



FRONTKEN CORPORATION BERHAD

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE 2ND QUARTER ENDED 30 JUNE 2010

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To-date	Corresponding
	30 Jun 2010	30 Jun 2009	30 Jun 2010	30 Jun 2009
	RM '000	RM '000	RM '000	RM '000
Revenue	37,356	36,764	71,253	67,354
Operating expenses	(27,841)	(30,108)	(53,626)	(56,625)
Profit before amortisation, depreciation and finance costs	9,515	6,656	17,627	10,729
Depreciation and amortisation	(3,556)	(3,506)	(7,119)	(6,678)
Finance costs	(858)	(963)	(1,735)	(1,863)
Impairment loss	(935)	-	(935)	-
Other operating income	552	(465)	971	1,296
Share of results of associated companies	72	(158)	39	(737)
Profit/(Loss) before taxation	4,790	1,564	8,848	2,747
Taxation	(938)	(395)	(1,450)	(317)
Profit for the period	3,852	1,169	7,398	2,430
Other comprehensive income:				
Exchange difference arising on translation of foreign operations	(417)	(275)	(3,148)	178
Other comprehensive income, net of tax	(417)	(275)	(3,148)	178
Total comprehensive income for the period	3,435	894	4,250	2,608
Profit attributable to :				
Equity holders of the company	3,802	1,266	7,383	2,758
Minority interests	50	(97)	15	(328)
Profit for the period	3,852	1,169	7,398	2,430
Total comprehensive income attributable to:				
Equity holders of the company	3,386	1,222	4,249	2,936
Minority interests	49	(328)	1	(328)
Total comprehensive income for the period	3,435	894	4,250	2,608
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	0.4	0.2	0.8	0.4
Diluted (sen)	0.3	N/A	0.7	N/A

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

The comparative figures are based on unaudited consolidated financial statements of the Company for the financial period ended 30 June 2009.



FRONTKEN CORPORATION BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010				
<i>(The figures have not been audited)</i>				
		Unaudited		Audited
		30 June 2010		31 Dec 2009
		RM'000		RM'000
ASSETS				
Non-current assets				
Property, plant and equipment		108,210		113,481
Prepaid lease payments on leasehold land		3,460		3,491
Investment in associated companies		48,669		46,538
Goodwill on consolidation		3,648		4,724
Total non-current assets		163,987		168,234
Current assets				
Inventories		7,903		8,926
Trade receivables		44,506		36,900
Other receivables and prepaid expenses		7,267		5,285
Amount owing by associates		3,817		2,098
Fixed deposits with licensed bank		26,446		782
Cash and bank balances		9,210		12,771
Total current assets		99,149		66,762
Total assets		263,136		234,996
EQUITY AND LIABILITIES				
Capital and reserve				
Issued capital		101,141		72,243
Reserves		33,892		11,686
Retained earnings		35,684		51,419
Equity attributable to equity holders of the parent		170,717		135,348
Minority interests		366		182
Total equity		171,083		135,530
Non-current liabilities				
Bank borrowings		22,302		25,265
Hire-purchase payables		13,676		14,597
Deferred tax liabilities		3,641		3,789
Total non-current liabilities		39,619		43,651
Current liabilities				
Amount due to contract customers		-		47
Trade payables		14,131		12,556
Other payables		8,343		12,486
Amount owing to associate		296		118
Amount owing to a director		10		21
Bank overdrafts		4,028		3,365
Bank borrowings - current portion		18,347		18,367
Hire purchase payable - current portion		6,482		8,224
Tax liabilities		797		631
Total current liabilities		52,434		55,815
Total liabilities		92,053		99,466
Total equity and liabilities		263,136		234,996
Net assets per share (RM)		0.17		0.19
<i>The condensed consolidated balance sheet is to be read in conjunction with the accompanying notes to the interim financial report.</i>				
<i>The comparative figures are based on audited consolidated financial statements of the Company as at 31 December 2009.</i>				



FRONTKEN CORPORATION BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 2ND QUARTER ENDED 30 JUNE 2010

(The figures have not been audited)

	Non-distributable				Distributable	Attributable to equity holders of the Company	Minority interests	Total
	Issued capital RM'000	Share premium RM'000	Foreign currency Translation reserve RM'000	Warrant reserve RM'000	Retained earnings/ RM'000	RM'000	RM'000	RM'000
Balance as of 1 January 2010	72,243	7,998	3,688	-	51,419	135,348	182	135,530
Net income/(expense) recognised directly in equity								
Exchange differences arising from translation of foreign operations	-	-	(3,134)	-	-	(3,134)	(14)	(3,148)
Profit for the period	-	-	-	-	7,383	7,383	15	7,398
Total comprehensive income	-	-	(3,134)	-	7,383	4,249	1	4,250
Arising from issue of shares by subsidiary	-	-	-	-	-	-	183	183
Renounceable rights issue	28,898	2,222	-	-	-	31,120	-	31,120
Transfer from retained earnings	-	-	-	23,118	(23,118)	-	-	-
Balance as of 30 June 2010	101,141	10,220	554	23,118	35,684	170,717	366	171,083



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CORRESPONDING PERIOD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 2ND QUARTER ENDED 30 JUNE 2009

(The figures have not been audited)

	Non-distributable			Distributable	Attributable to equity holders of the Company	Minority interests	Total
	Issued capital RM'000	Share premium RM'000	Foreign currency Translation reserve RM'000	Retained/ earnings/ RM'000			
Balance as of 1 January 2009	69,977	5,935	2,745	43,010	121,667	652	122,319
Net income/(expense) recognised directly in equity:							
Exchange differences arising from translation of foreign operations	-	-	178	-	178	-	178
Profit for the period	-	-	-	2,758	2,758	(328)	2,430
Total comprehensive income	-	-	178	2,758	2,936	(328)	2,608
Arising from issue of shares by subsidiary	-	-	-	-	-	52	52
Arising from subscription of shares	1,100	820	-	-	1,920	-	1,920
Balance as of 30 June 2009	71,077	6,755	2,923	45,768	126,523	376	126,899

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 STATEMENTS FOR THE 2ND QUARTER ENDED 30 JUNE 2010		
<i>(The figures have not been audited)</i>		
	CUMULATIVE QUARTER	
	Current Period To Date 30 Jun 2010	Preceding Corresponding Period 30 Jun 2009
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	7,398	2,430
Adjustments for:		
Income tax expense recognised in income statement	1,450	317
Depreciation for property, plant and equipment	7,088	6,647
Interest expense	1,735	1,863
Unrealised gain on foreign exchange	(27)	(1,341)
Interest income	(215)	(26)
Amortisation of prepaid land lease	31	31
Government grant	-	(10)
Loss on disposal of property, plant and equipment	102	1
Property, plant and equipment written off	-	4
Provision for doubtful debt	785	-
Bad debt written off	1	-
Impairment loss	935	-
Share of results of associated companies	(39)	737
Operating profit before working capital changes	19,244	10,653
Inventories	513	(562)
Amount due to/from contract customers	(47)	(12)
Trade receivables	(9,156)	1,869
Other receivables and prepaid expenses	(2,106)	1,712
Amount owing by associates	(1,761)	2,354
Trade payables	1,883	(999)
Other payables and accrued expenses	(4,143)	(7,259)
Amount owing to associate	179	(165)
Amount owing to a director	(11)	-
Cash generated from operations	4,595	7,591
Tax paid	(1,222)	(1,104)
Net cash from operating activities	3,373	6,487



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	CUMULATIVE QUARTER	
	Current	Preceding
	Period To Date 30 Jun 2010	Corresponding Period 30 Jun 2009
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in amount owing by associates	-	-
Interest received	215	26
Acquisition of subsidiaries	-	(935)
Acquisition of associates	(3,504)	-
Purchase of property, plant and equipment	(2,925)	(2,175)
Proceeds from disposal of property, plant and equipment	54	65
Dividend received from associate	-	-
Net cash used in investing activities	(6,160)	(3,019)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,735)	(1,863)
Issue of shares by subsidiary company	183	52
Proceeds from issuance of shares	31,787	1,980
Drawdown of term loans	6,973	-
Repayment of term loans	(8,244)	(3,099)
Increase in short-term borrowings	-	610
Repayment of hire purchase payables	(4,234)	(3,033)
Share issue expenses	(668)	(60)
Net cash from/(used in) financing activities	24,062	(5,413)
NET DECREASE IN CASH AND CASH EQUIVALENTS	21,275	(1,945)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	10,187	5,581
EFFECT OF EXCHANGE DIFFERENCES	166	(169)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	31,628	3,467
THE CASH AND CASH EQUIVALENTS COMPRISE:		
CASH AND BANK BALANCES	9,210	7,627
SHORT-TERM DEPOSITS WITH LICENSED BANKS	26,446	775
BANK OVERDRAFT	(4,028)	(4,935)
	31,628	3,467
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 consolidated financial statements of the Company for the financial period ended 30 June 2009.		



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2010

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 Financial Reporting Standards ("FRS") No.134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), 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 2009.

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 2009.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009 except for the adoption of the following new FRSs with effect from 1 January 2010:

FRS 7 Financial Instruments: Disclosures

FRS 101 (2009) Presentation of Financial Statements

Revised FRS 123 (2009) Borrowing Costs

Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement

Amendments to FRS1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 7, FRS 139 and IC Interpretation 9

IC Interpretation 10 Interim Financial Reporting and Impairment

Annual Improvements to FRSs (2009)

The adoption of the above standards does 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 2009 was not subject 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.



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

During the current quarter, the Group made an impairment on goodwill from acquisition of subsidiary amounting to RM0.9 million. Save as disclosed, 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, shares held as treasury shares or resale of treasury shares during the current quarter.

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 2010 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

Current Quarter 30 June 2010

	<u>Singapore</u>	<u>Malaysia</u>	<u>Philippines</u>	<u>China</u>	<u>Indonesia</u>	<u>Taiwan</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>							
External sales	20,959	13,143	2,076	653	525	-	37,356
Inter-segment sales	3,046	4	166	-	-	-	3,216
Total revenue	24,005	13,147	2,242	653	525	-	40,572

Segment Results

Operating profit/(loss)	3,486	1,261	803	100	141	(401)	5,390
Interest income							186
Finance cost							(858)
Share of results of associated companies							72
Profit before taxation							4,790

Current Year-to-date 30 June 2010

<u>Segment Revenue</u>							
External sales	43,817	23,295	2,759	797	585	-	71,253
Inter-segment sales	4,750	263	1,419	-	-	-	6,432
Total revenue	48,567	23,558	4,178	797	585	-	77,685



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Current Year-to-date 30 June 2010

	<u>Singapore</u>	<u>Malaysia</u>	<u>Philippines</u>	<u>China</u>	<u>Indonesia</u>	<u>Taiwan</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)	8,269	2,258	985	51	(58)	(1,176)	10,329
Interest income							215
Finance cost							(1,735)
Share of results of associated companies							39
Profit before taxation							<u>8,848</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. Valuation of property, plant and equipment

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

A10. 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.

A11. Changes in the composition of the Group

Save for the internal reorganisation involving the acquisition by Frontken (Singapore) Pte Ltd, a wholly-owned subsidiary of FCB, of the entire equity interest in Frontken Malaysia Sdn Bhd, another wholly-owned subsidiary of FCB, which was completed on 4 June 2010, there were no changes in the composition of the Group for the current quarter under review.

A12. Contingent liabilities

Save as disclosed below, the Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position of the Group:

Guarantee by a wholly-owned subsidiary in favour of third party for the due and complete performance of a project by an associated company

**As at
30 Jun 2010
RM'000**

1,238

A13. Cash and cash equivalents

Cash at bank
Cash on hand
Fixed deposits

Bank overdrafts

**As at
30 Jun 2010
RM'000**

9,170

40

26,446

35,656

(4,028)

31,628



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A14. Significant related party transactions

	Current Quarter 30 Jun 2010	Current Year-to-date 30 Jun 2010
	RM'000	RM'000
Sales by FEM to AMT	8	20
Sales by FS, MTI and FEM to Chinyee	201	460
Sales by FMIC to MIC-W	755	755
Purchases from AMT by FEM	8	11
Purchases from Chinyee by FS	1,565	2,825
Rental payable by FMIC to MIC-W	125	259

Abbreviations:

AMT	AMT Engineering Sdn Bhd	FMIC	Frontken-MIC (Wuxi) Co. Ltd
A&I	A&I Engine Rebuilders Sdn Bhd	MIC-W	MIC-Tech (Wuxi) Co., Ltd
Chinyee	Chinyee Engineering & Machinery Pte Ltd	FS	Frontken (Singapore) Pte Ltd
FEM	Frontken (East Malaysia) Sdn Bhd	MTI	Metall-Treat Industries Pte Ltd
FM	Frontken Malaysia Sdn Bhd		

Name of Related Parties	Relationship
AMT	Sia Chiok Meng, a Director of FEM, is also a director and major shareholder of AMT.
Chinyee	Wong Hua Choon, a director and major shareholder of FCB, and Yeo Lay Poh, a former substantial shareholder of FCB, are also directors and substantial shareholders of Chinyee. Dr Tay Kiang Meng is a director and shareholder of both FCB and Chinyee.
A&I	Sia Chiok Meng, a director of FEM, is also a director and major shareholder of A&I.
MIC-W	MIC-W is a subsidiary of Marketch International Corporation, which in turn is a deemed major shareholder of FMIC.

The Directors are of the opinion that the above transactions entered into in the ordinary course of the business have been established on terms and conditions that are not materially different from those transactions with unrelated parties.

A15. 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 2010
	RM'000
Factory improvement	11,896
Acquisition of machinery and equipment	2,422
	<u>14,318</u>



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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

The Group recorded revenue of approximately RM71.3 million for the six (6) months ended 30 June 2010 ("FP 2010"), representing an increase of 5.8% compared with RM67.4 million for the preceding corresponding period ended 30 June 2009 ("FP 2009"). The higher revenue for FP 2010 was mainly due to higher demand for the Group's services in Singapore and the Philippines.

Against the same period last year, profit before tax ("PBT") increased three-fold from RM2.7 million to RM8.8 million. The higher PBT recorded by the Group for FP 2010 was mainly due to the following:

- (a) Higher margin during the current period arising from lower subcontracting cost; and
- (b) Share of profit of associates during the current period as compared to share of losses of associates in preceding corresponding period.

However, the improvement in profit before tax was partially offset by a one-time goodwill impairment charge of RM0.9 million for a subsidiary of FCB, namely Frontken Petroleum Sdn Bhd, in view of no noticeable improvement in its underlying business.

Overall, net profit attributable to shareholders rose 167.7% or RM4.6 million to RM7.4 million for FP 2010 from RM2.8 million in the previous corresponding period. Excluding the one-off goodwill impairment charge, the underlying net profit attributable to shareholders was RM8.3 million, which was an increase of 201.6% over that achieved in FP 2009.

B2. Comparison with immediate preceding quarter

	2nd Quarter 30 Jun 2010	1st Quarter 31 Mar 2010
	RM'000	RM'000
Revenue	37,356	33,897
Profit before tax	4,790	4,058

The Group recorded an increase in revenue of 10.2% or approximately RM3.5 million during the current quarter compared to the preceding quarter. The increase in revenue during the current quarter was primarily due to improved sales in Singapore.

The Group's unaudited PBT in the current quarter was approximately RM0.7 million higher than the preceding quarter. The increase in the Group's PBT was the result of lower operating expenses during the current quarter.

B3. Prospects for the year

Amidst a more stable business outlook with favourable demand and trends in the power generation and photovoltaic/semiconductor sectors, the Group continues to focus on its core markets and grow its business in the Asia Pacific region while maintaining a cautious approach towards its cost structures and capital expenditures. There will be continued emphasis on research and development as the Group remains committed to expanding its service offerings to drive organic growth. Barring unforeseen circumstances, the Directors expect performance for the current financial year to be satisfactory.



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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 2010	Current Year-to-date 30 Jun 2010
	RM'000	RM'000
Income tax	(1,057)	(1,441)
Deferred tax	119	(9)
	<u>(938)</u>	<u>(1,450)</u>

The Group's effective tax rate for the period under review is 16.4% compared to the statutory tax rate of 25% in Malaysia. This is primarily attributed to deferred tax adjustment arising from reduction in corporation tax rate from 18% to 17% enjoyed by its subsidiaries in Singapore, jobs credit grant received from the Singapore government which is not subject to tax, as well as a relatively lower statutory tax rate of 17% in Singapore.

B6. Unquoted investments and properties

There were no disposals of unquoted investment and properties during the current quarter and financial period under review.

B7. Quoted and marketable securities

There were no purchases and disposals of marketable securities during the current quarter.

B8. Status of corporate proposals

There were no corporate proposals which had been announced but not completed.

B9. Group borrowings

The Group's borrowings as at 30 June 2010 are as follows:

	Short-term	Long-term	Total
	RM'000	RM'000	RM'000
<u>Secured</u>			
Bank overdrafts	4,028	-	4,028
Hire purchase creditors	6,482	13,676	20,158
Term loans	18,347	22,302	40,649
	<u>28,857</u>	<u>35,978</u>	<u>64,835</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	16,054	15,946	32,000
New Taiwan Dollar	1,417	-	1,417
	<u>17,471</u>	<u>15,946</u>	<u>33,417</u>



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B10. Off balance sheet financial instruments

The Group has not entered into any contract involving off balance sheet financial instruments as at the date of this report.

B11. 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 17 August 2010:

On 3 February 2009, FM was served a Writ of Summons by IFC. The said Writ of Summons and Statement of Claim were filed at the High Court of Malaya at Alor Star. Under the said Writ of Summons, IFC claimed that it had successfully completed installation works for FM at its plant at Kulim Hi-Tech Park pursuant to its quotation furnished for the said installation, and that FM had partially satisfied the contract sum, leaving a balance of RM1,122,425. However, FM had denied any liability to IFC. IFC therefore claimed against FM for the above outstanding sum, interest thereon at 8%, costs and other relief that the Court deems fit.

FM disputed the legitimacy of the claim by IFC in view that FM had at all times contracted with the main contractor, and not IFC, for the performance of the installation works at its plant at Kulim Hi-Tech Park. Further, the installation works were either not performed or unsatisfactorily performed.

On 24 November 2009, the Court allowed IFC's application for summary judgment, thereby ordering FM to pay the amount claimed by IFC. On 21 December 2009, FM received a Notice for Payment pursuant to Section 218 of the Act from the solicitors of IFC requiring FM to pay, secure or compound to the reasonable satisfaction of IFC the sum of RM1,207,978.73 which was made up of the judgment sum of RM1,122,425.00 together with interest on the judgment sum at 8% per annum from 7 January 2009 to 16 December 2009 amounting to RM85,553.73. If FM shall fail, refuse or omit to make payment of the aforesaid judgment sum together with interest accrued thereon from the date of the notice within 21 days from the receipt of the same, action will be taken for FM to be compulsorily wound up by the Court.

On 17 December 2009, FM filed a Notice of Appeal against the summary judgment. Thereafter, on 10 January 2010, FM filed an application for injunction against further proceedings and for stay of the winding-up proceedings pending disposal of its appeal. On 14 January 2010, the solicitors of IFC served a Writ of Seizure and Sale ("Writ") on FM to seize some of the assets located on its premises at Kulim Hi-Tech Park. FM filed an application for, inter alia, a stay of the Writ pending disposal of FM's appeal. On 8 March 2010, FM received a copy of the notice from the High Court for the auction of the seized assets on 25 March 2010.

On 25 March 2010, the High Court dismissed the applications by FM for injunction against further proceedings, stay of execution of judgment and order, and stay of the Writ. Consequently, on the same day, FM paid IFC a sum of RM1,232,407.85 as full and final settlement of the judgment sum, interest thereon at 8% per annum and costs, and the notice of auction pursuant to the Writ received by FM on 8 March 2010 was withdrawn.

Pending the availability of the grounds of judgment and notes of proceedings, the Directors will deliberate on the appropriate course of action at the relevant time.

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B12. 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 attributable to ordinary shareholders (RM'000)	3,802	1,266	7,383	2,758
The number/weighted average number of shares in issue ('000)	1,011,408	710,770	901,247	706,273
Basic EPS (sen)	0.4	0.2	0.8	0.4

(b) Diluted EPS

For the diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	Current Quarter	Current Year-to-date
Profit attributable to ordinary shareholders (RM'000)	3,802	7,383
The number/weighted average number of shares in issue ('000)	1,300,382	1,080,059
Diluted EPS (sen)	0.3	0.7

The Group does not have any dilutive potential ordinary shares in issue as at 30 June 2009.

B13. Dividends

The Board of Directors has declared a first interim single-tier dividend of 1% per ordinary share in respect of the financial year ending 31 December 2010.

The book closure and payment dates in respect of the aforesaid dividend are 13 September 2010 and 28 September 2010 respectively.

By Order of the Board
Frontken Corporation Berhad

Wong Hua Choon
Executive Chairman / Managing Director
24 August 2010