisation, depreciation and finance costs	8,112	4,074	8,112	4,074
Depreciation and amortisation	(3,563)	(3,173)	(3,563)	(3,173)
Finance costs	(877)	(900)	(877)	(900)
Other operating income	419	1,761	419	1,761
Share of results of associated companies	<u>(33)</u>	<u>(579)</u>	<u>(33)</u>	<u>(579)</u>
Profit/(Loss) before taxation	4,058	1,183	4,058	1,183
Taxation	<u>(512)</u>	<u>78</u>	<u>(512)</u>	<u>78</u>
Profit for the period	<u><u>3,546</u></u>	<u><u>1,261</u></u>	<u><u>3,546</u></u>	<u><u>1,261</u></u>
Other comprehensive income:				
Exchange difference arising on translation of foreign operations	<u>(2,731)</u>	<u>(275)</u>	<u>(2,731)</u>	<u>(275)</u>
Other comprehensive income, net of tax	<u>(2,731)</u>	<u>(275)</u>	<u>(2,731)</u>	<u>(275)</u>
Total comprehensive income for the period	<u><u>815</u></u>	<u><u>986</u></u>	<u><u>815</u></u>	<u><u>986</u></u>
Profit attributable to :				
Equity holders of the company	3,581	1,492	3,581	1,492
Minority interests	<u>(35)</u>	<u>(231)</u>	<u>(35)</u>	<u>(231)</u>
Profit for the period	<u><u>3,546</u></u>	<u><u>1,261</u></u>	<u><u>3,546</u></u>	<u><u>1,261</u></u>
Total comprehensive income attributable to:				
Equity holders of the company	863	1,217	863	1,217
Minority interests	<u>(48)</u>	<u>(231)</u>	<u>(48)</u>	<u>(231)</u>
Total comprehensive income for the period	<u><u>815</u></u>	<u><u>986</u></u>	<u><u>815</u></u>	<u><u>986</u></u>
Earnings per share attributable to equity holders of the company :				
Basic (sen)	0.5	0.2	0.5	0.2
Diluted (sen)	0.4	N/A	0.4	N/A

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 2009.



FRONTKEN CORPORATION BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

(The figures have not been audited)

	Unaudited 31 Mar 2010 RM'000	Audited 31 Dec 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	108,498	113,481
Prepaid lease payments on leasehold land	3,475	3,491
Investment in associated companies	48,909	46,538
Goodwill on consolidation	4,596	4,724
Total non-current assets	<u>165,478</u>	<u>168,234</u>
Current assets		
Inventories	9,591	8,926
Trade receivables	39,119	36,900
Other receivables and prepaid expenses	6,899	5,285
Amount owing by associates	3,756	2,098
Fixed deposits with licensed bank	31,633	782
Cash and bank balances	7,999	12,771
Total current assets	<u>98,997</u>	<u>66,762</u>
Total assets	<u>264,475</u>	<u>234,996</u>
EQUITY AND LIABILITIES		
Capital and reserve		
Issued capital	101,141	72,243
Reserves	34,339	11,686
Retained earnings	31,882	51,419
Equity attributable to equity holders of the parent	<u>167,362</u>	<u>135,348</u>
Minority interests	<u>317</u>	<u>182</u>
Total equity	<u>167,679</u>	<u>135,530</u>
Non-current liabilities		
Bank borrowings	29,437	25,265
Hire-purchase payables	13,252	14,597
Deferred tax liabilities	3,775	3,789
Total non-current liabilities	<u>46,464</u>	<u>43,651</u>
Current liabilities		
Amount due to contract customers	-	47
Trade payables	11,526	12,556
Other payables	10,477	12,486
Amount owing to associate	807	118
Amount owing to a director	10	21
Bank overdrafts	1,764	3,365
Bank borrowings - current portion	17,963	18,367
Deferred income - current portion	-	-
Hire purchase payable - current portion	6,981	8,224
Tax liabilities	804	631
Total current liabilities	<u>50,332</u>	<u>55,815</u>
Total liabilities	<u>96,796</u>	<u>99,466</u>
Total equity and liabilities	<u>264,475</u>	<u>234,996</u>
Net assets per share (RM)	0.17	0.19

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 2009.



FRONTKEN CORPORATION BERHAD

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE 1ST QUARTER ENDED 31 MARCH 2010

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	31 Mar 2010 RM'000	31 Mar 2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	3,546	1,261
Adjustments for:		
Income tax expense recognised in income statement	512	(78)
Depreciation for property, plant and equipment	3,548	3,157
Interest expense	877	900
Unrealised gain on foreign exchange	(13)	(664)
Interest income	(29)	(19)
Amortisation of prepaid land lease	15	16
Government grant	-	(5)
(Gain)/Loss on disposal of property, plant and equipment	92	6
Provision for doubtful debt	470	-
Bad debt written off	1	-
Share of results of associated companies	33	579
	9,051	5,153
Operating profit before working capital changes		
Inventories	(761)	(956)
Amount due to/from contract customers	(47)	52
Trade receivables	(3,409)	9,230
Other receivables and prepaid expenses	(1,717)	2,480
Amount owing by associates	(1,695)	(455)
Trade payables	(1,004)	(6,860)
Other payables and accrued expenses	(2,008)	(6,583)
Amount owing to associate	690	(158)
Amount owing to a director	(11)	-
	(912)	1,903
Cash generated from operations		
Tax paid	(178)	(282)
	(1,091)	1,621
Net cash from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in amount owing by associates	-	-
Interest received	29	19
Acquisition of subsidiaries	-	-
Acquisition of associates	(3,384)	-
Purchase of property, plant and equipment	(2,069)	(463)
Proceeds from disposal of property, plant and equipment	45	16
Dividend received from associate	-	-
	(5,379)	(428)
Net cash used in investing activities		



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	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	31 Mar 2010 RM'000	31 Mar 2009 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(877)	(900)
Issue of shares by subsidiary company	183	52
Proceeds from issuance of shares	31,787	1,980
Drawdown of term loans	5,643	-
Repayment of term loans	(1,710)	(1,814)
Increase in short-term borrowings	1,363	1,245
Repayment of hire purchase payables	(1,832)	(717)
Share issue expenses	(637)	(60)
Net cash used in financing activities	<u>33,921</u>	<u>(214)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	27,451	979
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	10,187	5,581
EFFECT OF EXCHANGE DIFFERENCES	230	(643)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>37,868</u></u>	<u><u>5,917</u></u>
THE CASH AND CASH EQUIVALENTS COMPRISE:		
CASH AND BANK BALANCES	7,999	10,725
SHORT-TERM DEPOSITS WITH LICENSED BANKS	31,633	758
BANK OVERDRAFT	<u>(1,764)</u>	<u>(5,566)</u>
	<u><u>37,868</u></u>	<u><u>5,917</u></u>

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

The comparative figures are based on unaudited financial statements of the Company for the financial period ended 31 March 2009.



FRONTKEN CORPORATION BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 1ST QUARTER ENDED 31 MARCH 2010

(The figures have not been audited)

	Non-distributable			Distributable		Attributable to equity holders of the Company RM'000	Minority interests RM'000	Total RM'000
	Issued capital RM'000	Share premium RM'000	Foreign currency Translation reserve RM'000	Warrant reserve RM'000	Retained earnings/ RM'000			
Balance as of 1 January 2010	72,243	7,998	3,688	-	51,419	135,348	182	135,530
Net income (expense) recognised directly in equity:								
Exchange differences arising from translation of foreign operations	-	-	(2,718)	-	-	(2,718)	(13)	(2,731)
Profit for the period	-	-	-	-	3,581	3,581	(35)	3,546
Total comprehensive income	-	-	(2,718)	-	3,581	863	(48)	815
Arising from issue of shares by subsidiary	-	-	-	-	-	-	183	183
Renounceable rights issue	28,898	2,253	-	-	-	31,151	-	31,151
Transfer from retained earnings	-	-	-	23,118	(23,118)	-	-	-
Balance as of 31 March 2010	101,141	10,251	970	23,118	31,882	167,362	317	167,679

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 1ST QUARTER ENDED 31 MARCH 2009

(The figures have not been audited)

	Non-distributable			Distributable		Attributable to equity holders of the Company RM'000	Minority interests RM'000	Total RM'000
	Issued capital RM'000	Share premium RM'000	Foreign currency Translation reserve RM'000	Retained earnings/ RM'000	Retained earnings/ RM'000			
Balance as of 1 January 2009	69,977	5,935	2,745	43,010	43,010	121,667	652	122,319
Net income (expense) recognised directly in equity:								
Exchange differences arising from translation of foreign operations	-	-	(275)	-	-	(275)	-	(275)
Profit for the period	-	-	-	1,492	1,492	1,492	(231)	1,261
Total recognised income and expenses	-	-	(275)	1,492	1,492	1,217	(231)	986
Arising from issue of shares by subsidiary	-	-	-	-	-	-	52	52
Arising from subscription of shares	1,100	820	-	-	-	1,920	-	1,920
Balance as of 31 March 2009	71,077	6,755	2,470	44,502	44,502	124,804	473	125,277

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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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2010

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 2009.

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 2009.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009 except for the adoption of the following new FRSs with effect from 1 January 2010:

FRS 7 Financial Instruments: Disclosures

FRS 101 (2009) Presentation of Financial Statements

Revised FRS 123 (2009) Borrowing Costs

Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement

Amendments to FRS1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 7, FRS 139 and IC Interpretation 9

IC Interpretation 10 Interim Financial Reporting and Impairment

Annual Improvements to FRSs (2009)

The adoption of the above standards do not have significant impact on the financial statements of the Group.

A2. Audit qualification

The auditors' report in respect of the audited financial statements of FCB for the financial year ended 31 December 2009 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.



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A5. Material changes in estimates

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

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 11 March 2010, the Company allotted and issued 288,973,760 ordinary shares of RM0.10 each ("Rights Shares") together with 288,973,760 free detachable warrants ("Warrants") at an issue price of RM0.11 per Rights Share pursuant to its renounceable rights issue on the basis of two (2) Rights Shares together with two (2) Warrants for every five (5) existing Rights Shares held ("Rights Issue"). The Rights Issue was completed on 16 March 2010 following the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Warrants and the Rights Shares on Bursa Securities.

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 31 March 2010 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

	Current Quarter 31 Mar 2010	Current Year-to-date 31 Mar 2010
<u>Segment Revenue</u>	RM'000	RM'000
Singapore	22,857	22,857
Malaysia	10,152	10,152
Philippines	683	683
China	145	145
Indonesia	60	60
	33,897	33,897
<u>Segment Results</u>		
Singapore	4,278	4,278
Malaysia	817	817
Philippines	338	338
Taiwan	(906)	(906)
Indonesia	(198)	(198)
China	(50)	(50)
	4,279	4,279
Elimination	(188)	(188)
	4,091	4,091
Add: Share of results of associated companies:		
Thailand	(54)	(54)
Taiwan	51	51
Singapore	(30)	(30)
Profit before taxation	4,058	4,058



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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

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

On 12 April 2010, the Company announced the implementation of an internal reorganisation involving the acquisition by Frontken (Singapore) Pte Ltd, a wholly-owned subsidiary of FCB, of 10,000,000 ordinary shares of RM1.00 each representing the entire equity interest in Frontken Malaysia Sdn Bhd ("FM"), another wholly-owned subsidiary of FCB, for a cash consideration of SGD4,348,123 (equivalent to approximately RM9,949,000 based on the exchange rate of SGD1.00 : RM2.2881 as at 9 April 2010). Upon completion of the internal reorganisation, FM will be directly held by FCB.

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 31 Mar 2010
	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	1,238

A13. Cash and cash equivalents

	As at 31 Mar 2010
	RM'000
Cash at bank	7,924
Cash on hand	75
Fixed deposits	31,633
	<u>39,632</u>
Bank overdrafts	(1,764)
	<u><u>37,868</u></u>



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A14. Significant related party transactions

	Current Quarter 31 Mar 2010	Current Year-to-date 31 Mar 2010
	RM'000	RM'000
Sales by FM and FEM to AMT	12	12
Sales by FS, MTI and FEM to Chinyee	259	259
Purchases from AMT by FEM	3	3
Purchases from Chinyee by FS	1,260	1,260
Rental payable by FMIC to MIC-W	134	134

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>MIC-W</i>	<i>MIC-Tech (Wuxi) Co., Ltd</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>MTI</i>	<i>Metall-Treat Industries Pte Ltd</i>
<i>FM</i>	<i>Frontken Malaysia Sdn Bhd</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 former 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.

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 31 Mar 2010
	RM'000
Factory improvement	12,111
Acquisition of machinery and equipment	1,770
	13,881



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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

The Group recorded unaudited revenue and profit before tax ("PBT") of approximately RM33.9 million and RM4.1 million respectively for the three (3) months ended 31 March 2010 ("FP 2010"), compared to RM30.6 million and RM1.2 million respectively for the preceding corresponding period ended 31 March 2009. This represents an increase of approximately 10.8% in revenue and increase in PBT of approximately 241.7% compared to that achieved in the preceding corresponding period. Net profit attributable to shareholders was RM3.6 million for FP 2010 as compared to RM1.5 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 2010 was mainly due to higher demand for the Group's services in Malaysia.

The higher PBT recorded by the Group for FP 2010 was mainly due to the following:

- (a) Higher margin during the current period arising from lower subcontracting cost; and
- (b) Share of losses of associates are lower during the current period as compared to preceding corresponding period.

B2. Comparison with immediate preceding quarter

	1st Quarter 31 Mar 2010	4th Quarter 31 Dec 2009
	RM'000	RM'000
Revenue	33,897	34,349
Profit/(Loss) before tax	4,058	(303)

The Group recorded a marginal decline in revenue of 1.3% or approximately RM0.5 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 Malaysia.

The Group's unaudited PBT in the current quarter was approximately RM4.4 million higher than the preceding quarter. The increase in the Group's PBT was the result of lower operating expenses during the current quarter.

B3. Prospects for the year

The Group will maintain a cautious approach towards its cost structures and capital expenditures, while continuing to invest in research and development to drive profitable organic growth. Ongoing efforts to focus on its core markets and extend market reach will continue with the aim of strengthening its market position. Barring unforeseen circumstances, the Directors expect performance for the current financial year to be satisfactory.

B4. Variance in profit forecast

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



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B5. Taxation

	Current Quarter 31 Mar 2010	Current Year-to-date 31 Mar 2010
	RM'000	RM'000
Income tax	(384)	(384)
Deferred tax	(128)	(128)
	<u>(512)</u>	<u>(512)</u>

The Group's effective tax rate for the period under review is 12.6% 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.

B8. Status of corporate proposals

Save for the internal reorganisation as disclosed in Note A11, there is no other corporate proposal which had been announced but not completed.

B9. Group borrowings

The Group's borrowings as at 31 March 2010 are as follows:

	Short-term	Long-term	Total
	RM'000	RM'000	RM'000
<u>Secured</u>			
Bank overdrafts	1,764	-	1,764
Hire purchase creditors	6,981	13,252	20,233
Term loans	17,963	29,437	47,400
	<u>26,708</u>	<u>42,689</u>	<u>69,397</u>

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	20,484	34,091	54,575
New Taiwan Dollar	1,443	-	1,443
	<u>21,927</u>	<u>34,091</u>	<u>56,018</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.



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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 18 May 2010:

On 3 February 2009, FM was served a Writ of Summons by IFC Engineering Sdn Bhd (“IFC”). The said Writ of Summons and Statement of Claim were filed at the High Court of Malaya at Alor Star. Under the said Writ of Summons, IFC claimed that it had successfully completed installation works for 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 therefore claimed against FM for the above outstanding sum, interest thereon at 8%, costs and other relief that the Court deems fit.

FM disputed 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. On 21 December 2009, FM received a Notice for Payment pursuant to Section 218 of the Act from the solicitors of IFC requiring FM to pay, secure or compound to the reasonable satisfaction of IFC the sum of RM1,207,978.73 which was made up of the judgment sum of RM1,122,425.00 together with interest on the judgment sum at 8% per annum from 7 January 2009 to 16 December 2009 amounting to RM85,553.73. If FM shall fail, refuse or omit to make payment of the aforesaid judgment sum together with interest accrued thereon from the date of the notice within 21 days from the receipt of the same, action will be taken for FM to be compulsorily wound up by the Court.

On 17 December 2009, FM filed a Notice of Appeal against the summary judgment. Thereafter, on 10 January 2010, FM filed an application for injunction against further proceedings and for stay of the winding-up proceedings pending disposal of its appeal. On 14 January 2010, the solicitors of IFC served a Writ of Seizure and Sale (“Writ”) on FM to seize some of the assets located on its premises at Kulim Hi-Tech Park. FM filed an application for, inter alia, a stay of the Writ pending disposal of FM’s appeal. On 8 March 2010, FM received a copy of the notice from the High Court for the auction of the seized assets on 25 March 2010.

On 25 March 2010, the High Court dismissed the applications by FM for injunction against further proceedings, stay of execution of judgment and order, and stay of the Writ. Consequently, on the same day, FM paid IFC a sum of RM1,232,407.85 as full and final settlement of the judgment sum, interest thereon at 8% per annum and costs, and the notice of auction pursuant to the Writ received by FM on 8 March 2010 was withdrawn.



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)	3,581	1,492	3,581	1,492
The number/weighted average number of shares in issue ('000)	789,862	701,726	789,862	701,726
Basic EPS (sen)	0.5	0.2	0.5	0.2

(b) Diluted EPS

For the diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	Current Quarter	Current Year-to-date
Profit attributable to ordinary shareholders (RM'000)	3,581	3,581
The number/weighted average number of shares in issue ('000)	857,289	857,289
Diluted EPS (sen)	0.4	0.4

Diluted EPS was not presented for 1st quarter and financial period ended 31 March 2009 since there were no dilutive potential ordinary shares.

B13. Dividends

No dividend has been declared for the current quarter ended 31 March 2010.

By Order of the Board
Frontken Corporation Berhad

Wong Hua Choon
Executive Chairman / Managing Director
25 May 2010