



FRONTKEN CORPORATION BERHAD

PRESS RELEASE

23 February 2023

FRONTKEN POSTED A PROFIT AFTER TAX OF RM33 MILLION FOR FOURTH QUARTER ENDED 31 DECEMBER 2022

Frontken delivered a fourth quarter ("Q4") 2022 profit after tax ("PAT") of RM33.3 million, an increase of 3% compared to last year's corresponding quarter of RM32.3 million. The performance would have been better if not for the slight delay in the qualification of our new facility at Kaohsiung City, Taiwan ("Plant 2"). If the Group were to exclude Plant 2 operational cost, the foreign currency exchange, under provision of incentive from an incorrect advice on the financial treatment of certain benefits and the withholding tax impact from the equation, for a like-for-like comparison, the Q4 2022 PAT would have been 23% better than the preceding year corresponding quarter.

The Group achieved a revenue of RM135.3 million in Q4 2022, an increase of 11% compared to the preceding year corresponding quarter mainly due to better contributions from its subsidiaries in Taiwan, Malaysia and Singapore. Its semiconductor business in Taiwan continued to benefit from the higher demand in the semiconductor space. The Group's oil and gas division also saw a much-improved performance compared to the same period last year which was partly attributable to the improvement in the oil and gas industry.

Against FY2021, FY2022 PAT for the Group increased by RM20.9 million (18%) from RM114.2 million to RM135.2 million as a result of improved revenue and strict cost management. If the Group were to exclude the non-core items mentioned above from the equation, for a like-for-like comparison, the current year performance would have been 26% better than the preceding year. The Group's revenue of RM517.2 million for the current year was RM67.0 million (15%) higher than that achieved in the preceding year. This was the highest ever revenue achieved in the history of the Group.

While market growth slowed during the second half of 2022, SIA viewed the long-term outlook of the industry remains strong as the ever-increasing role of chips in making the world smarter, more efficient, and better connected.

As for the oil and gas industry, the Group is cautiously optimistic that the positive momentum will carry through to 2023 due to increased orders from the various contracts

for provision of manpower supply and also mechanical rotating equipment services and parts.

To that end, the Group is cautiously optimistic that its performance will be satisfactory.

On the back of its earnings growth, the Company declared a second single tier dividend of 2.6 sen per share for the financial year 2022.