



FRONTKEN CORPORATION BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30 Sept 2017 RM '000	Preceding Year Corresponding Quarter 30 Sept 2016 RM '000	Changes RM'000 (%)	Current Year To-date 30 Sept 2017 RM '000	Preceding Year Corresponding Period 30 Sept 2016 RM '000	Changes RM'000 (%)
Revenue	78,617	64,592	14,025 22	216,204	186,228	29,976 16
Operating expenses	(61,420)	(51,572)	(9,848) 19	(172,431)	(157,037)	(15,394) 10
Profit before depreciation and finance costs	17,197	13,020	4,177 32	43,773	29,191	14,582 50
Depreciation	(4,824)	(4,306)		(13,772)	(12,743)	
Finance costs	(262)	(289)		(688)	(889)	
Other operating income	805	616		3,261	3,819	
Share of results of associated companies	5	(56)		(63)	(84)	
Profit before tax	12,921	8,985	3,936 44	32,511	19,294	13,217 69
Taxation	(2,132)	(1,628)	(504) 31	(7,364)	(4,871)	(2,493) 51
Profit after tax	10,789	7,357	3,432 47	25,147	14,423	10,724 74
Other comprehensive expenses:						
Foreign currency translation	(2,373)	5,949		(833)	589	
Total comprehensive income for the period	8,416	13,306		24,314	15,012	
Profit after tax attributable to :						
Owners of the Company	9,185	5,420	3,765 69	20,031	9,172	10,859 118
Non-controlling interests	1,604	1,937		5,116	5,251	
Profit for the period	10,789	7,357		25,147	14,423	
Total comprehensive income attributable to:						
Owners of the Company	7,107	9,785		19,043	9,571	
Non-controlling interests	1,309	3,521		5,271	5,441	
Total comprehensive income for the period	8,416	13,306		24,314	15,012	
Earnings per share attributable to equity holders of the company :						
Basic (sen)	0.88	0.52		1.91	0.88	

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 September 2016.



FRONTKEN CORPORATION BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

(The figures have not been audited)

	Unaudited 30 Sept 2017 RM'000	Audited 31 Dec 2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	154,446	152,066
Investment in an associate	1,992	1,999
Goodwill on consolidation	33,761	33,761
Deferred tax assets	1,603	1,603
Fixed deposits with licensed banks	1,225	1,146
Total non-current assets	193,027	190,575
Current assets		
Inventories	14,743	10,976
Trade receivables	98,100	96,146
Other receivables, deposits and prepaid expenses	5,663	5,052
Amount owing by an associate	1,365	1,363
Current tax assets	1,062	1,182
Short-term investments	7,709	8,996
Fixed deposits with licensed banks	4,486	4,726
Cash and bank balances	106,090	88,746
Total current assets	239,218	217,187
Total assets	432,245	407,762
EQUITY AND LIABILITIES		
Capital and reserve		
Issued capital	118,925	105,343
Reserves	39,115	51,531
Retained earnings	118,561	104,736
Equity attributable to owners of the Company	276,601	261,610
Non-controlling interests	23,119	33,799
Total equity	299,720	295,409
Non-current liabilities		
Bank borrowings	13,146	20,260
Hire-purchase payables	212	354
Other payables	3,113	3,134
Deferred tax liabilities	1,321	1,672
Total non-current liabilities	17,792	25,420
Current liabilities		
Trade payables	16,863	20,827
Other payables and accrued expenses	67,597	52,427
Bank overdrafts	4,527	-
Bank borrowings	20,859	8,466
Hire purchase payable	201	249
Current tax liabilities	4,686	4,964
Total current liabilities	114,733	86,933
Total liabilities	132,525	112,353
Total equity and liabilities	432,245	407,762
Net assets per share attributable to owners of the parents (RM)	0.26	0.25

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 2016.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

(The figures have not been audited)

	<----- Non-distributable ----->					Distributable			
	Share capital	Share premium	Treasury shares	Foreign currency translation 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
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	-	-	-	(988)	-	-	(988)	155	(833)
Profit for the period	-	-	-	-	-	20,031	20,031	5,116	25,147
Total comprehensive income for the period	-	-	-	(988)	-	20,031	19,043	5,271	24,314
Dividend paid by subsidiary to non-controlling interests	-	-	-	-	-	-	-	(1,489)	(1,489)
Transfer pursuant to Companies Act 2016	13,582	(13,582)	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	2,154	(2,154)	-	-	-
Dividend on ordinary shares	-	-	-	-	-	(5,240)	(5,240)	-	(5,240)
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 September 2017	118,925	-	(663)	33,716	6,062	118,561	276,601	23,119	299,720

CORRESPONDING PERIOD CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

	<----- Non-distributable ----->					Distributable			
	Share capital	Share premium	Treasury shares	Foreign currency translation 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
Balance as of 1 January 2016	105,343	13,582	(599)	29,627	2,467	86,135	236,555	34,684	271,239
Other comprehensive income recognised for the period:									
Foreign currency translation	-	-	-	399	-	-	399	190	589
Profit for the period	-	-	-	-	-	9,172	9,172	5,251	14,423
Total comprehensive income for the period	-	-	-	399	-	9,172	9,571	5,441	15,012
Dividend paid by subsidiary to non-controlling interests	-	-	-	-	-	-	-	(1,582)	(1,582)
Transfer to statutory reserve	-	-	-	-	1,414	(1,414)	-	-	-
Purchase of treasury shares	-	-	(64)	-	-	-	(64)	-	(64)
Changes in ownership interests in subsidiary that do not result in loss of control	-	-	-	-	-	297	297	(7,663)	(7,366)
Balance as of 30 September 2016	105,343	13,582	(663)	30,026	3,881	94,190	246,359	30,880	277,239

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 THIRD QUARTER ENDED 30 SEPTEMBER 2017

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date 30 Sept 2017 RM'000	Preceding Corresponding Period 30 Sept 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	32,511	19,294
Adjustments for:		
Depreciation of property, plant and equipment	13,772	12,743
Interest expense	688	889
Unrealised loss on foreign exchange	3,390	527
Interest income	(674)	(513)
(Gain)/Loss on disposal of property, plant and equipment	(10)	138
Writeback of allowance for impairment losses on trade receivables	(4)	(41)
Plant and equipment written off	444	103
Allowance for impairment losses on receivables	63	45
Inventories written off	55	104
Share of results of associates	63	84
Operating profit before working capital changes	50,298	33,373
Inventories	(3,976)	855
Trade receivables	(2,865)	6,405
Other receivables, deposits and prepaid expenses	(703)	(1,474)
Amount owing by an associate	1	(2)
Trade payables	(3,855)	(13,532)
Other payables and accrued expenses	10,384	6,615
Cash generated from operations	49,284	32,240
Taxes paid	(7,870)	(4,595)
Net cash from operating activities	41,414	27,645
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	674	501
Additional investment/acquisition of subsidiaries	(13,274)	(7,366)
Purchase of property, plant and equipment	(17,265)	(20,675)
Short-term investment	(1,977)	(4,699)
Proceeds from disposal of property, plant and equipment	116	77
Net placement of fixed deposits with licensed banks	194	220
Net cash for investing activities	(31,532)	(31,942)



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	CUMULATIVE QUARTER	
	Current Period To Date 30 Sept 2017 RM'000	Preceding Corresponding Period 30 Sept 2016 RM'000
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Interest paid	(688)	(889)
Dividend paid by a subsidiary to non-controlling interests	(1,847)	(1,582)
Drawdown of term loans	8,093	10,380
Repayment of term loans	(2,852)	(10,702)
Payment of hire purchase payables	(191)	(612)
Treasury shares acquired	-	(64)
Net cash from/(for) financing activities	2,515	(3,469)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	12,397	(7,766)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	98,068	105,117
EFFECT OF EXCHANGE DIFFERENCES	(2,819)	(628)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	107,646	96,723
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	106,090	67,255
Fixed deposits with licensed banks	5,711	33,929
Short-term investments	3,481	-
Bank overdraft	(4,527)	-
	110,755	101,184
Less: Fixed deposits pledged with banks	(3,109)	(4,461)
Cash and cash equivalents	107,646	96,723

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 September 2016.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

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 2016.

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 2016.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2016 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2017. 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 Sept 2017	As at 30 Sept 2016
	RM'000	RM'000
Total retained profits of FCB and its subsidiaries		
- Realised	147,773	117,997
- Unrealised	(203)	4,033
	147,570	122,030
Total share of retained profits from associated company		
- Realised	195	282
Less: Consolidation adjustments	(29,204)	(28,122)
Total Group retained profits	118,561	94,190

A3. Audit qualification

The auditors' report in respect of the audited consolidated financial statements of FCB for the financial year ended 31 December 2016 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

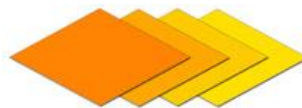
There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations or resale of treasury shares during the current quarter.

As at 30 September 2017, 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.

A8. Dividends

During the financial period ended 30 September 2017, the Company paid the following dividend:

Interim single tier dividend on 4 October 2017, in respect of the financial year ending 31 December 2017, of 0.5 sen per share on 1,047,968,530 ordinary shares amounting to RM5,239,842.56.



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A9. Segmental information

The breakdown of the Group's revenue and results by geographical regions for the quarter ended 30 September 2017 are set out below. Revenue and results by geographical sales were based on the location of the Group's subsidiaries.

**Current Quarter
30 September 2017**

	Singapore	Malaysia	Philippines	Indonesia	Taiwan	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>						
External sales	14,415	12,346	4,277	459	47,120	78,617
Inter-segment sales	349	13	-	-	76	438
Total revenue	<u>14,764</u>	<u>12,359</u>	<u>4,277</u>	<u>459</u>	<u>47,196</u>	<u>79,055</u>
<u>Segment Results</u>						
Operating profit/(loss)	1,272	(1,133)	608	(418)	12,638	12,967
Interest income						211
Finance cost						(262)
Share of results in associates						5
Profit before taxation						<u>12,921</u>

**Current Year-to-date
30 September 2017**

<u>Segment Revenue</u>						
External sales	40,133	38,345	13,246	923	123,557	216,204
Inter-segment sales	937	72	-	-	197	1,206
Total revenue	<u>41,070</u>	<u>38,417</u>	<u>13,246</u>	<u>923</u>	<u>123,754</u>	<u>217,410</u>



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**Current Year-to-date
30 September 2017**

	Singapore	Malaysia	Philippines	Indonesia	Taiwan	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Segment Results</u>							
Operating profit/(loss)	2,042	544	2,234	(1,237)	29,005	-	32,588
Interest income							674
Finance cost							(688)
Share of results in associates							(63)
Profit before taxation							<u>32,511</u>
<u>Assets</u>							
Non-current assets							
- Property, plant and equipment	33,515	22,290	3,018	3,092	92,531	-	154,446
- Investment in an associate	1,992	-	-	-	-	-	1,992
- Deferred tax assets	-	-	-	-	1,603	-	1,603
- Goodwill	-	33,761	-	-	-	-	33,761
- Others	-	1,225	-	-	-	-	1,225
Current assets	92,943	20,017	16,759	1,142	115,246	(6,889)	239,218
Consolidated total assets							<u>432,245</u>
<u>Liabilities</u>							
Tax liabilities	1,325	388	188	-	4,106	-	6,007
Segment liabilities	29,865	46,299	6,671	10,058	79,942	(46,317)	126,518
Consolidated total liabilities							<u>132,525</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 Sept 2017 RM'000	Current Year-to-date 30 Sept 2017 RM'000
Interest income	211	674
Gain on disposal of property, plant and equipment	4	10
Writeback of allowance for impairment losses	3	4
Foreign exchange loss	(714)	(2,970)
Allowance for impairment losses on receivables	-	(63)
Interest expense	(262)	(688)
Inventories written off	(55)	(55)
Plant and equipment written off	(20)	(444)
Depreciation of property, plant and equipment	<u>(4,824)</u>	<u>(13,772)</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

There were no material events subsequent to the end of the current quarter under review up to the date of this report.

A13. Changes in the composition of the Group

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

A14. Contingent liabilities

As at 30 September 2017, 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 Sept 2017 RM'000
Cash at bank	106,000
Cash on hand	90
Fixed deposits	5,711
Short-term investments	3,481
Bank overdraft	(4,527)
	110,755
Less: Fixed deposits pledged with banks	(3,109)
	107,646

A16. Significant related party transactions

	Current Quarter 30 Sept 2017 RM'000	Current Year-to-date 30 Sept 2017 RM'000
Sales to AMT	11	35
Sales to TTM	6	29
Purchase from AMT	1	2
Purchase from TTM	21	62
Rental payable to AMT	36	108

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	TTES	TTES Frontken Integrated Services Sdn. Bhd.
TTM	Tenaga-Tech (M) 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 Sept 2017 RM'000
Plant and equipment	936



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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 September 2016

The Group's revenue for the current quarter ended 30 September 2017 increased by approximately RM14.0 million (21.7%) compared to the preceding year corresponding quarter.

The semi-conductor industry continued to see sustained growth in the current quarter based on the recent worldwide sales report of semi-conductors released by Semiconductor Industry Association (SIA). As a result of the growth momentum of the semi-conductor business, the Group's subsidiaries in Taiwan and Singapore achieved an improved business performance of 39.5% and 53.0% respectively compared to the preceding year corresponding quarter. However, continued slowdown in the oil and gas sector resulted in a drop in business for the Group's subsidiaries engaged in that industry in Malaysia and Indonesia.

The Group's profit before tax of RM12.9 million for the current quarter was RM3.9 million or 43.8% higher than the corresponding quarter's RM9.0 million. The higher profit was mainly due to improved performances by the Group's subsidiaries in Taiwan and Singapore despite a foreign exchange loss of RM0.7 million suffered in the current quarter.

Current 9 months period's performance against the 9 months period ended 30 September 2016

The Group's revenue of RM216.2 million for the current period ended 30 September 2017 ("FY2017") was RM30.0 million (16.1%) 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 and Singapore due to the positive growth of the semi-conductor business. Year-to-date revenue for 9 months ended 30 September 2017 from our subsidiaries in Taiwan and Singapore rose 35.3% and 37.4% respectively compared to the preceding year corresponding period. Our subsidiary in the Philippines also achieved higher revenue in FY2017 due to new works secured.

Against the same period last year, the profit before tax for the Group increased by approximately RM13.2 million (68.5%) as a result of improved revenue and profit margin. Vigilance in our cost management and continual efforts to explore ways to improve our efficiency drove the Group to achieve a better profit margin despite a lower percentage of revenue growth achieved.

B2. Comparison with immediate preceding quarter

	3rd Quarter 30 Sept 2017	2nd Quarter 30 Jun 2017	Changes
	RM'000	RM'000	RM'000 (%)
Revenue	78,617	70,530	8,087 (11%)
Profit before tax	12,921	10,267	2,654 (26%)
Profit after tax	10,789	7,886	2,903 (37%)
Profit attributable to owners of the Company	9,185	5,824	3,361 (58%)



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The Group's revenue was 11.5% or approximately RM8.1 million higher during the current quarter as compared to the immediate preceding quarter. This was mainly due to improved business performance for the Group's subsidiaries in Taiwan and Singapore.

The Group's improved unaudited profit before tax for the current quarter was mainly attributable to higher revenue in view of the continued growth in the Semiconductor Industry and lower writing off of equipment.

B3. Prospects

The Group recorded an improved results for the 9 months period of 2017 compared to the preceding year corresponding period. The improvement in business and operating performance augur well with us as the global economy is expected to fare better in 2017 compared to 2016, particularly for the semi-conductor industry. While the global semi-conductor industry has enjoyed impressive sales growth through 2017, 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 well as the economic performance of Europe and China.

In spite of the challenging operating environment and thinner overall margin as a result of cost-down by our customers, we anticipate that the overall business conditions in the remaining 3 months of the current financial year to remain encouraging barring any unforeseen circumstances.

Overall, we are pleased with the performances of our Taiwan, Singapore and Philippines subsidiaries during this period and continue to be optimistic that they will contribute positively to the Group's earnings in 2017. However, our non-semiconductor services business in Malaysia and Singapore will continue to be challenging in light of the higher operating costs and business slowdown in those markets. We remain concerned that the overall operations in Indonesia will continue to be impacted by the oil and gas downturn, coupled with lower than expected GDP growth and weakened consumer spending.

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 Sept 2017	Current Year-to-date 30 Sept 2017
	RM'000	RM'000
Income tax	2,345	7,719
Deferred tax	(213)	(355)
	<u>2,132</u>	<u>7,364</u>

The Group's effective tax rate for the period under review is lower than the statutory tax rate principally due to relatively lower statutory tax rate of overseas subsidiaries.



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B6. Status of corporate proposals

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

B7. Group borrowings

As at 30 September 2017, the Group's borrowings were denominated in the following currencies:

	As at 30 Sept 2017		As at 30 Sept 2016	
	Foreign currencies RM'000	RM'000	Foreign currencies RM'000	RM'000
Short term				
<u>Secured</u>				
Bank overdrafts				
- Singapore Dollar	4,527	4,527	-	-
Hire purchase creditors				
- Singapore Dollar	94	94	137	137
- Ringgit Malaysia	-	107	-	125
Term loans				
- Singapore Dollar	1,729	1,729	1,687	1,687
- New Taiwan Dollar	4,175	4,175	1,324	1,324
- Ringgit Malaysia	-	2,194	-	2,033
Money market security				
- Singapore Dollar	12,761	12,761	16,697	16,697
		<u>25,587</u>		<u>22,003</u>
Long term				
<u>Secured</u>				
Hire purchase creditors				
- Singapore Dollar	19	19	110	110
- Ringgit Malaysia	-	193	-	302
Term loans				
- Singapore Dollar	3,026	3,026	4,638	4,638
- New Taiwan Dollar	9,741	9,741	13,236	13,236
- Ringgit Malaysia	-	379	-	2,594
		<u>38,945</u>		<u>42,883</u>



FRONTKEN CORPORATION BERHAD

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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 Sept 2017			
<u>Currency</u>			
Singapore Dollar	19,111	3,045	22,156
New Taiwan Dollar	4,175	9,741	13,916
	<u>23,286</u>	<u>12,786</u>	<u>36,072</u>
As at 30 Sept 2016			
<u>Currency</u>			
Singapore Dollar	18,521	4,748	23,269
New Taiwan Dollar	1,324	13,236	14,560
	<u>19,845</u>	<u>17,984</u>	<u>37,829</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 14 November 2017.

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)	9,185	5,420	20,031	9,172
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)	(5,332)	(5,467)	(5,245)
Weighted average number of shares in issue ('000)	1,047,968	1,048,103	1,047,968	1,048,190
Basic EPS (sen)	0.88	0.52	1.91	0.88



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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 September 2017, the Company paid the following dividend:

Interim single tier dividend on 4 October 2017, in respect of the financial year ending 31 December 2017, of 0.5 sen per share on 1,047,968,530 ordinary shares amounting to RM5,239,843.

By Order of the Board
Frontken Corporation Berhad

Ng Wai Pin
Chairman / Managing Director
21 November 2017