



FRONTKEN CORPORATION BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2016
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Jun 2016 RM '000	Preceding Year Corresponding Quarter 30 Jun 2015 RM '000	Current Year To-date 30 Jun 2016 RM '000	Preceding Year Corresponding Period 30 Jun 2015 RM '000
Revenue	62,848	66,643	121,636	143,861
Operating expenses	<u>(51,117)</u>	<u>(60,652)</u>	<u>(105,465)</u>	<u>(127,182)</u>
Profit before depreciation and finance costs	11,731	5,991	16,171	16,679
Depreciation	(4,171)	(4,586)	(8,437)	(9,217)
Finance costs	(275)	(372)	(600)	(746)
Other operating income	1,163	555	3,203	5,655
Share of results of associated companies	<u>(22)</u>	<u>(33)</u>	<u>(28)</u>	<u>(55)</u>
Profit before tax	8,426	1,555	10,309	12,316
Taxation	<u>(1,419)</u>	<u>(524)</u>	<u>(3,243)</u>	<u>(2,899)</u>
Profit after tax	7,007	1,031	7,066	9,417
Other comprehensive expenses:				
Foreign currency translation	<u>3,836</u>	<u>5,540</u>	<u>(5,360)</u>	<u>11,294</u>
Total comprehensive income for the period	<u>10,843</u>	<u>6,571</u>	<u>1,706</u>	<u>20,711</u>
(Loss)/profit after tax attributable to :				
Owners of the Company	4,991	(723)	3,752	6,096
Non-controlling interests	<u>2,016</u>	<u>1,754</u>	<u>3,314</u>	<u>3,321</u>
Profit for the period	<u>7,007</u>	<u>1,031</u>	<u>7,066</u>	<u>9,417</u>
Total comprehensive income attributable to:				
Owners of the Company	8,154	3,586	(214)	13,833
Non-controlling interests	<u>2,689</u>	<u>2,985</u>	<u>1,920</u>	<u>6,878</u>
Total comprehensive income for the period	<u>10,843</u>	<u>6,571</u>	<u>1,706</u>	<u>20,711</u>
(Loss)/Earnings per share attributable to equity holders of the company :				
Basic (sen)	0.48	(0.07)	0.36	0.59

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 June 2015.



FRONTKEN CORPORATION BERHAD

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

(The figures have not been audited)

	Unaudited 30 Jun 2016 RM'000	Audited 31 Dec 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	138,860	135,667
Investment in associated companies	1,997	2,009
Goodwill on consolidation	33,761	33,761
Deferred tax assets	1,343	1,406
Total non-current assets	<u>175,961</u>	<u>172,843</u>
Current assets		
Inventories	11,832	11,793
Trade receivables	81,665	87,030
Other receivables, deposits and prepaid expenses	6,135	6,124
Amount owing by associates	1,308	1,330
Tax recoverable	1,094	965
Fixed deposits with licensed banks	12,315	15,311
Cash and bank balances	78,759	94,487
Total current assets	<u>193,108</u>	<u>217,040</u>
Total assets	<u>369,069</u>	<u>389,883</u>
EQUITY AND LIABILITIES		
Capital and reserve		
Issued capital	105,344	105,344
Reserves	42,485	45,076
Retained earnings	88,503	86,135
Equity attributable to owners of the Company	<u>236,332</u>	<u>236,555</u>
Non-controlling interests	30,706	34,684
Total equity	<u>267,038</u>	<u>271,239</u>
Non-current liabilities		
Bank borrowings	20,556	26,013
Hire-purchase payables	325	439
Other payables	2,281	2,433
Deferred tax liabilities	3,053	3,446
Total non-current liabilities	<u>26,215</u>	<u>32,331</u>
Current liabilities		
Trade payables	19,298	31,125
Other payables and accrued expenses	37,274	35,018
Bank overdrafts	4,244	-
Bank borrowings	11,855	16,177
Hire purchase payable	287	687
Tax liabilities	2,858	3,306
Total current liabilities	<u>75,816</u>	<u>86,313</u>
Total liabilities	<u>102,031</u>	<u>118,644</u>
Total equity and liabilities	<u>369,069</u>	<u>389,883</u>
Net assets per share attributable to owners of the parents (RM)	0.23	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.



FRONTKEN CORPORATION BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 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	-	-	-	(3,966)	-	-	-	(3,966)	(1,394)	(5,360)
Profit for the period	-	-	-	-	-	-	3,752	3,752	3,314	7,066
Total comprehensive income for the period	-	-	-	(3,966)	-	-	3,752	(214)	1,920	1,706
Transfer to statutory reserve	-	-	-	-	-	1,409	(1,409)	-	-	-
Purchase of treasury shares	-	-	(34)	-	-	-	-	(34)	-	(34)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	25	25	(5,898)	(5,873)
Balance as of 30 June 2016	105,344	13,582	(633)	25,660	-	3,876	88,503	236,332	30,706	267,038

CORRESPONDING PERIOD CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 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	-	-	-	7,737	-	-	-	7,737	3,557	11,294
Profit for the period	-	-	-	-	-	-	6,096	6,096	3,321	9,417
Total comprehensive income for the period	-	-	-	7,737	-	-	6,096	13,833	6,878	20,711
Warrants										
- exercise of warrants	4,203	3,490	-	-	(128)	-	-	7,565	-	7,565
- lapse of unexercised warrants	-	755	-	-	(755)	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	1,114	(1,114)	-	-	-
Purchase of treasury shares	-	-	(18)	-	-	-	-	(18)	-	(18)
Balance as of 30 June 2015	105,344	13,582	(583)	19,771	-	2,405	87,665	228,184	39,791	267,975

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 SECOND QUARTER ENDED 30 JUNE 2016

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date 30 Jun 2016 RM'000	Preceding Corresponding Period 30 Jun 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,309	12,316
Adjustments for:		
Depreciation of property, plant and equipment	8,437	9,217
Interest expense	600	746
Unrealised loss/(gain) on foreign exchange	2,497	(1,546)
Interest income	(349)	(356)
Loss/(Gain) on disposal of property, plant and equipment	125	(7)
Writeback of allowance for impairment losses on trade receivables	(11)	(572)
Plant and equipment written off	424	185
Impairment loss on plant and equipment	-	481
Impairment loss on plant and equipment no longer required	(333)	-
Allowance for impairment losses on receivables	45	55
Share of results of associates	28	55
Operating profit before working capital changes	21,772	20,574
Inventories	(357)	1,105
Amount due from contract customers	-	(4,540)
Trade receivables	2,582	27,008
Other receivables, deposits and prepaid expenses	(190)	(1,676)
Amount owing by associates	(1)	8
Trade payables	(11,262)	(8,340)
Other payables and accrued expenses	3,508	(9,221)
Cash generated from operations	16,052	24,918
Taxes paid	(3,983)	(4,414)
Net cash from operating activities	12,069	20,504
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	349	356
Acquisition of additional interest in subsidiaries	(5,872)	-
Purchase of property, plant and equipment	(15,634)	(1,752)
Proceeds from disposal of property, plant and equipment	27	10
Net withdrawal of fixed deposits with licensed banks	240	6,684
Net cash (for)/from investing activities	(20,890)	5,298



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	CUMULATIVE QUARTER	
	Current Period To Date 30 Jun 2016 RM'000	Preceding Corresponding Period 30 Jun 2015 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(600)	(746)
Proceeds from issuance of shares	-	7,565
Drawdown of term loans	2,216	1,826
Repayment of term loans	(11,035)	(2,313)
Payment of hire purchase payables	(498)	(824)
Treasury shares acquired	(34)	(18)
Net cash (for)/from financing activities	(9,951)	5,490
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(18,772)	31,292
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	105,117	52,575
EFFECT OF EXCHANGE DIFFERENCES	(3,947)	2,717
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	82,398	86,584
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	78,759	74,062
Fixed deposits with licensed banks	12,315	17,119
Bank overdraft	(4,244)	-
	86,830	91,181
Less: Fixed deposits pledged with banks	(4,432)	(4,597)
Cash and cash equivalents	82,398	86,584

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 June 2015.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 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 30 Jun 2016	As at 30 Jun 2015
	RM'000	RM'000
Total retained profits of FCB and its subsidiaries		
- Realised	112,529	104,077
- Unrealised	2,082	1,081
	<hr/> 114,611	<hr/> 105,158
Total share of retained profits from associated companies		
- Realised	338	286
Less: Consolidation adjustments	(26,446)	(17,779)
Total Group retained profits	<hr/> <hr/> 88,503	<hr/> <hr/> 87,665

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

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.

As at 30 June 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 30 June 2016 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

**Current Quarter
30 June 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	10,440	16,727	4,162	855	30,664	62,848
Inter-segment sales	943	145	45	-	50	1,183
Total revenue	<u>11,383</u>	<u>16,872</u>	<u>4,207</u>	<u>855</u>	<u>30,714</u>	<u>64,031</u>

Segment Results

Operating profit/(loss)	(881)	1,972	821	1	6,620	8,533
Interest income						190
Finance cost						(275)
Share of results in associates						(22)
Profit before taxation						<u>8,426</u>

**Current Year-to-date
30 June 2016**

<u>Segment Revenue</u>						
External sales	19,787	34,343	8,533	1,466	57,507	121,636
Inter-segment sales	1,284	308	45	-	55	1,692
Total revenue	<u>21,071</u>	<u>34,651</u>	<u>8,578</u>	<u>1,466</u>	<u>57,562</u>	<u>123,328</u>



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**Current Year-to-date
30 June 2016**

	<u>Singapore</u>	<u>Malaysia</u>	<u>Philippines</u>	<u>Indonesia</u>	<u>Taiwan</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Segment Results</u>						
Operating profit/(loss)	(5,073)	4,906	1,552	(144)	9,347	10,588
Interest income						349
Finance cost						(600)
Share of results in associates						(28)
Profit before taxation						<u>10,309</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 Jun 2016 RM'000	Current Year-to-date 30 Jun 2016 RM'000
Interest income	190	349
Writeback of allowance for impairment losses	10	11
Impairment loss on plant and equipment no longer required	(5)	333
Foreign exchange gain/(loss)	318	(2,566)
Allowance for impairment losses on receivables	(20)	(45)
Interest expense	(275)	(600)
Loss on disposal of property, plant and equipment	(80)	(125)
Plant and equipment written off	(86)	(424)
Depreciation of property, plant and equipment	<u>(4,171)</u>	<u>(8,437)</u>

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

Saved as disclosed below, there were no material events subsequent to the end of the current quarter under review up to the date of this report.

On 26 July 2016, the Company acquired 615,314 ordinary shares of NT\$10 each representing 1.81% of the issued and paid-up share capital of Ares Green Technology Corporation ("AGTC") for a total cash consideration of NT\$11,937,092 (equivalent to RM1,493,567). Following the acquisition, the Group's interest in AGTC increased to 73.19%.

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 24 June 2016, the Company acquired 1,250,267 ordinary shares of NT\$10 each representing 3.67% of the issued and paid-up share capital of Ares Green Technology Corporation ("AGTC") for a total cash consideration of NT\$26,880,741 (equivalent to RM3,434,183). Following the acquisition, the Group's interest in AGTC increased from 67.71% to 71.38%.

A14. Contingent liabilities

As at 30 June 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 30 Jun 2016
	RM'000
Cash at bank	78,586
Cash on hand	173
Fixed deposits	12,315
Bank overdrafts	(4,244)
	<u>86,830</u>
Less: Fixed deposits pledged with banks	(4,432)
	<u>82,398</u>

A16. Significant related party transactions

	Current Quarter 30 Jun 2016	Current Year-to-date 30 Jun 2016
	RM'000	RM'000
Sales to AMT	4	7
Sales to A&I	-	1
Purchase from TTM	14	73
Rental payable to AMT	36	72

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:

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

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 Jun 2016
	RM'000
Plant improvement and equipment	<u>15,877</u>



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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Analysis of performance

Current quarter's performance against the quarter ended 30 June 2015

The Group's revenue of RM62.8 million for the current quarter was 5.7% lower compared to the RM66.6 million achieved in the corresponding quarter ended 30 June 2015. This was mainly due to completion of the ATB project in the beginning of the third quarter of financial year 2015. Excluding the revenue derived from the ATB Project the current quarter's revenue would have been 2.5% higher compared to the corresponding quarter in 2015. The revenue improvement was mainly due to better performances from the Group's subsidiaries in Taiwan, Philippines and Indonesia.

The Group's profit before tax of RM8.4 million for the current quarter was RM6.9 million or 441.9% higher than the corresponding quarter's RM1.6 million. The higher profit was mainly due to improved performances by our Taiwan, Philippines, Indonesia and Malaysia subsidiaries, coupled with foreign exchange gain recognized in the current quarter.

Current 6 months period's performance against the 6 months period ended 30 June 2015

The Group's revenue of RM121.6 million for the current period ended 30 June 2016 ("FY2016") was RM22.2 million lower than that achieved in the preceding year corresponding period. The lower revenue was mainly attributable to cessation of revenue recognition from the ATB project in FY2016. However, if we were to exclude the revenue from the ATB Project, the revenue would have been 2.6% higher compared to the corresponding period.

The domestic economic situation remains challenging during the relevant period and slowdown in our customers' business had resulted in a drop in business for the Group's subsidiaries in Singapore. Our subsidiary in Taiwan however continue to enjoy better business performance for this quarter due to the positive growth of the semi-conductor business. The Group's subsidiaries in the Philippines and Indonesia have also achieved higher revenue in FY2016 attributable to the growing portfolio of our sales network.

Against the same period last year, the profit before tax ("PBT") for the 6 months ended 30 June 2016 decreased by approximately 16.3%. During the period, customers' cost-down due to intense competition and weak market sentiment had resulted in a thinner overall margin for the Group. Foreign exchange loss of RM2.6 million, arising from overseas entities and funds denominated in foreign currencies, had resulted in a lower PBT for the current period, compared to a foreign exchange gain of RM2.4 million in the corresponding period last year.



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B2. Comparison with immediate preceding quarter

	2nd Quarter 30 Jun 2016	1st Quarter 31 Mar 2016
	RM'000	RM'000
Revenue	62,848	58,788
Profit before tax	8,426	1,883

The Group's revenue was 6.9% or approximately RM4.1 million higher during the current quarter as compared to the immediate preceding quarter. This was mainly due to improved business performance for our subsidiaries in Taiwan, Singapore and Indonesia.

The Group's improved unaudited profit before tax for the current quarter was mainly attributable to higher revenue and also foreign exchange gain against the foreign exchange loss suffered in the immediate preceding quarter.

B3. Prospects for the year

The Group anticipates the overall business conditions in the remaining 6 months of the current financial year to remain challenging amidst uncertain global economic conditions in the region. We will continue to focus our attention on the quality of our services and efficiencies so as to maintain our competitiveness and is therefore cautiously optimistic that our performance for the remaining months will be satisfactory.

Accepting that the Group's overall margin will continue to be thinner as a result of cost-down from our customers for the months to come we will continue to be vigilant in our cost management and continually explore ways to improve on our efficiency to enhance our profitability.

We are pleased with the performance of our Malaysian, Taiwanese and Philippines subsidiaries during the period and continue to be optimistic that they will contribute positively to the Group in 2016. We are also encouraged by the improved business performance of our Indonesia subsidiary and will continue to strive for the turn-around of this business unit. However, the business in Singapore will continue to be challenging in light of the higher operating costs and significant 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.



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B5. Taxation

	Current Quarter 30 Jun 2016	Current Year-to-date 30 Jun 2016
	RM'000	RM'000
Income tax	1,499	3,543
Deferred tax	(80)	(300)
	<u>1,419</u>	<u>3,243</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 June 2016 are as follows:

	Short-term	Long-term	Total
	RM'000	RM'000	RM'000
<u>Secured</u>			
Bank overdrafts	4,244	-	4,244
Hire purchase creditors	287	325	612
Term loans	11,855	20,556	32,411
	<u>16,386</u>	<u>20,881</u>	<u>37,267</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	14,260	5,108	19,368
New Taiwan Dollar	-	12,472	12,472
	<u>14,260</u>	<u>17,580</u>	<u>31,840</u>

B8. Material litigations

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, which might materially affect the financial position or business of the Group as at 19 August 2016.



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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
Profit/(Loss) attributable to owners of the Company (RM'000)	4,991	(723)	3,752	6,096
Number of shares in issue ('000)	1,053,435	1,011,408	1,053,435	1,011,408
Effects of:				
Exercise of warrants ('000)	-	42,027	-	26,419
Treasury shares acquired ('000)	(5,267)	(4,967)	(5,202)	(4,932)
Weighted average number of shares in issue ('000)	1,048,168	1,048,468	1,048,233	1,032,895
Basic EPS (sen)	0.48	(0.07)	0.36	0.59

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 30 June 2016.

By Order of the Board
Frontken Corporation Berhad

Ng Wai Pin
Chairman / Managing Director
26 August 2016