

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 2019

(The figures have not been audited)

	Individual Quarter				Cumulative Quarter			
	Current Year Quarter 30 Jun 2019 RM '000	Preceding Year Corresponding Quarter 30 Jun 2018 RM '000	Changes RM'000 (%)		Current Year To-date 30 Jun 2019 RM '000	Preceding Year Corresponding Period 30 Jun 2018 RM '000	Changes RM'000 (%)	
Revenue	80,144	81,780	(1,636)	(2)	163,974	152,696	11,278	7
Operating expenses	(52,775)	(58,978)	6,203	(11)	(110,208)	(115,665)	5,457	(5)
Profit before depreciation and finance costs	27,369	22,802	4,567	20	53,766	37,031	16,735	45
Depreciation	(4,643)	(4,349)			(9,462)	(8,823)		
Finance costs	(193)	(152)			(431)	(378)		
Other operating income	570	1,153			1,779	2,673		
Share of results of associated companies	-	60			-	42		
Profit before tax	23,103	19,514	3,589	18	45,652	30,545	15,107	49
Taxation	(5,280)	(6,236)	956	(15)	(11,486)	(10,085)	(1,401)	14
Profit after tax	17,823	13,278	4,545	34	34,166	20,460	13,706	67
Profit after tax attributable to :								
Owners of the Company	16,518	12,083	4,435	37	31,922	18,387	13,535	74
Non-controlling interests	1,305	1,195			2,244	2,073		
Profit for the period	17,823	13,278			34,166	20,460		
Profit for the period	17,823	13,278			34,166	20,460		
Other comprehensive expenses:								
Foreign currency translation	4,114	531			(417)	(7,440)		
Total comprehensive income for the period	21,937	13,809			33,749	13,020		
Total comprehensive income attributable to:								
Owners of the Company	20,474	12,617			31,709	11,546		
Non-controlling interests	1,463	1,192			2,040	1,474		
Total comprehensive income for the period	21,937	13,809			33,749	13,020		
Earnings per share attributable to equity holders of the company :								
Basic (sen)	1.58	1.15			3.05	1.75		

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 2018.

FRONTKEN CORPORATION BERHAD

(Co. No. 651020-T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019
(The figures have not been audited)

	Unaudited 30 Jun 2019 RM'000	Audited 31 Dec 2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	144,791	140,400
Goodwill on consolidation	33,761	33,761
Deferred tax assets	2,127	2,155
Fixed deposits with licensed banks	1,208	1,177
Total non-current assets	<u>181,887</u>	<u>177,493</u>
Current assets		
Inventories	14,285	13,711
Trade receivables	109,760	106,846
Other receivables, deposits and prepaid expenses	7,886	6,727
Current tax assets	98	376
Short-term investments	12,743	13,288
Fixed deposits with licensed banks	7,092	3,627
Cash and bank balances	132,639	132,992
Total current assets	<u>284,503</u>	<u>277,567</u>
Total assets	<u>466,390</u>	<u>455,060</u>
EQUITY AND LIABILITIES		
Capital and reserve		
Issued capital	118,925	118,925
Reserves	39,781	36,120
Retained earnings	189,540	169,995
Equity attributable to owners of the Company	<u>348,246</u>	<u>325,040</u>
Non-controlling interests	21,170	19,604
Total equity	<u>369,416</u>	<u>344,644</u>
Non-current liabilities		
Bank borrowings	-	7,533
Lease liabilities	10,388	1,341
Other payables	2,790	2,793
Deferred tax liabilities	535	681
Total non-current liabilities	<u>13,713</u>	<u>12,348</u>
Current liabilities		
Trade payables	16,440	18,118
Other payables and accrued expenses	49,534	63,467
Bank borrowings	1,700	3,915
Lease liabilities	2,429	862
Current tax liabilities	13,158	11,706
Total current liabilities	<u>83,261</u>	<u>98,068</u>
Total liabilities	<u>96,974</u>	<u>110,416</u>
Total equity and liabilities	<u>466,390</u>	<u>455,060</u>
Net assets per share attributable to owners of the parents (RM)	0.33	0.31

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 2018.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2019
(The figures have not been audited)

	<--- Non-distributable --->				Distributable		Non-controlling interests	Total
	Share capital	Treasury shares	Foreign currency translation reserve	Statutory reserve	Retained earnings	Attributable to owners of the Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2019	118,925	(663)	27,672	9,111	169,995	325,040	19,604	344,644
- as previously stated	-	-	-	-	(119)	(119)	-	(119)
- effect of adopting MFRS 16	-	-	-	-	-	-	-	-
Balance at 1 January 2019, as restated	118,925	(663)	27,672	9,111	169,876	324,921	19,604	344,525
Other comprehensive income recognised for the period:								
Foreign currency translation	-	-	(213)	-	-	(213)	(204)	(417)
Profit for the period	-	-	-	-	31,922	31,922	2,244	34,166
Total comprehensive income for the period	-	-	(213)	-	31,922	31,709	2,040	33,749
Dividends:								
- by the Company	-	-	-	-	(8,384)	(8,384)	-	(8,384)
- by a subsidiary to non-controlling interests	-	-	-	-	-	-	(474)	(474)
Transfer to statutory reserve	-	-	-	3,874	(3,874)	-	-	-
Balance at 30 June 2019	118,925	(663)	27,459	12,985	189,540	348,246	21,170	369,416

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

	<--- Non-distributable --->				Distributable		Non-controlling interests	Total
	Share capital	Treasury shares	Foreign currency translation reserve	Statutory reserve	Retained earnings	Attributable to owners of the Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 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 at 30 June 2018	118,925	(663)	22,142	9,109	143,172	292,685	17,969	310,654

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 SECOND QUARTER ENDED 30 JUNE 2019

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	30 Jun 2019 RM'000	30 Jun 2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	45,652	30,545
Adjustments for:		
Depreciation of property, plant and equipment	9,462	8,823
Interest expense	431	378
Unrealised gain on foreign exchange	(27)	(889)
Interest income	(525)	(350)
Gain on disposal of property, plant and equipment	-	(128)
Writeback of allowance for impairment losses on trade receivables	(2)	(5)
Allowance for impairment loss on plant and equipment	-	183
Share of results of associates	-	(42)
Operating profit before working capital changes	54,991	38,515
Inventories	(629)	(877)
Trade receivables	(3,363)	(9,208)
Other receivables, deposits and prepaid expenses	(1,101)	(2,594)
Amount owing by an associate	-	(1)
Trade payables	(1,551)	(674)
Other payables and accrued expenses	(13,138)	(1,118)
Cash generated from operations	35,209	24,043
Taxes paid	(9,839)	(6,307)
Net cash from operating activities	25,370	17,736
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	525	350
Additional investment of subsidiaries	-	(5,863)
Purchase of property, plant and equipment	(2,618)	(2,895)
Placement of short-term investments	(4,139)	-
Proceeds from disposal of property, plant and equipment	-	128
Net (placement)/withdrawal of fixed deposits with licensed banks	(3,473)	1,462
Net cash for investing activities	(9,705)	(6,818)

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	CUMULATIVE QUARTER	
	Current Period To Date	Preceding Corresponding Period
	30 Jun 2019 RM'000	30 Jun 2018 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(431)	(378)
Dividend paid by the Company	(8,384)	-
Dividend paid by a subsidiary to non-controlling interests	(685)	(149)
Repayment of term loans	(9,655)	(14,050)
Payment of lease liabilities	(1,540)	(128)
Net cash for financing activities	(20,695)	(14,705)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,030)	(3,787)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	148,940	120,253
EFFECT OF EXCHANGE DIFFERENCES	17	(2,749)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	143,927	113,717
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	132,639	101,889
Fixed deposits with licensed banks	8,300	10,106
Short-term investments	12,743	5,396
	153,682	117,391
Less: Fixed deposits pledged with banks	(2,008)	(3,174)
Less: Fixed deposits with maturity more than 3 months	(3,608)	(500)
Less: Short-term investments - money market fund	(4,139)	-
Cash and cash equivalents	143,927	113,717

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 2018.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019**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 2018.

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 since the financial year ended 31 December 2018.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2018 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2019. 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 2018 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.

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 2019, 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

During the financial period ended 30 June 2019, the Company paid the following dividend:

Second interim single-tier dividend on 28 March 2019, in respect of the financial year ended 31 December 2018, of 0.8 sen per ordinary share on 1,047,968,530 ordinary shares amounting to RM8,383,748.

The Board is pleased to announce that it will be declaring a first interim single tier dividend of 1 sen per ordinary share on 1,047,968,530 ordinary shares in respect of the financial year ending 31 December 2019.

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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 2019 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

Current Quarter 30 June 2019

	<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	16,899	15,148	4,128	317	43,652	80,144
Inter-segment sales	49	3,653	60	-	119	3,881
Total revenue	<u>16,948</u>	<u>18,801</u>	<u>4,188</u>	<u>317</u>	<u>43,771</u>	<u>84,025</u>
<u>Segment Results</u>						
Operating profit/(loss)	5,904	3,357	730	(17)	13,033	23,007
Interest income						289
Finance cost						(193)
Profit before taxation						<u>23,103</u>

Current Year-to-date 30 June 2019

<u>Segment Revenue</u>						
External sales	33,171	33,151	8,312	447	88,893	163,974
Inter-segment sales	703	3,653	60	-	146	4,562
Total revenue	<u>33,874</u>	<u>36,804</u>	<u>8,372</u>	<u>447</u>	<u>89,039</u>	<u>168,536</u>

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Current Year-to-date 30 June 2019

	<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)	10,888	7,945	1,471	(129)	25,383	-	45,558
Interest income							525
Finance cost							(431)
Profit before taxation							<u>45,652</u>
<u>Assets</u>							
Non-current assets							
- Property, plant and equipment	33,459	22,585	2,302	2,199	84,246	-	144,791
- Deferred tax assets	-	-	-		2,127	-	2,127
- Goodwill	-	33,761	-	-	-	-	33,761
- Others	-	1,208	-	-	-	-	1,208
Current assets	93,273	27,919	19,251	943	135,240	7,877	<u>284,503</u>
Consolidated total assets							<u><u>466,390</u></u>
<u>Liabilities</u>							
Tax liabilities	4,465	1,732	148	-	7,348	-	13,693
Segment liabilities	16,514	34,746	4,342	9,749	53,803	(35,873)	<u>83,281</u>
Consolidated total liabilities							<u><u>96,974</u></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 2019	Current Year-to-date 30 Jun 2019
	RM'000	RM'000
Interest income	289	525
Writeback of allowance for impairment losses on receivables	-	2
Foreign exchange loss	(263)	(253)
Interest expense	(193)	(431)
Depreciation of property, plant and equipment	(4,643)	(9,462)

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 2019, 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 2019
	RM'000
Cash at bank	132,559
Cash on hand	80
Fixed deposits	8,300
Short-term investments	12,743
	153,682
Less: Fixed deposits pledged with banks	(2,008)
Less: Fixed deposits with maturity period more than 3 months	(3,608)
Less: Short-term investments – money market fund	(4,139)
	143,927

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A15. Significant related party transactions

	Current Quarter 30 Jun 2019	Current Year-to-date 30 Jun 2019
	RM'000	RM'000
Sales to AMT	-	1
Sales to TTM	-	7
Purchase from TTM	28	47
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 2019
	RM'000
Plant and equipment	147

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**B1. Analysis of performance**Current quarter's performance against the quarter ended 30 June 2018

The Group's revenue for the current quarter ended 30 June 2019 decreased by approximately RM1.6 million (2.0%) compared to the preceding year corresponding quarter.

The Group's subsidiaries in Taiwan and Malaysia recorded a lower revenue compared to the preceding year corresponding quarter but this is mitigated by a better performance of the Group's subsidiary in Singapore. Despite a lower revenue from our subsidiary in Taiwan, the guidance provided by one of our customers seems to indicate that the worst may be over and that the demand in the second half of 2019 will pick up significantly. The customer further added that this could have been due to new orders of its advanced high-performance chips, particularly as countries roll out ultra-fast fifth generation wireless networks.

The Group's profit before tax ("PBT") of RM23.1 million for the current quarter was RM3.6 million or 18.4% higher than the corresponding quarter's RM19.5 million. The higher profit was mainly due to improved performances by the Group's subsidiary in Singapore and better profit margin resulting from the continual efforts to improve our efficiency across the Group.

The Group recorded foreign currency exchange loss of RM0.3 million in current quarter as compared to foreign exchange gain of RM1.5 million in the preceding year corresponding quarter. If we were to exclude the foreign currency exchange impact, the current quarter's performance would have been 30% better than the preceding year corresponding quarter.

Current 6 months period's performance against the 6 months period ended 30 June 2018

The Group's revenue of RM164.0 million for the current period ended 30 June 2019 was RM11.3 million (7.4%) higher than that achieved in the preceding year corresponding period. The improvement was mainly due to better performances from the Group's subsidiaries in Malaysia, Singapore and the Philippines. Year-to-date revenue during the first half of 2019 from those three subsidiaries rose 22.6%, 21.1% and 2.0% respectively compared to the first half of 2018 due to the positive growth in their respective businesses.

Against the same period last year, the PBT for the Group jumped by RM15.1 million (49.5%) as a result of improved revenue and vigilance in cost management. This is despite the foreign currency exchange loss of RM0.3 million recorded in the current period ended 30 June 2019 as compared to foreign currency exchange gain of RM0.9 million in the preceding year corresponding period.

If we were to exclude the foreign currency exchange impact, the current year-to-date PBT would have been RM45.9 million or 55.1% better than the preceding year corresponding period instead of the 49.5% as mentioned above.

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B2. Comparison with immediate preceding quarter

	2nd Quarter 30 Jun 2019	1st Quarter 31 Mar 2019
	RM'000	RM'000
Revenue	80,144	83,830
Profit before tax	23,103	22,549
Profit after tax	17,823	16,343
Profit attributable to owners of the Company	16,518	15,404

The Group's revenue was 4.4% or approximately RM3.7 million lower during the current quarter as compared to the immediate preceding quarter. The lower revenue from the Group's subsidiaries in Taiwan, Malaysia and the Philippines was mitigated from the improved performance of the Group's subsidiary in Singapore. Our major customer in Taiwan indicated that they have passed the bottom of the cycle of their business and should see the demand increase in the second half of 2019. According to Morgan Stanley, orders for crypto-mining gear are expected to help our customer's third quarter sales while the typical year-end ramp up of new smartphone manufacturing and a new chip-product cycle from their customers could also buoy the top line. To that end, we hope that we will also benefit from our customers' ramp up of production and see increased sales in the second half of the year.

The Group's improved unaudited profit before tax for the current quarter was partly attributable to our continual efforts in improving our production processes leading to better cost management.

B3. Prospects

The Group recorded a remarkable first half results with a 49.5% increase in its PBT compared to the preceding year corresponding period mainly attributable to the positive growth in both our semi-conductor and oil and gas businesses. Nevertheless, the Group anticipates that the overall business conditions for the remaining 6 months period in 2019 will continue to be challenging amidst global uncertainties where US-China trade war is chilling business investment, confidence and trade flows across the world. Although the general outlook for the semiconductor industry is somewhat tepid, the recent positive development following the settlement of a long outstanding dispute by major players in this sector had somewhat boosted the outlook. Therefore, moving forward, we believe it will be positive for us.

As for the oil and gas industry, we noticed that the number of enquiries had picked up and have been transferred into orders. The improved performance of our oil and gas business augurs well for the realization of our projected 2019 revenue. Having said that, enforced capital discipline, portfolio realignments and productivity efficiencies, the yet unresolved trade tensions all remain a key source of risk to the current positive outlook.

While the Group anticipates that the overall business conditions in the remaining two quarters of the current financial year to remain challenging, we are cautiously optimistic that our performance for the remaining months will be satisfactory.

We will continue to be vigilant in our cost management and continually explore ways to improve on our production efficiency. Our priority will be to continue to focus our attention on the quality of our services and efficiencies so as to maintain our competitiveness.

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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 Jun 2019	Current Year-to-date 30 Jun 2019
	RM'000	RM'000
Income tax	4,798	11,114
Deferred tax	(32)	(142)
Withholding tax	514	514
	<u>5,280</u>	<u>11,486</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 and the withholding tax charged on dividend income from Taiwan.

B6. Status of corporate proposals

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

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B7. Group borrowings

The Group's borrowings as at 30 June 2019 are as follows:

	As at 30 Jun 2019		As at 30 Jun 2018	
	Foreign currencies RM'000	RM'000	Foreign currencies RM'000	RM'000
<u>Short term</u>				
Lease liabilities				
- New Taiwan Dollar	203	203	-	-
- Philippine Peso	323	323	-	-
- Singapore Dollar	402	402	36	36
- Ringgit Malaysia	-	1,501	-	267
Term loans				
- Singapore Dollar	1,700	1,700	1,644	1,644
- New Taiwan Dollar	-	-	1,635	1,635
- Ringgit Malaysia	-	-	-	941
		4,129		4,523
<u>Long term</u>				
Lease liabilities				
- Singapore Dollar	8,218	8,218	-	-
- New Taiwan Dollar	690	690	-	-
- Ringgit Malaysia	-	1,480	-	415
Term loans				
- Singapore Dollar	-	-	1,644	1,644
- New Taiwan Dollar	-	-	7,631	7,631
		14,517		14,213

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 June 2019			
<u>Currency</u>			
Singapore Dollar	2,102	8,218	10,320
New Taiwan Dollar	203	690	893
Philippine Peso	323	-	323
	2,628	8,908	11,536
As at 30 June 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

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 24 July 2019.

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 in issue.

	Current Quarter	Preceding Corres- ponding Quarter	Current Year-to- date	Preceding Corres- ponding Year-to- date
Profit attributable to owners of the Company (RM'000)	16,518	12,083	31,922	18,387
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)	1.58	1.15	3.05	1.75

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

During the financial period ended 30 June 2019, the Company paid the following dividend:

Second interim single-tier dividend on 28 March 2019, in respect of the financial year ended 31 December 2018, of 0.8 sen per ordinary share on 1,047,968,530 ordinary shares amounting to RM8,383,748.

The Board is pleased to announce that it will be declaring a first interim single tier dividend of 1 sen per ordinary share on 1,047,968,530 ordinary shares in respect of the financial year ending 31 December 2019.



FRONTKEN CORPORATION BERHAD

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By Order of the Board
Frontken Corporation Berhad

Ng Wai Pin
Chairman / Chief Executive Officer
31 July 2019