



FRONTKEN CORPORATION BERHAD

PRESS RELEASE

2 MAY 2024

FRONTKEN POSTED ITS HIGHEST EVER PROFIT BEFORE TAX OF RM50.3 MILLION FOR THE FIRST QUARTER ENDED 31 MARCH 2024; AN INCREASE 43% YOY.

Frontken delivered a first quarter 2024 profit before tax of RM50.3 million, increased by RM15.1 million or 43% compared to preceding year corresponding quarter, mainly due to improved revenue and better profit margin resulting from the continual efforts to improve efficiency across the Group.

The Group's revenue for the current quarter ended 31 March 2024 increased by approximately 23% mainly due to higher contributions from its subsidiaries in Taiwan, Malaysia and Singapore. Volume in the semi-conductor space picked up due to higher demand and strong orders from its customers which benefited its Taiwan subsidiary. At the same time, its Malaysia unit also experienced higher orders from various contracts for provision of manpower supply and also mechanical rotating equipment services.

The Group's PBT for the current quarter improved 19% sequentially mainly due to higher revenue and better product mix. It is also worthwhile to note that this is the first time that the traditionally weaker first quarter's results performed better than the usually stronger fourth quarter; both in revenue and bottom line.

The Semiconductor Industry Association ("SIA") announced that the global semiconductor industry sales totaled US\$46.2 billion during the month of February 2024, an increase of 16.3% compared to the February 2023 total of US\$39.7 billion but a decrease of 3.1% from the January 2024 total of US\$47.6 billion. Although month-to-month sales were down slightly, global semiconductor sales in February remained well ahead of the total from the same month last year, a continuation of the strong year-to-year growth the market has experienced since the middle of last year. Sales in February increased on a year-to-year basis by the largest percentage since May 2022, and market growth is projected to persist during the remainder of the year.

To that end, the Group is cautiously optimistic of much better utilization of its second facility in Taiwan. The current quarter performance is delivering a good start for 2024 and the Group is hopeful that the growing trend will continue throughout the remainder of this year.

As for the oil and gas industry, the Group are very encouraged by the performance of its business units in this sector due to increased orders from the various contracts for provision of engineering services, manpower supply and also mechanical rotating equipment services and parts that it has with the oil majors.