

Company Name : Frontken Corporation Berhad
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Frontken 2Q Net Profit Rises 23% To RM20.33m, Declares 1.2 sen Dividend

KUALA LUMPUR (Aug 4): Frontken Corp Bhd net profit for the second quarter ended June 30, 2020 rose 23% to RM20.33 million from RM16.52 million a year earlier, mainly contributed by its subsidiary in Taiwan on the back of positive growth of the semiconductor business.

In a bourse filing today, Frontken said revenue for the quarter rose to RM87.62 million from RM80.14 million a year earlier.

Earnings per share was 1.94 sen versus 1.58 sen previously.

Frontken declared a first single tier dividend of 1.2 sen per share in respect of the financial year ending Dec 31, 2020 to be paid at a date to be announced later.

For the six months ended June 30, Frontken's net profit rose to RM37.34 million from RM31.92 million in the year-ago period, on the back of revenue of RM172.49 million versus RM163.97 million previously.

Reviewing its performance, Frontken said the higher profit was mainly due to improved revenue and better profit margin resulting from continual efforts to improve efficiency across the group.

"This was our historical best quarter performance even with the global slowdown caused by the Covid-19 pandemic," it said.

On its prospects, Frontken said it is seeing advancement and deployment of new innovative technologies following the roll-out of 5G globally and believes these developments in the electronic and technology space will be positive for its business.

“Nevertheless, the group anticipates that the overall business conditions for the remaining six-month period in 2020 will continue to be uncertain amidst global uncertainties and downside risks due to heightened concerns over the impact of the potential second wave from Covid-19 on the world economy.

“While the group anticipates that the overall business conditions in the remaining two quarters of the current financial year to remain uncertain, we are cautiously optimistic that our performance for the remaining months will be satisfactory,” it said.

At the midday break today, Frontken added 0.84% or 3 sen to RM3.60 with 2.53 million shares traded.