



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 2016
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2016 RM '000	Preceding Year Corresponding Quarter 31 Mar 2015 RM '000	Current Year To-date 31 Mar 2016 RM '000	Preceding Year Corresponding Period 31 Mar 2015 RM '000
Revenue	58,788	77,218	58,788	77,218
Operating expenses	<u>(54,348)</u>	<u>(66,530)</u>	<u>(54,348)</u>	<u>(66,530)</u>
Profit before depreciation and finance costs	4,440	10,688	4,440	10,688
Depreciation	(4,266)	(4,631)	(4,266)	(4,631)
Finance costs	(325)	(374)	(325)	(374)
Other operating income	2,040	5,100	2,040	5,100
Share of results of associated companies	<u>(6)</u>	<u>(22)</u>	<u>(6)</u>	<u>(22)</u>
Profit before tax	1,883	10,761	1,883	10,761
Taxation	<u>(1,824)</u>	<u>(2,375)</u>	<u>(1,824)</u>	<u>(2,375)</u>
Profit after tax	59	8,386	59	8,386
Other comprehensive expenses:				
Foreign currency translation	<u>(9,196)</u>	<u>5,754</u>	<u>(9,196)</u>	<u>5,754</u>
Total comprehensive income for the period	<u>(9,137)</u>	<u>14,140</u>	<u>(9,137)</u>	<u>14,140</u>
(Loss)/profit after tax attributable to :				
Owners of the Company	(1,239)	6,819	(1,239)	6,819
Non-controlling interests	<u>1,298</u>	<u>1,567</u>	<u>1,298</u>	<u>1,567</u>
Profit for the period	<u>59</u>	<u>8,386</u>	<u>59</u>	<u>8,386</u>
Total comprehensive income attributable to:				
Owners of the Company	(8,368)	10,247	(8,368)	10,247
Non-controlling interests	<u>(769)</u>	<u>3,893</u>	<u>(769)</u>	<u>3,893</u>
Total comprehensive income for the period	<u>(9,137)</u>	<u>14,140</u>	<u>(9,137)</u>	<u>14,140</u>
(Loss)/Earnings per share attributable to equity holders of the company :				
Basic (sen)	(0.12)	0.67	(0.12)	0.67

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 2015.



FRONTKEN CORPORATION BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

(The figures have not been audited)

	Unaudited 31 Mar 2016 RM'000	Audited 31 Dec 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	130,282	135,667
Investment in associated companies	1,986	2,009
Goodwill on consolidation	33,761	33,761
Deferred tax assets	1,311	1,406
Total non-current assets	<u>167,340</u>	<u>172,843</u>
Current assets		
Inventories	11,136	11,793
Trade receivables	80,251	87,030
Other receivables, deposits and prepaid expenses	5,791	6,124
Amount owing by associates	1,273	1,330
Tax recoverable	992	965
Fixed deposits with licensed banks	13,357	15,311
Cash and bank balances	76,253	94,487
Total current assets	<u>189,053</u>	<u>217,040</u>
Total assets	<u>356,393</u>	<u>389,883</u>
EQUITY AND LIABILITIES		
Capital and reserve		
Issued capital	105,344	105,344
Reserves	37,913	45,076
Retained earnings	84,913	86,135
Equity attributable to owners of the Company	<u>228,170</u>	<u>236,555</u>
Non-controlling interests	31,459	34,684
Total equity	<u>259,629</u>	<u>271,239</u>
Non-current liabilities		
Bank borrowings	23,697	26,013
Hire-purchase payables	373	439
Other payables	2,258	2,433
Deferred tax liabilities	3,067	3,446
Total non-current liabilities	<u>29,395</u>	<u>32,331</u>
Current liabilities		
Trade payables	20,044	31,125
Other payables and accrued expenses	29,971	35,018
Bank borrowings	12,603	16,177
Hire purchase payable	433	687
Tax liabilities	4,318	3,306
Total current liabilities	<u>67,369</u>	<u>86,313</u>
Total liabilities	<u>96,764</u>	<u>118,644</u>
Total equity and liabilities	<u>356,393</u>	<u>389,883</u>
Net assets per share attributable to owners of the parents (RM)	0.22	0.23

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 2015.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

	Non-distributable					Distributable				
	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Warrant reserve	Statutory reserve	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1 January 2016	105,344	13,582	(599)	29,626	-	2,467	86,135	236,555	34,684	271,239
Other comprehensive income recognised for the period:										
Foreign currency translation (Loss)/Profit for the period	-	-	-	(7,129)	-	-	-	(7,129)	(2,067)	(9,196)
	-	-	-	-	-	-	(1,239)	(1,239)	1,298	59
Total comprehensive income for the period	-	-	-	(7,129)	-	-	(1,239)	(8,368)	(769)	(9,137)
Purchase of treasury shares	-	-	(34)	-	-	-	-	(34)	-	(34)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	17	17	(2,456)	(2,439)
Balance as of 31 March 2016	105,344	13,582	(633)	22,497	-	2,467	84,913	228,170	31,459	259,629

CORRESPONDING PERIOD CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	Non-distributable					Distributable				
	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Warrant reserve	Statutory reserve	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as of 1 January 2015	101,141	9,337	(565)	12,034	883	1,291	82,683	206,804	32,913	239,717
Other comprehensive income recognised for the period:										
Foreign currency translation Profit for the period	-	-	-	3,428	-	-	-	3,428	2,326	5,754
	-	-	-	-	-	-	6,819	6,819	1,567	8,386
Total comprehensive income for the period	-	-	-	3,428	-	-	6,819	10,247	3,893	14,140
Warrants										
- exercise of warrants	4,203	3,490	-	-	(128)	-	-	7,565	-	7,565
- lapse of unexercised warrants	-	755	-	-	(755)	-	-	-	-	-
Purchase of treasury shares	-	-	(18)	-	-	-	-	(18)	-	(18)
Balance as of 31 March 2015	105,344	13,582	(583)	15,462	-	1,291	89,502	224,598	36,806	261,404

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



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	31 Mar 2016 RM'000	31 Mar 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,883	10,761
Adjustments for:		
Depreciation of property, plant and equipment	4,266	4,631
Interest expense	325	374
Unrealised loss/(gain) on foreign exchange	2,860	(2,383)
Interest income	(159)	(139)
Loss on disposal of property, plant and equipment	45	-
Writeback of allowance for impairment losses on trade receivables	(1)	(572)
Plant and equipment written off	338	-
Impairment loss on plant and equipment no longer required	(338)	-
Allowance for impairment losses on receivables	25	54
Share of results of associates	6	22
Operating profit before working capital changes	9,250	12,748
Inventories	197	(18)
Amount due from contract customers	-	(3,887)
Trade receivables	2,076	9,967
Other receivables, deposits and prepaid expenses	62	(813)
Amount owing by associates	(1)	(1)
Trade payables	(10,272)	(3,774)
Other payables and accrued expenses	(3,206)	(10,486)
Cash generated (for)/from operations	(1,894)	3,736
Taxes paid	(796)	(1,028)
Net cash (for)/from operating activities	(2,690)	2,708
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	159	139
Acquisition of additional interest in subsidiaries	(2,439)	-
Purchase of property, plant and equipment	(5,264)	(911)
Proceeds from disposal of property, plant and equipment	1	-
Net (placement)/withdrawal of fixed deposits with licensed banks	(23)	6,675
Net cash (for)/from investing activities	(7,566)	5,903



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	CUMULATIVE QUARTER	
	Current Period To Date 31 Mar 2016 RM'000	Preceding Corresponding Period 31 Mar 2015 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(325)	(374)
Proceeds from issuance of shares	-	7,565
Drawdown of term loans	2,234	1,755
Repayment of term loans	(6,501)	(1,134)
Payment of hire purchase payables	(295)	(423)
Treasury shares acquired	(34)	(18)
Net cash (for)/from financing activities	(4,921)	7,371
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15,177)	15,982
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	105,117	52,575
EFFECT OF EXCHANGE DIFFERENCES	(5,013)	2,062
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	84,927	70,619
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	76,253	54,819
Fixed deposits with licensed banks	13,357	20,406
	89,610	75,225
Less: Fixed deposits pledged with banks	(4,683)	(4,606)
Cash and cash equivalents	84,927	70,619

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 2015.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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 2015.

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 2015.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2015 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2016. 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 2016 RM'000	As at 31 Mar 2015 RM'000
Total retained profits of FCB and its subsidiaries		
- Realised	108,649	103,515
- Unrealised	177	1,752
	<hr/> 108,826	<hr/> 105,267
Total share of retained profits from associated companies		
- Realised	360	318
Less: Consolidation adjustments	(24,273)	(16,083)
Total Group retained profits	<hr/> 84,913	<hr/> 89,502

A3. Audit qualification

The auditors' report in respect of the audited consolidated financial statements of FCB for the financial year ended 31 December 2015 was not subjected to any qualification.

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.



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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 or resale of treasury shares during the current quarter.

The Company purchased 200,000 of its own shares of RM0.10 each on the market of Bursa Securities at an average buy-back price of RM0.17 per share. The total consideration paid for the acquisition of the shares was RM34,261 and was financed by internally generated funds.

As at 31 March 2016, the Company held 5,266,600 repurchased shares as treasury shares out of its total issued and paid-up share capital of 1,053,435,130 ordinary shares of RM0.10 each. Such treasury shares are held at a carrying amount of RM633,007.

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 31 March 2016 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

**Current Quarter
31 March 2016**

	<u>Singapore</u>	<u>Malaysia</u>	<u>Philippines</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>Segment Revenue</u>						
External sales	9,347	17,616	4,371	611	26,843	58,788
Inter-segment sales	341	163	-	-	5	509
Total revenue	<u>9,688</u>	<u>17,779</u>	<u>4,371</u>	<u>611</u>	<u>26,848</u>	<u>59,297</u>
<u>Segment Results</u>						
Operating profit/(loss)	(4,192)	2,934	731	(145)	2,727	2,055
Interest income						159
Finance cost						(325)
Share of results in associates						(6)
Profit before taxation						<u>1,883</u>

**Current Year-to-date
31 March 2016**

<u>Segment Revenue</u>						
External sales	9,347	17,616	4,371	611	26,843	58,788
Inter-segment sales	341	163	-	-	5	509
Total revenue	<u>9,688</u>	<u>17,779</u>	<u>4,371</u>	<u>611</u>	<u>26,848</u>	<u>59,297</u>



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**Current Year-to-date
31 March 2016**

	Singapore	Malaysia	Philippines	Indonesia	Taiwan	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Segment Results</u>						
Operating profit/(loss)	(4,192)	2,934	731	(145)	2,727	2,055
Interest income						159
Finance cost						(325)
Share of results in associates						(6)
Profit before taxation						<u>1,883</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 31 Mar 2016 RM'000	Current Year-to-date 31 Mar 2016 RM'000
Interest income	159	159
Writeback of allowance for impairment losses	1	1
Impairment loss on plant and equipment no longer required	338	338
Foreign exchange loss	(2,884)	(2,884)
Allowance for impairment losses on receivables	(25)	(25)
Interest expense	(325)	(325)
Loss on disposal of property, plant and equipment	(45)	(45)
Plant and equipment written off	(338)	(338)
Depreciation of property, plant and equipment	(4,266)	(4,266)

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

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

On 26 February 2016, the Company acquired 1,135,575 ordinary shares of NT\$10 each representing 3.33% of the issued and paid-up share capital of Ares Green Technology Corporation ("AGTC") for a total cash consideration of NT\$19,514,250 (including incidental costs) (equivalent to RM2,438,473). Following the acquisition, the Group's interest in AGTC increased from 64.38% to 67.71%.

On 27 February 2016, the Company's wholly-owned subsidiary, Frontken Malaysia Sdn. Bhd. ("FMSB"), acquired the remaining 39.93% of the entire issued and paid-up share capital in Frontken Projects Sdn. Bhd. (formerly known as Frontken Petroleum Sdn. Bhd.) ("FPSB") for a cash consideration of RM2. Following the acquisition, FPSB became a wholly-owned subsidiary of FMSB.

A14. Contingent liabilities

As at 31 March 2016, the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position of the Group.



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A15. Cash and cash equivalents

	As at 31 Mar 2016
	RM'000
Cash at bank	76,056
Cash on hand	197
Fixed deposits	13,357
	<u>89,610</u>
Less: Fixed deposits pledged with banks	<u>(4,683)</u>
	<u><u>84,927</u></u>

A16. Significant related party transactions

	Current Quarter 31 Mar 2016	Current Year-to-date 31 Mar 2016
	RM'000	RM'000
Sales to AMT	3	3
Sales to A&I	1	1
Purchase from TTM	59	59
Rental payable to AMT	36	36

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

Abbreviations:

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

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 2016
	RM'000
Plant and equipment	<u><u>4,316</u></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 ended 31 March 2016 ("FY2016") decreased by approximately RM18.4 million (23.9%) compared to the preceding year corresponding period. The ATB project was completed in the beginning of the third quarter of financial year 2015 and the cease of revenue recognition in 2016 had contributed the major decrease in the Group's revenue compared to the corresponding period last year. The domestic economic situation remains challenging during the quarter and slowdown in our customers' business had resulted a drop of business for the Group's subsidiaries in Singapore. The Group's subsidiary in Taiwan had achieved an improved business performance attributable to the positive growth of the semi-conductor business.

Against the same period last year, the profit before tax decreased by approximately RM8.9 million (82.5%). During the quarter, customers' cost-down due to intense competition and weak market sentiment had resulted a thinner overall margin for the Group. Foreign exchange loss of RM2.9 million, arising from overseas entities and funds denominated in foreign currencies, had significantly impacted the Group's bottom line during the quarter, compared to a foreign exchange gain of RM3.3 million in the corresponding period last year.

B2. Comparison with immediate preceding quarter

	1st Quarter 31 Mar 2016	4th Quarter 31 Dec 2015
	RM'000	RM'000
Revenue	58,788	67,857
Profit/(Loss) before tax	1,883	1,918

The Group's revenue was 13.4% or approximately RM9.1 million lower during the current quarter as compared to the immediate preceding quarter. This was mainly due to lower sales by its subsidiaries in Singapore, Malaysia and Taiwan. Historically, the Group's Q1 revenue was always lower due to the shorter business period.

The Group's unaudited profit before tax was lower during the current quarter as compared to the immediate preceding quarter mainly due to foreign exchange loss.

B3. Prospects for the year

The challenging business environment, marked by intense competition coupled with significant currency headwinds faced by the Ringgit during the quarter, had resulted in the Group slipping into a net loss of RM1.2 million, compared to a profit of RM6.8 million in the corresponding period last year. While the Group anticipates that the overall business conditions in the remaining three quarter of the current financial year remain challenging amidst uncertain global economic conditions in regional economies, the Group is cautiously optimistic that its performance for the remaining months will be satisfactory.



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Acknowledged that the Group's overall margin was thinner resulted from cost-down from our customers during the quarter and to weather the challenge, the Group will continue to be vigilant in our cost management and continually explore ways to improve on our efficiency. The Group's priority will be to continue to focus our attention on the quality of our services and efficiencies so as to maintain our competitiveness.

The Group is pleased with the performance of our Malaysia, Taiwan and Philippines subsidiaries during the quarter and continues to be optimistic that they will contribute positively to the Group in 2016. However, the business in Singapore will continue to be challenging in light of the higher operating costs and business slowdown in that market.

Overall, the Group remains positive of its business and would continue to look for opportunity to grow.

B4. Variance in profit forecast

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

B5. Taxation

	Current Quarter 31 Mar 2016	Current Year-to-date 31 Mar 2016
	RM'000	RM'000
Income tax	2,044	2,044
Deferred tax	(220)	(220)
	1,824	1,824

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 31 March 2016 are as follows:

	Short-term	Long-term	Total
	RM'000	RM'000	RM'000
<u>Secured</u>			
Hire purchase creditors	433	373	806
Term loans	12,603	23,697	36,300
	13,036	24,070	37,106



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

	Short-term	Long-term	Total
<u>Currency</u>	RM'000	RM'000	RM'000
Singapore Dollar	9,848	5,406	15,254
New Taiwan Dollar	-	12,180	12,180
	9,848	17,586	27,434

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 16 May 2016:

(a) Original Action - Litigation by Frontken Malaysia Sdn Bhd ("FM" or "Plaintiff") against an ex-senior management personnel ("1st Defendant") and 5 others ("collectively known as Defendants")

Counter claims - Some of the Defendants filed Defences and Counterclaims against FM and some of its existing senior management.

On 18th April 2016, the Plaintiff and the 1st – 4th Defendants recorded a consent judgment to resolve their respective claims in the above matters against each other pursuant to the following main terms:

- i) the 1st Defendant agrees to pay a sum of RM2,100,729 to the Plaintiff within 42 months from 1st June 2016 pursuant to prescribed payment terms as contained in the Consent Judgment;
- ii) no order of costs is made;
- iii) the Plaintiff and the 1st – 4th Defendants be at liberty to apply; and
- iv) the Plaintiff and the 1st – 4th Defendants agree that the aforesaid consent judgement is in full and final settlement of all claims that they have against each other in the above matters.

Separately, the High Court also made the following orders against the remaining parties on 18th April 2016:

- i) Judgment in default of defence was entered into against the 5th - 6th Defendants in the Original Action.
- ii) The Counterclaims against some of its existing senior management were struck out with no order as to costs and without liberty to file afresh.



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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)	(1,239)	6,819	(1,239)	6,819
Number of shares in issue ('000)	1,053,435	1,011,408	1,053,435	1,011,408
Effects of:				
Exercise of warrants ('000)	-	10,638	-	10,638
Treasury shares acquired ('000)	(5,137)	(4,897)	(5,137)	(4,897)
Weighted average number of shares in issue ('000)	1,048,298	1,017,149	1,048,298	1,017,149
Basic EPS (sen)	(0.12)	0.67	(0.12)	0.67

b) Diluted EPS

No disclosure on diluted earnings per share as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

B10. Dividends

No dividend has been declared for the current quarter ended 31 March 2016.

By Order of the Board
Frontken Corporation Berhad

Ng Wai Pin
Chairman / Managing Director
23 May 2016