



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 2013

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2013 RM '000	Preceding Year Corresponding Quarter 31 Mar 2012 RM '000	Current Year To-date 31 Mar 2013 RM '000	Preceding Year Corresponding Period 31 Mar 2012 RM '000
Revenue	43,380	47,991	43,380	47,991
Operating expenses	<u>(38,248)</u>	<u>(42,818)</u>	<u>(38,248)</u>	<u>(42,818)</u>
Profit before depreciation and finance costs	5,132	5,173	5,132	5,173
Depreciation	(4,621)	(4,869)	(4,621)	(4,869)
Finance costs	(415)	(661)	(415)	(661)
Other operating income	829	803	829	803
Share of results of associated companies	<u>(254)</u>	<u>76</u>	<u>(254)</u>	<u>76</u>
Profit before tax	671	522	671	522
Taxation	<u>(542)</u>	<u>(179)</u>	<u>(542)</u>	<u>(179)</u>
Profit after tax	129	343	129	343
Other comprehensive expenses:				
Foreign currency translation	(770)	(1,030)	(770)	(1,030)
Total comprehensive income for the period	<u><u>(641)</u></u>	<u><u>(687)</u></u>	<u><u>(641)</u></u>	<u><u>(687)</u></u>
Profit after tax attributable to :				
Owners of the Company	(984)	572	(984)	572
Non-controlling interests	<u>1,113</u>	<u>(229)</u>	<u>1,113</u>	<u>(229)</u>
Profit for the period	<u>129</u>	<u>343</u>	<u>129</u>	<u>343</u>
Total comprehensive income attributable to:				
Owners of the Company	(1,273)	(175)	(1,273)	(175)
Non-controlling interests	<u>632</u>	<u>(512)</u>	<u>632</u>	<u>(512)</u>
Total comprehensive income for the period	<u><u>(641)</u></u>	<u><u>(687)</u></u>	<u><u>(641)</u></u>	<u><u>(687)</u></u>
Earnings per share attributable to equity holders of the company :				
Basic (sen)	-	0.06	-	0.06
Diluted (sen)	N/A	N/A	N/A	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 2012.



FRONTKEN CORPORATION BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013
(The figures have not been audited)

	Unaudited 31 Mar 2013	Audited 31 Dec 2012
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	148,772	153,534
Investment in associated companies	3,974	4,236
Goodwill on consolidation	25,394	25,394
Deferred tax assets	431	441
Total non-current assets	<u>178,571</u>	<u>183,605</u>
Current assets		
Inventories	11,703	11,188
Amount due from contract customers	897	501
Trade receivables	71,057	68,283
Other receivables, deposits and prepaid expenses	5,907	5,483
Amount owing by associates	1,858	2,118
Tax recoverable	583	462
Fixed deposits with licensed bank	3,628	3,171
Cash and bank balances	27,148	38,286
	<u>122,781</u>	<u>129,492</u>
Asset held for sale	1,076	1,081
Total current assets	<u>123,857</u>	<u>130,573</u>
Total assets	<u>302,428</u>	<u>314,178</u>
EQUITY AND LIABILITIES		
Capital and reserve		
Issued capital	101,141	101,141
Reserves	16,180	16,469
Retained earnings	66,299	67,283
Equity attributable to owners of the Company	<u>183,620</u>	<u>184,893</u>
Non-controlling interests	28,748	28,116
Total equity	<u>212,368</u>	<u>213,009</u>
Non-current liabilities		
Bank borrowings	23,978	28,452
Hire-purchase payables	2,616	3,280
Deferred tax liabilities	333	363
Total non-current liabilities	<u>26,927</u>	<u>32,095</u>
Current liabilities		
Trade payables	13,353	15,113
Other payables and accrued expenses	26,121	17,523
Bank overdrafts	10	-
Bank borrowings - current portion	19,822	32,779
Hire purchase payable - current portion	2,605	2,934
Tax liabilities	1,222	725
Total current liabilities	<u>63,133</u>	<u>69,074</u>
Total liabilities	<u>90,060</u>	<u>101,169</u>
Total equity and liabilities	<u>302,428</u>	<u>314,178</u>
Net assets per share (RM)	0.21	0.21

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 2012.



FRONTKEN CORPORATION BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2013
(The figures have not been audited)

	Non-distributable						Distributable			Total RM'000
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Warrant reserve RM'000	Statutory reserve RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	
Balance as of 1 January 2013	101,141	9,337	(195)	6,074	883	370	67,283	184,893	28,116	213,009
Other comprehensive income/expenses recognised recognised for the period, net of tax:										
Foreign currency translation	-	-	-	(289)	-	-	-	(289)	(481)	(770)
Loss for the period	-	-	-	-	-	-	(984)	(984)	1,113	129
Total comprehensive income for the period	-	-	-	(289)	-	-	(984)	(1,273)	632	(641)
Balance as of 31 March 2013	101,141	9,337	(195)	5,785	883	370	66,299	183,620	28,748	212,368

CORRESPONDING PERIOD CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2012

	Non-distributable						Distributable			Total RM'000
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Warrant reserve RM'000	Statutory reserve RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	
Balance as of 1 January 2012	101,141	9,337	(195)	4,214	883	198	63,694	179,272	27,890	207,162
Other comprehensive income recognised for the period, net of tax:										
Foreign currency translation	-	-	-	(747)	-	-	-	(747)	(283)	(1,030)
Profit for the period	-	-	-	-	-	-	572	572	(229)	343
Total comprehensive income for the period	-	-	-	(747)	-	-	572	(175)	(512)	(687)
Balance as of 31 March 2012	101,141	9,337	(195)	3,467	883	198	64,266	179,097	27,378	206,475

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 STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date 31 Mar 2013 RM'000	Preceding Corresponding Period 31 Mar 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	671	522
Adjustments for:		
Depreciation of property, plant and equipment	4,621	4,869
Interest expense	415	661
Unrealised loss on foreign exchange	189	394
Interest income	(40)	(28)
Gain on disposal of property, plant and equipment	-	(43)
Writeback of allowance for impairment losses on trade receivables	(5)	(422)
Property, plant and equipment written off	187	-
Allowance for impairment losses on receivables	79	66
Share of results of associates	254	(76)
Operating profit before working capital changes	6,371	5,943
Inventories	(568)	473
Amount due from contract customers	(396)	(73)
Trade receivables	(2,822)	71
Other receivables, deposits and prepaid expenses	(441)	(1,433)
Amount owing by associates	250	305
Trade payables	(1,653)	(1,830)
Other payables and accrued expenses	8,292	541
Amount owing to associates	-	(550)
Cash generated from operations	9,033	3,447
Taxes paid	(183)	(109)
Net cash from operating activities	8,850	3,338
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	40	28
Purchase of property, plant and equipment	(1,025)	(6,084)
Proceeds from disposal of property, plant and equipment	-	104
Net cash for investing activities	(985)	(5,952)



FRONTKEN CORPORATION BERHAD

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

	CUMULATIVE QUARTER	
	Current Period To Date 31 Mar 2013 RM'000	Preceding Corresponding Period 31 Mar 2012 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(415)	(661)
Drawdown of term loans	-	2,441
Repayment of term loans	(16,870)	(1,730)
Payment of hire purchase payables	(975)	(1,619)
Net cash for financing activities	<u>(18,260)</u>	<u>(1,569)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,395)	(4,183)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	41,457	24,692
EFFECT OF EXCHANGE DIFFERENCES	<u>(296)</u>	<u>(708)</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u><u>30,766</u></u>	<u><u>19,801</u></u>
THE CASH AND CASH EQUIVALENTS COMPRISE:		
CASH AND BANK BALANCES	27,148	20,475
SHORT-TERM DEPOSITS WITH LICENSED BANKS	3,628	2,528
BANK OVERDRAFT	<u>(10)</u>	<u>(3,202)</u>
	<u><u>30,766</u></u>	<u><u>19,801</u></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 31 March 2012.



FRONTKEN CORPORATION BERHAD

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

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 2012.

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 since the financial year ended 31 December 2012.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2013. The adoption of the MFRSs and Amendments do not have significant impact on the financial statements of the Group.

A2. Realised and Unrealised Profits or Losses

	As at 31 Mar 2013 RM'000	As at 31 Mar 2012 RM'000
Total retained profits of FCB and its subsidiaries		
- Realised	76,756	79,062
- Unrealised	(916)	(2,930)
	<hr/> 75,840	<hr/> 76,132
Total share of retained profits from associated companies		
- Realised	1,113	1,883
- Unrealised	22	1
	<hr/> 1,135	<hr/> 1,884
Less: Consolidation adjustments	(10,676)	(13,750)
Total Group retained profits	<hr/> <hr/> 66,299	<hr/> <hr/> 64,266

A3. Audit qualification

The auditors' report in respect of the audited consolidated financial statements of FCB for the financial year ended 31 December 2012 was not subjected to any qualification.



FRONTKEN CORPORATION BERHAD

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

A4. 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.

A5. 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:

A6. Material changes in estimates

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

A7. 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:

The Company purchased 1,000 of its own ordinary shares of RM0.10 each on the market of Bursa Securities at an average buy-back price of RM0.065 per share. The total consideration paid for the acquisition of the shares was RM106 and was financed by internally generated funds. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 March 2013, the Company held 1,836,600 repurchased shares as treasury shares out of its total issued and paid-up share capital of 1,011,408,160 ordinary shares of RM0.10 each. Such treasury shares are held at a carrying amount of RM194,966.

A8. Dividends

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

A9. Segmental information

The breakdown of the Group's revenue and results by geographical regions for the quarter ended 31 March 2013 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

**Current Quarter
31 March 2013**

	<u>Singapore</u>	<u>Malaysia</u>	<u>Philippines</u>	<u>China</u>	<u>Indonesia</u>	<u>Taiwan</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>							
External sales	17,587	7,205	3,607	863	300	13,818	43,380
Inter-segment sales	440	-	30	-	-	130	600
Total revenue	<u>18,027</u>	<u>7,205</u>	<u>3,637</u>	<u>863</u>	<u>300</u>	<u>13,948</u>	<u>43,980</u>

Segment Results

Operating profit/(loss)	819	(518)	516	(28)	(276)	787	1,300
Interest income							40
Finance cost							(415)
Share of results in associates							(254)
Loss before taxation							<u>671</u>

**Current Year-to-date
31 March 2013**

<u>Segment Revenue</u>							
External sales	17,587	7,205	3,607	863	300	13,818	43,380
Inter-segment sales	440	-	30	-	-	130	600
Total revenue	<u>18,027</u>	<u>7,205</u>	<u>3,637</u>	<u>863</u>	<u>300</u>	<u>13,948</u>	<u>43,980</u>



FRONTKEN CORPORATION BERHAD

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

**Current Year-to-date
31 March 2013**

	<u>Singapore</u>	<u>Malaysia</u>	<u>Philippines</u>	<u>China</u>	<u>Indonesia</u>	<u>Taiwan</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Segment Results</u>							
Operating profit/(loss)	819	(518)	516	(28)	(276)	787	1,300
Interest income							40
Finance cost							(415)
Share of results of associates							(254)
Profit before taxation							<u>671</u>

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.



FRONTKEN CORPORATION BERHAD

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

A10. Profit before tax

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

	Current Quarter 31 Mar 2013	Current Year-to-date 31 Mar 2013
	RM'000	RM'000
Interest income	40	40
Writeback of allowance for impairment losses	5	5
Interest expense	(415)	(415)
Allowance for impairment losses	(79)	(79)
Depreciation of property, plant and equipment	(4,621)	(4,621)
Property, plant and equipment written off	(187)	(187)
Foreign exchange loss	(207)	(207)

A11. Valuation of property, plant and equipment

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

A12. 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.

A13. Changes in the composition of the Group

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

A14. Contingent liabilities

As at 31 March 2013, the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position of the Group.

A15. Cash and cash equivalents

	As at 31 Mar 2013
	RM'000
Cash at bank	27,086
Cash on hand	62
Fixed deposits	3,628
	<u>30,776</u>
Bank overdrafts	(10)
	<u>30,766</u>



FRONTKEN CORPORATION BERHAD

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

A16. Significant related party transactions

	Current Quarter 31 Mar 2013	Current Year-to-date 31 Mar 2013
	RM'000	RM'000
Sales to AMT	14	14
Sales to Chinyee	184	184
Purchases from Chinyee	12	12
Rental payable to MIC-W	123	123
Rental payable to AMT	18	18

Name of Related Parties	Relationship
AMT	Sia Chiok Meng, a Director of FEM, is also a director and substantial shareholder of AMT.
Chinyee	An associate of Frontken (Singapore) Pte Ltd which in turn is a wholly owned subsidiary of the Company.
A&I	Sia Chiok Meng, a director of FEM, is also a director and substantial shareholder of A&I.
MIC-W	MIC-W is a subsidiary of Marketech International Corporation, which in turn is a deemed substantial shareholder of FMIC.

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>FEM</i>	<i>Frontken (East Malaysia) Sdn Bhd</i>

A17. 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 2013 RM'000
Acquisition of machinery and equipment	<u>674</u>



FRONTKEN CORPORATION BERHAD

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

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Analysis of performance

The Group's revenue for the three (3) months ended 31 March 2013 ("FY2013") decreased by approximately RM4.6 million (9.6%) mainly due to lower revenue from its operations in Singapore and Malaysia.

The lower revenue from Singapore for FY2013 was partly due to disposal of Metall-Treat Industries Pte Ltd ("MTI"), a wholly owned subsidiary, on 6 December 2012 and a one off trading sales in the preceding corresponding period. The lower revenue from Malaysia was mainly due to lower sales in semi-conductor industry which was experiencing a slowdown.

Against the same period last year, the profit before tax ("PBT") increased from RM0.52 million to RM0.67 million in FY2013 due to lower operating expenses as a result of management's efforts in cost management coupled with lower finance cost as a result of repayment of bank borrowings.

B2. Comparison with immediate preceding quarter

	1st Quarter 31 Mar 2013	4th Quarter 31 Dec 2012
	RM'000	RM'000
Revenue	43,380	46,596
Profit before tax	671	3,796

The Group's revenue decreased by 6.9% or approximately RM3.2 million during the current quarter as compared to the immediate preceding quarter mainly due to lower sales by its subsidiaries in Singapore and Malaysia.

The Group's unaudited PBT consequently also decreased from RM3.8 million in the immediate preceding quarter to RM0.7 million in the current quarter. The higher PBT in the immediate preceding quarter was primarily due to the gain on disposal on investments in MTI.

B3. Prospects for the year

The Group anticipates that the overall business conditions this year will continue to be challenging amidst subdued global economic conditions and slower growth in the regional economies. This has also resulted in an increase in pressure from customers for price reduction. To remain competitive and in order to maintain its market share, the Group had embarked on a series of improvement measures including cutting its cost base, improving cross selling for greater operational synergies and implementing best practice margin management and sourcing strategy to deliver better value propositions to its customers. Key priorities for the year would be to manage our costs to protect our earnings, exercise prudence in liquidity management, disciplined execution of strategy whilst focusing on the fundamentals of the Group's business.

B4. Variance in profit forecast

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



FRONTKEN CORPORATION BERHAD

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

B5. Taxation

	Current Quarter 31 Mar 2013	Current Year-to-date 31 Mar 2013
	RM'000	RM'000
Income tax	569	569
Deferred tax	(27)	(27)
	<u>542</u>	<u>542</u>

The Group's effective tax rate for the period under review is higher than the statutory tax rate principally due to losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries.

B6. Status of corporate proposals

There were no corporate proposals that were announced but not completed.

B7. Group borrowings

The Group's borrowings as at 31 March 2013 are as follows:

	Short-term	Long-term	Total
	RM'000	RM'000	RM'000
<u>Secured</u>			
Bank overdrafts	10	-	10
Hire purchase creditors	2,605	2,616	5,221
Term loans	19,822	23,978	43,800
	<u>22,437</u>	<u>26,594</u>	<u>49,031</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	7,752	11,350	19,102
New Taiwan Dollar	11,532	8,352	19,884
	<u>19,284</u>	<u>19,702</u>	<u>38,986</u>



FRONTKEN CORPORATION BERHAD

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

B8. Material litigations

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 14 May 2013:

(a) Litigation by Frontken Petroleum Sdn Bhd (“FPSB”) against SGL Carbon Sdn Bhd (“SGL”)

On 25 August 2010, FPSB, an effectively 60.1% subsidiary of FCB, served, via its solicitors, a Writ of Summons together with a Statement of Claims on SGL.

Under the said Writ of Summons, FPSB claimed for a sum of RM1,541,807.20, being revised outstanding debts due from SGL in relation to work performed by FPSB as set out in the ensuing paragraph. In addition, FPSB also claimed for interest, costs and such further or other reliefs or orders as the Court deems fit.

In February 2009, SGL awarded FPSB the order for busbar welding for an agreed contract sum of RM2.5 million and RM1.4 million for scope 1 and scope 2 respectively. FPSB duly completed substantial part of the work and the remaining work was stopped in or around August 2009 upon mutual agreement/consent. Various invoices were issued for progress payments, with a sum of RM1,577,007.20 remaining due and owing from SGL. SGL refused to make payments and claimed for a set-off of the sum for delay or late completion of the contract and defective works. The outstanding sum was reduced by FPSB to RM1,541,807.20 out of goodwill after considering the allegations raised by SGL. However, SGL failed, refused and or neglected to settle the revised outstanding sum.

On 4 October 2010, SGL filed a defence and counterclaim via its solicitors on FPSB. In the said defence, SGL denied the Statement of Claims and prayed that the claims be dismissed with costs. Further, SGL alleged that FPSB had breached the terms and conditions of the letter of award and its related agreements resulting in SGL suffering loss and damage, and therefore, counterclaimed against FPSB for special damages in the sum of RM1,617,633.09, general damages and/or liquidated damages in the sum of RM8,894,485.88 as at 6 September 2010 and still continuing, and interest at the rate of 8% per annum on daily rests from the date of filing of the counterclaim until full settlement.

At the mediation on 1 November 2012, the parties were unable to agree on the terms of settlement and the parties will proceed to trial. The Court had fixed the matter for trial on 19 August 2013 to 21 August 2013 and case management on 12 August 2013.



FRONTKEN CORPORATION BERHAD

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

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 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
(Loss)/ Profit attributable to owners of the Company (RM'000)	(1,670)	572	(1,670)	572
Number of shares in issue ('000)	1,011,408	1,011,408	1,011,408	1,011,408
Effects of treasury shares acquired ('000)	(1,836)	(1,834)	(1,836)	(1,834)
Weighted average number of shares in issue ('000)	1,009,572	1,009,574	1,009,572	1,009,574
Basic EPS (sen)	-	0.06	-	0.06

b) Diluted EPS

The diluted earnings per share at the end of the reporting period was not presented as the average market value of the ordinary shares of the Company is lower than the exercise price for the outstanding warrants and any exercise of warrants would be anti dilutive.

B10. Dividends

No dividend has been declared for the current quarter ended 31 March 2013.

By Order of the Board
Frontken Corporation Berhad

Ng Wai Pin
Chairman / Managing Director
21 May 2013