

Company Name : Frontken Corporation Berhad
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Frontken's Unit Buys RM53m Property In Taiwan For Capacity Expansion In Face Of Robust Demand



KUALA LUMPUR (April 6): Frontken Corp Bhd's Taiwanese unit is purchasing an industrial property in Taiwan for NT\$367.5 million (about RM53.29 million), cash, to expand its production capacity there to support increasing demand from its semiconductor customers.

In a bourse filing, the group said its 91.25%-owned Ares Green Technology Corp (AGTC) has inked a sale and purchase agreement with MH GOPOWER Co Ltd for the purchase. The property — comprising an office building with a production area and basement car park with a total built-up area of 10,927 sq m — is located on a piece of leasehold land in the Southern Taiwan Science Park. The purchase will be financed with internal funds.

Frontken said AGTC's capacity from its existing facility can no longer support "the ever-increasing demand" from its customers.

"In anticipation of projected significant increase in workload from its customers, it needs to have additional capacity to cater for the anticipated multi-year of growth in the semiconductor space," Frontken said.

"The proposed acquisition will more than double the physical operating and production space, as well as capacity to support the growth and demand from its customers," Frontken added.

The acquisition is expected to be completed by July.

Shares in Frontken finished 3.08% or 16 sen lower at RM5.04 today, valuing it at RM5.31 billion, after 2.6 million shares were done. The stock has jumped over 130% in the past one year.