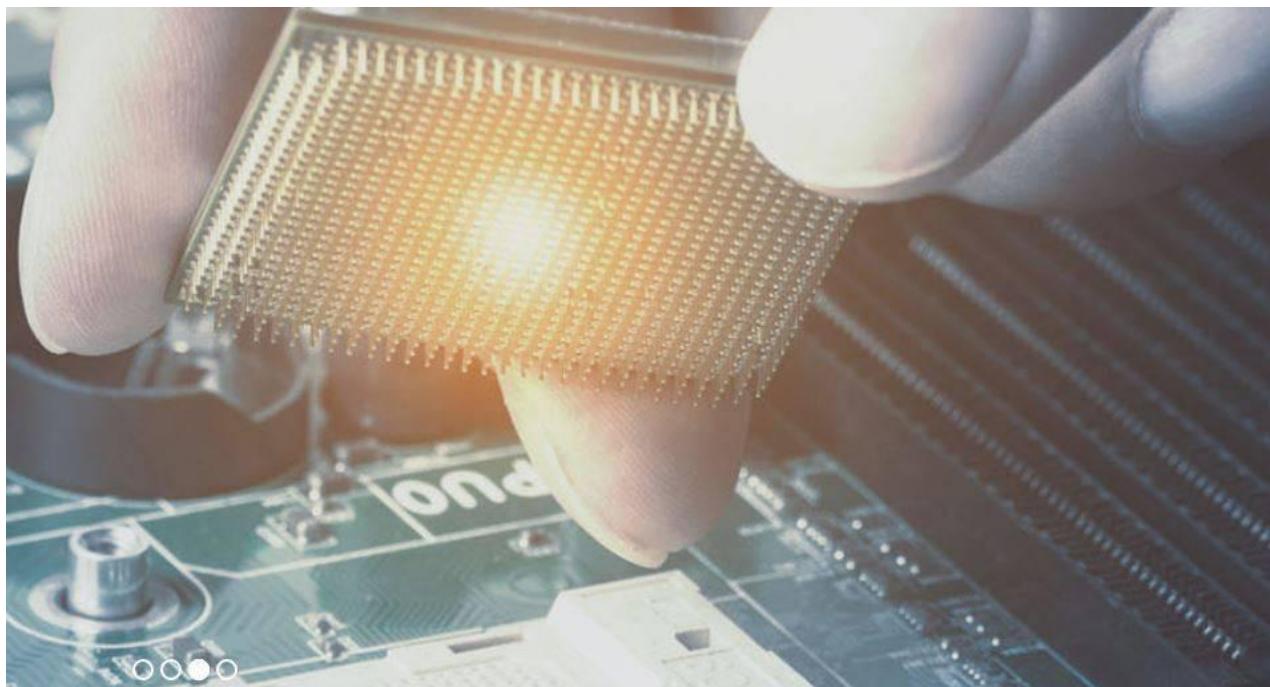


**Company Name** : Frontken Corporation Berhad  
**Date** : 18 February 2020  
**Source** : The Star

## Frontken FY19 Net Profit Up 32% To RM69.1m



*The semiconductor-related company announced on Tuesday its profit before tax was up by 27% to RM96.26mil from RM75.61mil.*

KUALA LUMPUR: FRONTKEN CORPORATION BHD's net profit rose by 32% to RM69.17mil in the financial year ended Dec 31,2019 from RM52.25mil a year ago on increased revenue, better product mix and continual efforts to improve its efficiency across the group.

The semiconductor-related company announced on Tuesday its profit before tax was up by 27% to RM96.26mil from RM75.61mil.

Its revenue rose by 4% to RM339.91mil from RM327.22mil.The improvement was mainly due to better performances from the Group's subsidiaries in Singapore, Malaysia and Taiwan due to the positive growth in their respective businesses.

However, in the fourth quarter, its net profit fell by 3% to RM18.20mil from RM18.68mil mainly due to foreign currency exchange loss of RM1.3mil.

Its revenue was flat at RM88.88mil compared with RM88.66mil. Earnings per share were 1.74 sen compared with 1.78 sen.

The board of directors declared a second single tier dividend of 1.5 sen per share for FY ended Dec 31,2019 on 1.047 billion shares amounting to RM15.72mil.

On the outlook, it expected global demand for semiconductors, which remains strong in the long term, will continue to grow.

“According to IHS Markit, the deployment of 5G will be the main factor propelling a recovery for the semiconductor industry from the significant downturn in 2019, not only because of the renewed growth it will bring to the wireless industry, but also due to the wider benefits the wireless technology will bestow on global businesses and economies,” it said.

Frontken also said IHS Markit had highlighted that the market in 2020 will be driven by two significant factors: one, the return to growth for global server expansion, and two, the introduction of 5G handsets.

“The group believes that these developments in the electronic and technology space will be positive for our semiconductor business for years to come.

“As for the oil and gas industry, the improved performance of our oil and gas business in 2019 augurs well for the group’s business in the next few years in view of being appointed as one of the panel contractors for the provision of manpower supply and also mechanical rotating equipment services and parts for Petronas group of Companies.

“Nevertheless, the group anticipates that the overall business conditions in 2020 will continue to be challenging amid the growing concern over the economic damage caused by the spread of the COVID-19 virus. Although our customers have indicated that their businesses are currently not affected by the extended lunar new year break in China, most are unable to predict the impact should the situation prolongs,” it said.