

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 2018

(The figures have not been audited)

	Individual Quarter				Cumulative Quarter			
	Current Year Quarter 30 Jun 2018 RM '000	Preceding Year Corresponding Quarter 30 Jun 2017 RM '000	Changes RM'000 (%)		Current Year To-date 30 Jun 2018 RM '000	Preceding Year Corresponding Period 30 Jun 2017 RM '000	Changes RM'000 (%)	
Revenue	81,780	70,530	11,250	16	152,696	137,587	15,109	11
Operating expenses	(58,978)	(56,709)	(2,269)	4	(115,665)	(111,011)	(4,654)	4
Profit before depreciation and finance	22,802	13,821	8,981	65	37,031	26,576	10,455	39
Depreciation	(4,349)	(4,503)			(8,823)	(8,948)		
Finance costs	(152)	(221)			(378)	(426)		
Other operating income	1,153	1,224			2,673	2,456		
Share of results of associated companies	60	(54)			42	(68)		
Profit before tax	19,514	10,267	9,247	90	30,545	19,590	10,955	56
Taxation	(6,236)	(2,381)	(3,855)	162	(10,085)	(5,232)	(4,853)	93
Profit after tax	13,278	7,886	5,392	68	20,460	14,358	6,102	42
Profit after tax attributable to :								
Owners of the Company	12,083	5,824	6,259	107	18,387	10,846	7,541	70
Non-controlling interests	1,195	2,062			2,073	3,512		
Profit for the period	13,278	7,886			20,460	14,358		
Profit for the period	13,278	7,886			20,460	14,358		
Other comprehensive expenses:								
Foreign currency translation	531	(5,502)			(7,440)	1,540		
Total comprehensive income for the period	13,809	2,384			13,020	15,898		
Total comprehensive income attributable to:								
Owners of the Company	12,617	1,316			11,546	11,936		
Non-controlling interests	1,192	1,068			1,474	3,962		
Total comprehensive income for the period	13,809	2,384			13,020	15,898		
Earnings per share attributable to equity holders of the company :								
Basic (sen)	1.15	0.56			1.75	1.03		

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 2017.

FRONTKEN CORPORATION BERHAD

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

(The figures have not been audited)

	Unaudited	Audited
	30 Jun 2018	31 Dec 2017
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	140,505	150,046
Investment in an associate	1,996	1,963
Goodwill on consolidation	33,761	33,761
Deferred tax assets	1,627	1,681
Fixed deposits with licensed banks	1,279	1,256
Total non-current assets	<u>179,168</u>	<u>188,707</u>
Current assets		
Inventories	13,916	13,475
Trade receivables	98,518	91,715
Other receivables, deposits and prepaid expenses	7,560	5,302
Amount owing by an associate	1,300	1,334
Current tax assets	458	1,243
Short-term investments	5,396	3,508
Fixed deposits with licensed banks	8,827	6,493
Cash and bank balances	101,889	119,314
Total current assets	<u>237,864</u>	<u>242,384</u>
Total assets	<u>417,032</u>	<u>431,091</u>
EQUITY AND LIABILITIES		
Capital and reserve		
Issued capital	118,925	118,925
Reserves	30,588	34,367
Retained earnings	143,172	128,308
Equity attributable to owners of the Company	<u>292,685</u>	<u>281,600</u>
Non-controlling interests	17,969	24,373
Total equity	<u>310,654</u>	<u>305,973</u>
Non-current liabilities		
Bank borrowings	9,275	11,547
Hire-purchase payables	415	166
Other payables	3,031	3,225
Deferred tax liabilities	824	1,123
Total non-current liabilities	<u>13,545</u>	<u>16,061</u>
Current liabilities		
Trade payables	17,925	19,078
Other payables and accrued expenses	62,464	60,559
Bank overdrafts	-	5,182
Bank borrowings	4,220	16,750
Hire purchase payable	303	182
Current tax liabilities	7,921	7,306
Total current liabilities	<u>92,833</u>	<u>109,057</u>
Total liabilities	<u>106,378</u>	<u>125,118</u>
Total equity and liabilities	<u>417,032</u>	<u>431,091</u>
Net assets per share attributable to owners of the parents (RM)	0.28	0.27

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 2017.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2018

(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	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 2018	118,925	-	(663)	28,983	6,047	128,308	281,600	24,373	305,973
Other comprehensive income recognised for the period:									
Foreign currency translation	-	-	-	(6,841)	-	-	(6,841)	(599)	(7,440)
Profit for the period	-	-	-	-	-	18,387	18,387	2,073	20,460
Total comprehensive income for the period	-	-	-	(6,841)	-	18,387	11,546	1,474	13,020
Dividend payable by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	(2,476)	(2,476)
Transfer to statutory reserve	-	-	-	-	3,062	(3,062)	-	-	-
Changes in ownership interests in subsidiary that do not result in loss of control	-	-	-	-	-	(461)	(461)	(5,402)	(5,863)
Balance as of 30 June 2018	118,925	-	(663)	22,142	9,109	143,172	292,685	17,969	310,654

CORRESPONDING PERIOD CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2017

	Non-distributable				Distributable				
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Foreign currency translation 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 2017	105,343	13,582	(663)	34,704	3,908	104,736	261,610	33,799	295,409
Other comprehensive income recognised for the period:									
Foreign currency translation	-	-	-	1,090	-	-	1,090	450	1,540
Profit for the period	-	-	-	-	-	10,846	10,846	3,512	14,358
Total comprehensive income for the period	-	-	-	1,090	-	10,846	11,936	3,962	15,898
Transfer to share capital upon implementation of the Companies Act 2016	13,582	(13,582)	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	2,159	(2,159)	-	-	-
Changes in ownership interests in subsidiary that do not result in loss of control	-	-	-	-	-	1,188	1,188	(14,462)	(13,274)
Balance as of 30 June 2017	118,925	-	(663)	35,794	6,067	114,611	274,734	23,299	298,033

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 2018

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	30 Jun 2018 RM'000	30 Jun 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	30,545	19,590
Adjustments for:		
Depreciation of property, plant and equipment	8,823	8,948
Interest expense	378	426
Unrealised (gain)/loss on foreign exchange	(889)	3,082
Interest income	(350)	(463)
Gain on disposal of property, plant and equipment	(128)	(6)
Writeback of allowance for impairment losses on trade receivables	(5)	(1)
Plant and equipment written off	-	424
Allowance for impairment losses on receivables	183	63
Share of results of associates	(42)	68
Operating profit before working capital changes	38,515	32,131
Inventories	(877)	(4,045)
Trade receivables	(9,208)	3,423
Other receivables, deposits and prepaid expenses	(2,594)	(1,633)
Amount owing by an associate	(1)	1
Trade payables	(674)	(3,772)
Other payables and accrued expenses	(1,118)	8,542
Cash generated from operations	24,043	34,647
Taxes paid	(6,307)	(5,085)
Net cash from operating activities	17,736	29,562
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	350	463
Additional investment of subsidiaries	(5,863)	(13,274)
Purchase of property, plant and equipment	(2,895)	(11,331)
Short-term investment	-	2,255
Proceeds from disposal of property, plant and equipment	128	112
Net withdrawal/(placement) of fixed deposits with licensed banks	1,462	(778)
Net cash for investing activities	(6,818)	(22,553)

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	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	30 Jun 2018 RM'000	30 Jun 2017 RM'000
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Interest paid	(378)	(426)
Dividend paid by a subsidiary to non-controlling interests	(149)	(358)
Drawdown of term loans	-	8,108
Repayment of term loans	(14,050)	(1,895)
Payment of hire purchase payables	(128)	(132)
Net cash (for)/from financing activities	(14,705)	5,297
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
	(3,787)	12,306
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	120,253	98,068
EFFECT OF EXCHANGE DIFFERENCES	(2,749)	(1,650)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	113,717	108,724
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	101,889	102,950
Fixed deposits with licensed banks	10,106	6,770
Short-term investments	5,396	4,451
Bank overdraft	-	(1,366)
	117,391	112,805
Less: Fixed deposits pledged with banks	(3,174)	(4,081)
Less: Fixed deposits with maturity more than 3 months	(500)	-
Cash and cash equivalents	113,717	108,724

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 2017.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018**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 2017.

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 2017.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2017 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2018. The adoption of the MFRSs and Amendments do not have significant impact on the financial statements of the Group.

A2. Audit qualification

The auditors' report in respect of the audited consolidated financial statements of FCB for the financial year ended 31 December 2017 was not subjected to any qualification.

A3. Seasonality or cyclicity of interim operations

The Group's business operations were not materially affected by any seasonal or cyclical factors during the quarter under review.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows, of the Group that are unusual by reason of their nature, size or incidence during the current quarter.

A5. Material changes in estimates

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

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A6. 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 2018, the Company held 5,466,600 repurchased shares as treasury shares out of its total issued and paid-up share capital of 1,053,435,130 ordinary shares. Such treasury shares are held at a carrying amount of RM663,237.

A7. Dividends

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

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A8. Segmental information

The breakdown of the Group's revenue and results by geographical regions for the quarter ended 30 June 2018 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

Current Quarter 30 June 2018

	<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 Revenue</u>						
External sales	15,395	15,635	4,506	289	45,955	81,780
Inter-segment sales	172	178	-	-	2	352
Total revenue	<u>15,567</u>	<u>15,813</u>	<u>4,506</u>	<u>289</u>	<u>45,957</u>	<u>82,132</u>

Segment Results

Operating (loss)/profit	5,723	1,532	806	(238)	11,585	19,408
Interest income						198
Finance cost						(152)
Share of results in associates						60
Profit before taxation						<u>19,514</u>

Current Year-to-date 30 June 2018

<u>Segment Revenue</u>						
External sales	27,387	27,048	8,150	569	89,542	152,696
Inter-segment sales	329	178	41	-	23	571
Total revenue	<u>27,716</u>	<u>27,226</u>	<u>8,191</u>	<u>569</u>	<u>89,565</u>	<u>153,267</u>

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Current Year-to-date 30 June 2018

	<u>Singapore</u>	<u>Malaysia</u>	<u>Philippines</u>	<u>Indonesia</u>	<u>Taiwan</u>	<u>Elimination</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Segment Results</u>							
Operating profit/(loss)	5,205	2,568	1,380	(704)	22,082	-	30,531
Interest income							350
Finance cost							(378)
Share of results in associates							42
Profit before taxation							<u>30,545</u>
<u>Assets</u>							
Non-current assets							
- Property, plant and equipment	28,052	21,203	2,545	2,548	86,157	-	140,505
- Investment in an associate	1,996	-	-	-	-	-	1,996
- Deferred tax assets	-	-	-	-	1,627	-	1,627
- Goodwill	-	33,761	-	-	-	-	33,761
- Others	-	1,279	-	-	-	-	1,279
Current assets	70,920	29,266	16,811	933	135,887	(15,953)	237,864
Consolidated total assets							<u>417,032</u>
<u>Liabilities</u>							
Tax liabilities	2,162	730	108	-	5,745	-	8,745
Segment liabilities	9,675	33,102	5,747	9,590	95,318	(55,799)	97,633
Consolidated total liabilities							<u>106,378</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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A9. Profit before tax

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

	Current Quarter 30 Jun 2018	Current Year-to-date 30 Jun 2018
	RM'000	RM'000
Interest income	198	350
Writeback of allowance for impairment losses on receivables	2	5
Foreign exchange gain	1,540	949
Gain on disposal of property, plant and equipment	110	128
Allowance for impairment losses on receivables	-	(183)
Interest expense	(152)	(378)
Depreciation of property, plant and equipment	(4,349)	(8,823)

A10. Valuation of property, plant and equipment

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

A11. 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.

A12. Changes in the composition of the Group

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

A13. Contingent liabilities

As at 30 June 2018, the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position of the Group.

A14. Cash and cash equivalents

	As at 30 Jun 2018
	RM'000
Cash at bank	101,809
Cash on hand	80
Fixed deposits	10,106
Short-term investments – unit trust	5,396
	117,391
Less: Fixed deposits pledged with banks	(3,174)
Less: Fixed deposits with maturity period more than 3 months	(500)
	113,717

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A15. Significant related party transactions

	Current Quarter 30 Jun 2018	Current Year-to-date 30 Jun 2018
	RM'000	RM'000
Sales to AMT	4	5
Sales to TTM	10	23
Purchase from TTM	16	27
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.
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*

TTM *Tenaga-Tech (M) Sdn Bhd*

FEM *Frontken (East Malaysia) Sdn Bhd*

TTES *TTES Frontken Integrated Services Sdn. Bhd.*

A16. 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 2018
	RM'000
Plant and equipment	1,690

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**B1. Analysis of performance**Current quarter's performance against the quarter ended 30 June 2017

The Group's revenue for the current quarter ended 30 June 2018 increased by approximately RM11.3 million (16.0%) compared to the preceding year corresponding quarter.

The Group's subsidiaries in Taiwan, Singapore, Malaysia and the Philippines achieved an improved business performance compared to the preceding year corresponding quarter. The Semiconductor Industry Association (SIA) announced that worldwide sales of semiconductors reached USD37.6 billion and USD38.7 billion for the month of April and May 2018 respectively, an increase of 20% and 21% compared to the April and May 2017 sales. As a result of the positive growth of the semi-conductor business, the Group's subsidiaries in Taiwan and Singapore achieved an improved business performance of 12% and 24% respectively compared to the preceding year corresponding quarter. Our subsidiaries in Malaysia and the Philippines also recorded a better performance due to new works secured and expanded business portfolio.

The Group's profit before tax ("PBT") of RM19.5 million for the current quarter was RM9.2 million or 90.1% higher than the corresponding quarter's RM10.3 million. The higher profit was mainly due to improved performances by the Group's subsidiaries in Taiwan, Singapore, Malaysia and the Philippines.

Current 6 months period's performance against the 6 months period ended 30 June 2017

The Group's revenue of RM152.7 million for the current period ended 30 June 2018 was RM15.1 million (11.0%) higher than that achieved in the preceding year corresponding period. The improvement was mainly due to better performances from the Group's subsidiaries in Taiwan, Singapore and Malaysia. Year-to-date revenue during the first half of 2018 from our subsidiaries in Taiwan, Singapore and Malaysia rose 17.1%, 6.5% and 4.0% respectively compared to the first half of 2017. This was consistent with the report issued by SIA on the overall growth in the semiconductor industry which had directly benefitted the Group's performance.

Against the same period last year, the PBT for the Group increased by RM11.0 million (55.9%) as a result of improved revenue and vigilance in cost management. The profit after tax ("PAT") for the Group for the current period was RM20.5 million, an increase of RM6.1 million (42.5%) compared to the preceding year corresponding period despite having to pay a withholding tax of RM2.4 million imposed on the dividend declared by the Group's subsidiary in Taiwan. If we were to remove the withholding tax, for a like-for-like comparison, the current year-to-date PAT would have been RM22.9 million or 59.4% better than the preceding year corresponding period instead of the 42.5% mentioned above.

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B2. Comparison with immediate preceding quarter

	2nd Quarter 30 Jun 2018	1st Quarter 31 Mar 2018	Changes
	RM'000	RM'000	RM'000 (%)
Revenue	81,780	70,916	10,864 (15%)
Profit before tax	19,514	11,031	8,483 (77%)
Profit after tax	13,278	7,182	6,096 (85%)
Profit attributable to owners of the Company	12,083	6,304	5,779 (92%)

The Group's revenue was 15.3% or approximately RM10.9 million higher during the current quarter as compared to the immediate preceding quarter due to improved business performance for the Group's subsidiary in Taiwan, Malaysia, Singapore and the Philippines.

The Group's improved unaudited PBT for the current quarter was mainly due to higher revenue and foreign exchange gain as compared to foreign exchange loss in the immediate preceding quarter.

B3. Prospects

The Group recorded an improved first half results compared to the preceding year corresponding period; consistent with the announcement made by SIA that the global semiconductor market achieved growth of greater than 20% for 14 consecutive months, and May 2018 marked the industry's highest-ever monthly sales. The World semiconductor Trade Statistics (WSTS) also recently released their industry forecast projects annual global market growth of 12.4% in 2018. However, the Group anticipates that the overall business conditions this year will continue to be challenging amidst uncertainties such as the future trade policy of the United States as a possible trade war may impact the outlook of the global economy as well as the future earnings of the semiconductor industry should it intensify.

While the Group anticipates that the overall business conditions for the remaining 6 months for the current financial year to remain challenging, the Group is cautiously optimistic that its performance for the rest of the year will be satisfactory.

The Group will also continue to be vigilant in its cost management and continually explore ways to improve on its efficiency. The Group's priority will be to continue to focus its attention on the quality of its services and efficiencies so as to maintain its competitiveness.

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 2018	Current Year-to-date 30 Jun 2018
	RM'000	RM'000
Income tax	3,940	7,930
Deferred tax	(138)	(279)
Withholding tax	2,434	2,434
	6,236	10,085

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 and the withholding tax charged on dividend income.

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 2018 are as follows:

	As at 30 Jun 2018		As at 30 Jun 2017	
	Foreign currencies RM'000	RM'000	Foreign currencies RM'000	RM'000
Short term				
<u>Secured</u>				
Bank overdrafts				
- Singapore Dollar	-	-	1,366	1,366
Hire purchase creditors				
- Singapore Dollar	36	36	108	108
- Ringgit Malaysia	-	267	-	106
Term loans				
- Singapore Dollar	1,644	1,644	1,733	1,733
- New Taiwan Dollar	1,635	1,635	-	-
- Ringgit Malaysia	-	941	-	2,159
Money market security				
- Singapore Dollar	-	-	12,785	12,785
		4,523		18,257
Long term				
<u>Secured</u>				
Hire purchase creditors				
- Singapore Dollar	-	-	38	38
- Ringgit Malaysia	-	415	-	221
Term loans				
- Singapore Dollar	1,644	1,644	3,464	3,464
- New Taiwan Dollar	7,631	7,631	14,137	14,137
- Ringgit Malaysia	-	-	-	941
		14,213		37,058

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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
As at 30 Jun 2018			
<u>Currency</u>			
Singapore Dollar	1,680	1,644	3,324
New Taiwan Dollar	1,635	7,631	9,266
	3,315	9,275	12,590
As at 30 Jun 2017			
<u>Currency</u>			
Singapore Dollar	15,992	3,502	19,494
New Taiwan Dollar	-	14,137	14,137
	15,992	17,639	33,631

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 31 July 2018.

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 in issue.

	Current Quarter	Preceding Corresponding Quarter	Current Year-to-date	Preceding Corresponding Year-to-date
Profit attributable to owners of the Company (RM'000)	12,083	5,824	18,387	10,846
Number of shares in issue ('000)	1,053,435	1,053,435	1,053,435	1,053,435
Effects of: Treasury shares acquired ('000)	(5,467)	(5,467)	(5,467)	(5,467)
Weighted average number of shares in issue ('000)	1,047,968	1,047,968	1,047,968	1,047,968
Basic EPS (sen)	1.15	0.56	1.75	1.03

b) Diluted EPS

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

B10. Dividends

No dividend has been declared for the current quarter ended 30 June 2018.

By Order of the Board
Frontken Corporation Berhad

Ng Wai Pin
Chairman / Chief Executive Officer
7 August 2018