



FRONTKEN CORPORATION BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Sept 2013 RM '000	Preceding Year Corresponding Quarter 30 Sept 2012 RM '000	Current Year To-date 30 Sept 2013 RM '000	Preceding Year Corresponding Period 30 Sept 2012 RM '000
Revenue	50,539	42,089	136,210	134,439
Operating expenses	(43,490)	(38,121)	(119,034)	(120,871)
Profit before depreciation and finance costs	7,049	3,968	17,176	13,568
Depreciation	(4,650)	(5,285)	(13,822)	(15,120)
Finance costs	(338)	(668)	(1,128)	(1,995)
Other operating income	706	(174)	2,176	2,957
Share of results of associated companies	(412)	(142)	(1,010)	32
Profit/(Loss) before tax	2,355	(2,301)	3,392	(558)
Taxation	(375)	(387)	(1,726)	(885)
Profit/(Loss) after tax	1,980	(2,688)	1,666	(1,443)
Other comprehensive expenses:				
Foreign currency translation	4,390	(829)	4,541	1,898
Total comprehensive income for the period	<u>6,370</u>	<u>(3,517)</u>	<u>6,207</u>	<u>455</u>
Profit/(Loss) after tax attributable to:				
Owners of the Company	1,566	(2,690)	127	(1,254)
Non-controlling interests	414	2	1,539	(189)
Profit/(Loss) for the period	<u>1,980</u>	<u>(2,688)</u>	<u>1,666</u>	<u>(1,443)</u>
Total comprehensive income attributable to:				
Owners of the Company	4,737	(2,907)	3,147	770
Non-controlling interests	1,633	(610)	3,060	(315)
Total comprehensive income for the period	<u>6,370</u>	<u>(3,517)</u>	<u>6,207</u>	<u>455</u>
Earnings per share attributable to equity holders of the company:				
Basic (sen)	0.16	-	0.01	-
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 30 September 2012.



FRONTKEN CORPORATION BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013
(The figures have not been audited)

	Unaudited 30 Sept 2013 RM'000	Audited 31 Dec 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	147,150	153,534
Investment in associated companies	3,354	4,236
Goodwill on consolidation	25,394	25,394
Deferred tax assets	608	441
Total non-current assets	<u>176,506</u>	<u>183,605</u>
Current assets		
Inventories	14,859	11,188
Amount due from contract customers	1,410	501
Trade receivables	76,960	68,283
Other receivables, deposits and prepaid expenses	6,513	5,483
Amount owing by associates	1,338	2,118
Tax recoverable	451	462
Fixed deposits with licensed bank	3,696	3,171
Cash and bank balances	21,949	38,286
	<u>127,176</u>	<u>129,492</u>
Asset held for sale	1,119	1,081
Total current assets	<u>128,295</u>	<u>130,573</u>
Total assets	<u>304,801</u>	<u>314,178</u>
EQUITY AND LIABILITIES		
Capital and reserve		
Issued capital	101,141	101,141
Reserves	19,796	16,469
Retained earnings	67,109	67,283
Equity attributable to owners of the Company	<u>188,046</u>	<u>184,893</u>
Non-controlling interests	30,739	28,116
Total equity	<u>218,785</u>	<u>213,009</u>
Non-current liabilities		
Bank borrowings	24,804	28,452
Hire-purchase payables	2,158	3,280
Deferred tax liabilities	308	363
Total non-current liabilities	<u>27,270</u>	<u>32,095</u>
Current liabilities		
Trade payables	19,142	15,113
Other payables and accrued expenses	26,440	17,523
Bank borrowings - current portion	9,324	32,779
Hire purchase payable - current portion	2,464	2,934
Tax liabilities	1,376	725
Total current liabilities	<u>58,746</u>	<u>69,074</u>
Total liabilities	<u>86,016</u>	<u>101,169</u>
Total equity and liabilities	<u>304,801</u>	<u>314,178</u>
Net assets per share (RM)	0.22	0.21

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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

(The figures have not been audited)

	Non-distributable					Distributable				
	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	Total 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 recognised for the period, net of tax:										
Foreign currency translation	-	-	-	3,020	-	-	-	3,020	1,521	4,541
Profit for the period	-	-	-	-	-	-	127	127	1,539	1,666
Total comprehensive income for the period	-	-	-	3,020	-	-	127	3,147	3,060	6,207
Transfer to statutory reserve	-	-	-	-	-	308	(308)	-	-	-
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(406)	(406)
Purchase of treasury shares	-	-	(1)	-	-	-	-	(1)	-	(1)
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	7	7	(31)	(24)
Balance as of 30 September 2013	101,141	9,337	(196)	9,094	883	678	67,109	188,046	30,739	218,785

CORRESPONDING PERIOD CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

	Non-distributable					Distributable				
	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	Total 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	-	-	-	2,024	-	-	-	2,024	(126)	1,898
Loss for the period	-	-	-	-	-	-	(1,254)	(1,254)	(189)	(1,443)
Total comprehensive income for the period	-	-	-	2,024	-	-	(1,254)	770	(315)	455
Arising from issue of shares by subsidiary	-	-	-	-	-	-	-	-	786	786
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	17	17	(494)	(477)
Transfer to statutory reserve	-	-	-	-	-	249	(249)	-	-	-
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(436)	(436)
Balance as of 30 September 2012	101,141	9,337	(195)	6,238	883	447	62,208	180,059	27,431	207,490

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

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date 30 Sept 2013 RM'000	Preceding Corresponding Period 30 Sept 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	3,392	(558)
Adjustments for:		
Depreciation of property, plant and equipment	13,822	15,120
Interest expense	1,128	1,995
Unrealised loss on foreign exchange	293	1,165
Interest income	(124)	(93)
Gain on disposal of property, plant and equipment	(65)	(265)
Writeback of allowance for impairment losses on trade receivables	(351)	(1,597)
Property, plant and equipment written off	261	1,007
Allowance for impairment losses on receivables	855	280
Bad debt written off	1,121	-
Gain on dilution of investment in subsidiary	-	(104)
Gain on disposal of investment in associates	-	(23)
Share of results of associates	1,010	(32)
Operating profit before working capital changes	21,342	16,895
Inventories	(3,406)	721
Amount due from contract customers	(910)	(46)
Trade receivables	(7,698)	822
Other receivables, deposits and prepaid expenses	(943)	(2,046)
Amount owing by associates	854	2,807
Trade payables	3,544	(6,952)
Other payables and accrued expenses	7,917	1,828
Amount owing to associates	-	269
Cash generated from operations	20,700	14,298
Taxes paid	(1,345)	(717)
Net cash from operating activities	19,355	13,581
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	124	93
Acquisition of additional interest in subsidiary	(24)	(477)
Purchase of property, plant and equipment	(3,396)	(9,784)
Proceeds from disposal of associates	-	150
Proceeds from disposal of property, plant and equipment	67	670
Net cash for investing activities	(3,229)	(9,348)



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	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	30 Sept 2013 RM'000	30 Sept 2012 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(1,128)	(1,995)
Issue of shares by subsidiary to non-controlling interests	-	890
Drawdown of term loans	-	11,927
Repayment of term loans	(29,219)	(9,679)
Payment of hire purchase payables	(2,667)	(5,227)
Treasury shares acquired	(1)	-
Dividend paid by a subsidiary to non-controlling interests	(406)	(436)
Net cash for financing activities	(33,421)	(4,520)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,295)	(287)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	41,457	24,692
EFFECT OF EXCHANGE DIFFERENCES	1,483	203
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	25,645	24,608
THE CASH AND CASH EQUIVALENTS COMPRISE:		
CASH AND BANK BALANCES	21,949	21,565
SHORT-TERM DEPOSITS WITH LICENSED BANKS	3,696	3,431
BANK OVERDRAFT	-	(388)
	25,645	24,608

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 2012.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30 Sept 2013	As at 30 Sept 2012
	RM'000	RM'000
Total retained profits of FCB and its subsidiaries		
- Realised	78,663	77,657
- Unrealised	(838)	(3,620)
	<hr/> 77,825	<hr/> 74,037
Total share of retained profits from associated companies		
- Realised	357	1,840
- Unrealised	22	-
	<hr/> 379	<hr/> 1,840
Less: Consolidation adjustments	(11,095)	(13,669)
Total Group retained profits	<hr/> <hr/> 67,109	<hr/> <hr/> 62,208

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.



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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

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

The Company purchased 10,000 of its own shares of RM0.10 each on the market of Bursa Securities at an average buy-back price of RM0.072 per share. The total consideration paid for the acquisition of the shares was RM761 and was financed by internally generated funds.

As at 30 September 2013, the Company held 1,846,600 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 RM195,727.

A8. Dividends

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



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A9. Segmental information

The breakdown of the Group's revenue and results by geographical regions for the quarter ended 30 September 2013 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

**Current Quarter
30 September 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 Revenue</u>							
External sales	20,662	8,652	2,563	594	350	17,718	50,539
Inter-segment sales	387	53	280	-	8	121	849
Total revenue	<u>21,049</u>	<u>8,705</u>	<u>2,843</u>	<u>594</u>	<u>358</u>	<u>17,839</u>	<u>51,388</u>

Segment Results

Operating profit/(loss)	945	(329)	348	(352)	(926)	3,380	3,066
Interest income							39
Finance cost							(338)
Share of results in associates							(412)
Profit before taxation							<u>2,355</u>

**Current Year-to-date
30 September 2013**

<u>Segment Revenue</u>							
External sales	52,252	24,200	8,933	2,140	1,034	47,651	136,210
Inter-segment sales	1,980	89	606	-	8	333	3,016
Total revenue	<u>54,232</u>	<u>24,289</u>	<u>9,539</u>	<u>2,140</u>	<u>1,042</u>	<u>47,984</u>	<u>139,226</u>



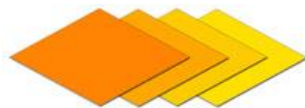
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**Current Year-to-date
30 September 2013**

	Singapore	Malaysia	Philippines	China	Indonesia	Taiwan	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Segment Results</u>							
Operating profit/(loss)	1,240	(2,062)	1,229	(646)	(1,376)	7,021	5,406
Interest income							124
Finance cost							(1,128)
Share of results of associates							(1,010)
Profit before taxation							<u>3,392</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.



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A10. Profit before tax

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

	Current Quarter 30 Sept 2013	Current Year-to-date 30 Sept 2013
	RM'000	RM'000
Interest income	39	124
Writeback of allowance for impairment losses	236	351
Gain on disposal of property, plant and equipment	-	65
Interest expense	(338)	(1,128)
Allowance for impairment losses	(506)	(855)
Bad debt written off	(2)	(1,121)
Depreciation of property, plant and equipment	(4,650)	(13,822)
Property, plant and equipment written off	(58)	(261)
Foreign exchange loss	(602)	(169)

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 30 September 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 30 Sept 2013
	RM'000
Cash at bank	21,903
Cash on hand	46
Fixed deposits	3,696
	<u>25,645</u>
Bank overdrafts	-
	<u>25,645</u>



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A16. Significant related party transactions

	Current Quarter 30 Sept 2013	Current Year-to-date 30 Sept 2013
	RM'000	RM'000
Sales to AMT	14	41
Sales to Chinyee	76	482
Sales to A&I	-	1
Purchases from Chinyee	28	41
Rental payable to MIC-W	131	377
Rental payable to AMT	36	108

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 30 Sept 2013 RM'000
Acquisition of machinery and equipment	<u>432</u>



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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Analysis of performance

The Group's revenue for the current quarter and nine (9) months ended 30 September 2013 ("FY2013") increased by approximately RM8.5 million (20.1%) and RM1.8 million (1.3%) respectively compared with the preceding period ended 30 September 2012 ("FY2012"). The higher revenue for FY 2013 was mainly due to increased business in the Group's subsidiary in Taiwan.

The lower revenue from its Singapore's subsidiary for FY2013 was partly due to the disposal of Metall-Treat Industries Pte Ltd, a wholly owned subsidiary, on 6 December 2012 and a one off trading sales in the preceding corresponding period.

Against the same period last year, the profit before tax ("PBT") for the current quarter and FY2013 increased by approximately RM4.7 million and RM4.0 million respectively mainly due writing-off of plant and equipment arising from the fire at its Kulim plant and relocation expenses of its plant in Johor in FY2012. Lower overhead and reduction in general expenses as a result from management cost cutting measures also contributed positively to the better PBT.

B2. Comparison with immediate preceding quarter

	3rd Quarter 30 Sept 2013	2nd Quarter 30 Jun 2013
	RM'000	RM'000
Revenue	50,539	42,291
Profit before tax	2,355	366

The Group's revenue increased by 19.5% during the current quarter as compared to the immediate preceding quarter due to higher revenue by its subsidiary in Singapore and Taiwan resulting from higher revenue in the oil and gas and semi-conductor industries.

The Group's higher unaudited PBT during the current quarter as compared to the immediate preceding quarter was primarily due to the bad debts written off from a mutually agreed out of court settlement by one of its subsidiaries against SGL Carbon Sdn. Bhd in the immediate preceding quarters.

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.



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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 2013	Current Year-to-date 30 Sept 2013
	RM'000	RM'000
Income tax	380	1,783
Deferred tax	(5)	(57)
	<u>375</u>	<u>1,726</u>

The Group's effective tax rate for the period under review was 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 30 September 2013 are as follows:

	Short-term	Long-term	Total
	RM'000	RM'000	RM'000
<u>Secured</u>			
Bank overdrafts	-	-	-
Hire purchase creditors	2,464	2,158	4,622
Term loans	9,324	24,804	34,128
	<u>11,788</u>	<u>26,962</u>	<u>38,750</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	7,616	10,052	17,668
New Taiwan Dollar	1,267	11,017	12,284
	<u>8,883</u>	<u>21,069</u>	<u>29,952</u>



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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 19 November 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.

On 2 July 2013, FPSB accepted the proposal from SGL and received RM275,000.00 as full and final settlement of the claim against SGL and sign a Certificate of Discontinuance.



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
Profit/(Loss) attributable to owners of the Company (RM'000)	1,566	(2,690)	127	(1,254)
Number of shares in issue ('000)	1,011,408	1,011,408	1,011,408	1,011,408
Effects of treasury shares acquired ('000)	(1,841)	(1,835)	(1,838)	(1,834)
Weighted average number of shares in issue ('000)	1,009,567	1,009,573	1,009,570	1,009,574
Basic EPS (sen)	0.16	-	0.01	-

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 antidilutive.

B10. Dividends

No dividend has been declared for the current quarter ended 30 September 2013.

By Order of the Board
Frontken Corporation Berhad

Ng Wai Pin
Chairman / Managing Director
26 November 2013