

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 2018
(The figures have not been audited)

	Individual Quarter				Cumulative Quarter			
	Current Year Quarter 30 Sept 2018 RM '000	Preceding Year Corresponding Quarter 30 Sept 2017 RM '000	Changes RM'000 (%)		Current Year To-date 30 Sept 2018 RM '000	Preceding Year Corresponding Period 30 Sept 2017 RM '000	Changes RM'000 (%)	
Revenue	85,857	78,617	7,240	9	238,553	216,204	22,349	10
Operating expenses	(62,320)	(61,420)	(900)	1	(177,985)	(172,431)	(5,554)	3
Profit before depreciation and finance costs	23,537	17,197	6,340	37	60,568	43,773	16,795	38
Depreciation	(4,210)	(4,824)			(13,033)	(13,772)		
Finance costs	(98)	(262)			(476)	(688)		
Other operating income	1,380	805			4,053	3,261		
Share of results of associated companies	36	5			78	(63)		
Profit before tax	20,645	12,921	7,724	60	51,190	32,511	18,679	57
Taxation	(4,113)	(2,132)	(1,981)	93	(14,198)	(7,364)	(6,834)	93
Profit after tax	16,532	10,789	5,743	53	36,992	25,147	11,845	47
Profit after tax attributable to :								
Owners of the Company	15,187	9,185	6,002	65	33,574	20,031	13,543	68
Non-controlling interests	1,345	1,604			3,418	5,116		
Profit for the period	16,532	10,789			36,992	25,147		
Profit for the period	16,532	10,789			36,992	25,147		
Other comprehensive expenses:								
Foreign currency translation	5,797	(2,373)			(1,643)	(833)		
Total comprehensive income for the period	22,329	8,416			35,349	24,314		
Total comprehensive income attributable to:								
Owners of the Company	20,599	7,107			32,145	19,043		
Non-controlling interests	1,730	1,309			3,204	5,271		
Total comprehensive income for the period	22,329	8,416			35,349	24,314		
Earnings per share attributable to equity holders of the company :								
Basic (sen)	1.45	0.88			3.20	1.91		

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 2017.

FRONTKEN CORPORATION BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

(The figures have not been audited)

	Unaudited 30 Sept 2018 RM'000	Audited 31 Dec 2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	141,348	150,046
Investment in an associate	-	1,963
Goodwill on consolidation	33,761	33,761
Deferred tax assets	1,669	1,681
Fixed deposits with licensed banks	1,294	1,256
Total non-current assets	<u>178,072</u>	<u>188,707</u>
Current assets		
Inventories	14,888	13,475
Trade receivables	111,591	91,715
Other receivables, deposits and prepaid expenses	10,158	5,302
Amount owing by an associate	1,330	1,334
Current tax assets	314	1,243
Short-term investments	20,485	3,508
Fixed deposits with licensed banks	5,060	6,493
Cash and bank balances	96,425	119,314
Total current assets	<u>260,251</u>	<u>242,384</u>
Total assets	<u><u>438,323</u></u>	<u><u>431,091</u></u>
EQUITY AND LIABILITIES		
Capital and reserve		
Issued capital	118,925	118,925
Reserves	35,993	34,367
Retained earnings	158,366	128,308
Equity attributable to owners of the Company	<u>313,284</u>	<u>281,600</u>
Non-controlling interests	19,705	24,373
Total equity	<u>332,989</u>	<u>305,973</u>
Non-current liabilities		
Bank borrowings	8,533	11,547
Hire-purchase payables	1,551	166
Other payables	3,069	3,225
Deferred tax liabilities	667	1,123
Total non-current liabilities	<u>13,820</u>	<u>16,061</u>
Current liabilities		
Trade payables	18,974	19,078
Other payables and accrued expenses	59,174	60,559
Bank overdrafts	-	5,182
Bank borrowings	4,299	16,750
Hire purchase payable	886	182
Current tax liabilities	8,181	7,306
Total current liabilities	<u>91,514</u>	<u>109,057</u>
Total liabilities	<u><u>105,334</u></u>	<u><u>125,118</u></u>
Total equity and liabilities	<u><u>438,323</u></u>	<u><u>431,091</u></u>
Net assets per share attributable to owners of the parents (RM)	0.30	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 THIRD QUARTER ENDED 30 SEPTEMBER 2018

(The figures have not been audited)

	<----- Non-distributable ----->					Distributable			
	Foreign currency					Attributable to			
	Share capital	Share premium	Treasury shares	translation reserve	Statutory reserve	Retained earnings	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 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	-	-	-	(1,429)	-	-	(1,429)	(214)	(1,643)
Profit for the period	-	-	-	-	-	33,574	33,574	3,418	36,992
Total comprehensive income for the period	-	-	-	(1,429)	-	33,574	32,145	3,204	35,349
Dividends :									
- by subsidiary to non-controlling interests	-	-	-	-	-	-	-	(2,470)	(2,470)
Transfer to statutory reserve	-	-	-	-	3,055	(3,055)	-	-	-
Changes in ownership interests in subsidiary that do not result in loss of control	-	-	-	-	-	(461)	(461)	(5,402)	(5,863)
Balance as of 30 September 2018	118,925	-	(663)	27,554	9,102	158,366	313,284	19,705	332,989

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

	<----- Non-distributable ----->					Distributable			
	Foreign currency					Attributable to			
	Share capital	Share premium	Treasury shares	translation reserve	Statutory reserve	Retained earnings	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
Dividends :									
- by the Company	-	-	-	-	-	(5,240)	(5,240)	-	(5,240)
- by subsidiary to non-controlling interests	-	-	-	-	-	-	-	(1,489)	(1,489)
Transfer to share capital upon implementation of the Companies Act 2016	13,582	(13,582)	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	2,154	(2,154)	-	-	-
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

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 THIRD QUARTER ENDED 30 SEPTEMBER 2018

(The figures have not been audited)

	CUMULATIVE QUARTER	
	Current Period To Date 30 Sept 2018 RM'000	Preceding Corresponding Period 30 Sept 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	51,190	32,511
Adjustments for:		
Depreciation of property, plant and equipment	13,033	13,772
Interest expense	476	688
Unrealised (gain)/loss on foreign exchange	(390)	3,390
Interest income	(605)	(674)
Gain on disposal of property, plant and equipment	(150)	(10)
Writeback of allowance for impairment losses on trade receivables	(7)	(4)
Plant and equipment written off	-	444
Allowance for impairment losses on receivables	182	63
Gain on disposal of an associate	(647)	-
Inventories written off	-	55
Share of results of associates	(78)	63
Operating profit before working capital changes	63,004	50,298
Inventories	(1,579)	(3,976)
Trade receivables	(20,452)	(2,865)
Other receivables, deposits and prepaid expenses	(5,116)	(703)
Amount owing by an associate	(1)	1
Trade payables	1	(3,855)
Other payables and accrued expenses	(894)	10,384
Cash generated from operations	34,963	49,284
Taxes paid	(12,796)	(7,870)
Net cash from operating activities	22,167	41,414
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	605	674
Additional investment of subsidiaries	(5,863)	(13,274)
Purchase of property, plant and equipment	(3,744)	(17,265)
Short-term investment	-	(1,977)
Proceeds from disposal of property, plant and equipment	735	116
Proceeds from disposal of an associate	2,497	-
Net withdrawal/(placement) of fixed deposits with licensed banks	1,426	194
Net cash for investing activities	(4,344)	(31,532)

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	CUMULATIVE QUARTER	
	Current Period To Date 30 Sept 2018 RM'000	Preceding Corresponding Period 30 Sept 2017 RM'000
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Interest paid	(476)	(688)
Dividend paid by a subsidiary to non-controlling interests	(2,619)	(1,847)
Drawdown of term loans	-	8,093
Repayment of term loans	(15,338)	(2,852)
Payment of hire purchase payables	(311)	(191)
Net cash (for)/from financing activities	(18,744)	2,515
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(921)	12,397
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	120,253	98,068
EFFECT OF EXCHANGE DIFFERENCES	222	(2,819)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>119,554</u>	<u>107,646</u>
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	96,425	106,090
Fixed deposits with licensed banks	6,354	5,711
Short-term investments	20,485	3,481
Bank overdraft	-	(4,527)
	<u>123,264</u>	<u>110,755</u>
Less: Fixed deposits pledged with banks	(3,210)	(3,109)
Less: Fixed deposits with maturity more than 3 months	(500)	-
Cash and cash equivalents	<u>119,554</u>	<u>107,646</u>

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 2017.

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

The Board of Directors is pleased to declare an interim single tier dividend of 0.7 sen per share in respect of the financial year ending 31 December 2018.



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A8. Segmental information

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

**Current Quarter
30 September 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	15,960	15,787	4,962	254	48,894	85,857
Inter-segment sales	190	78	71	-	29	368
Total revenue	16,150	15,865	5,033	254	48,923	86,225
<u>Segment Results</u>						
Operating (loss)/profit	3,939	1,564	831	(324)	13,795	19,805
Interest income						255
Gain on disposal of an associate						647
Finance cost						(98)
Share of results in associates						36
Profit before taxation						20,645

**Current Year-to-date
30 September 2018**

<u>Segment Revenue</u>						
External sales	43,347	42,835	13,112	823	138,436	238,553
Inter-segment sales	519	256	112	-	52	939
Total revenue	43,866	43,091	13,224	823	138,488	239,492



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**Current Year-to-date
30 September 2018**

	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)	9,144	4,132	2,211	(1,028)	35,877	-	50,336
Interest income							605
Gain on disposal of an associate							647
Finance cost							(476)
Share of results in associates							78
Profit before taxation							<u>51,190</u>
<u>Assets</u>							
Non-current assets							
- Property, plant and equipment	27,594	20,879	2,426	2,448	88,001	-	141,348
- Deferred tax assets	-	-	-		1,669	-	1,669
- Goodwill	-	33,761	-	-	-	-	33,761
- Others	-	1,294	-	-	-	-	1,294
Current assets	80,046	31,146	17,602	984	126,976	3,497	260,251
Consolidated total assets							<u>438,323</u>
<u>Liabilities</u>							
Tax liabilities	2,254	1,011	169	-	5,414	-	8,848
Segment liabilities	10,310	33,342	5,421	9,801	74,168	(36,556)	96,486
Consolidated total liabilities							<u>105,334</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 Sept 2018 RM'000	Current Year-to-date 30 Sept 2018 RM'000
Interest income	255	605
Writeback of allowance for impairment losses on receivables	2	7
Gain on disposal of an associate	647	647
Foreign exchange (loss)/gain	(458)	491
Gain on disposal of property, plant and equipment	22	150
Allowance for impairment losses on receivables	-	(182)
Interest expense	(98)	(476)
Depreciation of property, plant and equipment	<u>(4,210)</u>	<u>(13,033)</u>

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

Save as disclosed below, there were no changes in the composition of the Group for the current quarter under review.

On 6 September 2018, Frontken (Singapore) Pte Ltd, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase agreement to dispose of 1,172,004 ordinary shares, representing its entire 49% equity interest in Frontken (Thailand) Co. Ltd. for a cash consideration of SGD0.83 million (equivalent to RM2.496,557).

A13. Contingent liabilities

As at 30 September 2018, 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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A14. Cash and cash equivalents

	As at 30 Sept 2018 RM'000
Cash at bank	96,347
Cash on hand	78
Fixed deposits	6,354
Short-term investments – unit trust	20,485
	<u>123,264</u>
Less: Fixed deposits pledged with banks	(3,210)
Less: Fixed deposits with maturity period more than 3 months	(500)
	<u>119,554</u>

A15. Significant related party transactions

	Current Quarter 30 Sept 2018 RM'000	Current Year-to-date 30 Sept 2018 RM'000
Sales to AMT	-	5
Sales to TTM	5	28
Purchase from AMT	1	1
Purchase from TTM	40	67
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.
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 Sept 2018 RM'000
Plant and equipment	<u>863</u>

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

The Group's revenue for the current quarter ended 30 September 2018 increased by approximately RM7.2 million (9.2%) compared to the preceding year corresponding quarter.

The Group's subsidiaries in Taiwan, Singapore, Malaysia and the Philippines performed better compared to the preceding year corresponding quarter. The Semiconductor Industry Association (SIA) announced that worldwide sales of semiconductors reached USD39.5 billion and USD40.16 billion for the month of July and August 2018 respectively, an increase of 17% and 15% compared to the July and August 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 3.8% and 10.7% respectively compared to the preceding year corresponding quarter. Our subsidiaries in Malaysia and the Philippines also recorded better performance due to new works secured in light of recovery in the oil and gas industry.

The Group's profit before tax ("PBT") of RM20.6 million for the current quarter was RM7.7 million or 59.7% higher than the corresponding quarter's RM12.9 million. The higher profit was mainly due to improved performances by the Group's subsidiaries in Taiwan, Singapore, Malaysia and the Philippines. In addition, Frontken (Singapore) Pte Ltd, a wholly-owned subsidiary of the Company disposed its entire 49% equity interest in an associate, Frontken (Thailand) Co. Ltd. which resulted in a gain on disposal of RM0.65 million.

Current 9 months period's performance against the 9 months period ended 30 September 2017

The Group's revenue of RM238.6 million for the current period ended 30 September 2018 was RM22.3 million (10.3%) 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 from our subsidiaries in Taiwan, Malaysia and Singapore rose 12.0%, 11.7% and 8.0% respectively compared to the preceding year corresponding period. 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 RM18.7 million (57.4%) as a result of improved revenue, vigilance in cost management and a small gain on disposal of an associate. However, this was slightly offset against an unrealised foreign exchange loss of RM0.46 million in the third quarter. The profit after tax for the Group for the current period was RM37.0 million, an increase of RM11.8 million (47.1%) compared to the preceding year corresponding period.

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B2. Comparison with immediate preceding quarter

	3rd Quarter 30 Sept 2018	2nd Quarter 30 Jun 2018	Changes
	RM'000	RM'000	RM'000 (%)
Revenue	85,857	81,780	4,077 (5%)
Profit before tax	20,645	19,514	1,131 (6%)
Profit after tax	16,532	13,278	3,254 (25%)
Profit attributable to owners of the Company	15,187	12,083	3,104 (26%)

The Group's revenue was 5.0% or approximately RM4.1 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, gain on disposal of an associate and a withholding tax imposed on the dividend declared by the Group's subsidiary in Taiwan in the preceding quarter.

B3. Prospects

The Group recorded an improved 9 months results compared to the preceding year corresponding period; consistent with the robust semiconductor market during the third quarter of 2018. The World semiconductor Trade Statistics (WSTS) also recently released their industry forecast that projected annual global market growth of 12.4% in 2018. .

In light of the encouraging industry forecast, the Group anticipates that the overall business conditions for the remaining 3 months for the current financial year to remain positive. To that end, 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 strive 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 Sept 2018	Current Year-to-date 30 Sept 2018
	RM'000	RM'000
Income tax	4,279	12,209
Deferred tax	(168)	(447)
Withholding tax	2	2,436
	<u>4,113</u>	<u>14,198</u>

The Group's effective tax rate for the period under review was higher than the statutory tax rate principally due to losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries

B6. Status of corporate proposals

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

B7. Group borrowings

The Group's borrowings as at 30 September 2018 are as follows:

	As at 30 Sept 2018		As at 30 Sept 2017	
	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	18	18	94	94
- Ringgit Malaysia	-	868	-	107
Term loans				
- Singapore Dollar	1,683	1,683	1,729	1,729
- New Taiwan Dollar	2,237	2,237	4,175	4,175
- Ringgit Malaysia	-	379	-	2,194
Money market security				
- Singapore Dollar	-	-	12,761	12,761
		<u>5,185</u>		<u>25,587</u>
Long term				
<u>Secured</u>				
Hire purchase creditors				
- Singapore Dollar	-	-	19	19
- Ringgit Malaysia	-	1,551	-	193
Term loans				
- Singapore Dollar	1,262	1,262	3,026	3,026
- New Taiwan Dollar	7,271	7,271	9,741	9,741
- Ringgit Malaysia	-	-	-	379
		<u>15,269</u>		<u>38,945</u>

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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 2018			
<u>Currency</u>			
Singapore Dollar	1,701	1,262	2,963
New Taiwan Dollar	2,237	7,271	9,508
	3,938	8,533	12,471
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
	23,286	12,786	36,072

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 October 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)	15,187	9,185	33,574	20,031
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)	1.45	0.88	3.20	1.91



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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

The Board of Directors is pleased to declare an interim single tier dividend of 0.7 sen per share in respect of the financial year ending 31 December 2018.

By Order of the Board
Frontken Corporation Berhad

Ng Wai Pin
Chairman / Chief Executive Officer
7 November 2018