

Company Name : Frontken Corporation Berhad
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Frontken's 3Q'23 Revenue Lower, Cites Weaker Demand From Semiconductor Customers



KUALA LUMPUR: Engineering solutions service provider Frontken Corporation Bhd's (Frontken) revenue of RM133.5 million for the current quarter ended 30 Sept, 2023 (3Q'23) decreased marginally by 1%, compared 3Q'22's RM134.6 million. The weaker results was mainly due to slightly lower contributions from weaker semiconductor customers demand at its subsidiaries in Taiwan and Malaysia. However, Frontken's subsidiaries engaged in the oil and gas industry in Singapore and Malaysia performed better due to higher demand, it said in a filing to the local bourse today.

Meanwhile 3Q'23's profit after tax (PAT) of RM30 million decreased by 21% year-on-year (yoy). This was mainly due to a RM5.6 million withholding tax paid in relation to the dividend received from its Taiwan subsidiary in the current quarter as compared to withholding tax of RM1.9 million paid in 3Q'22. The foreign exchange gain also decreased by RM1.7 million as compared to 3Q'22. Excluding the withholding tax, foreign currency exchange and under provision of incentive from an incorrect advice on the financial treatment of certain benefits in 3Q'22, the current quarter's performance would have been only 3% lower than the corresponding quarter.

For the nine months ending Sept 30, 2022 (9M'23), Frontken posted a revenue of RM368.7 million, which was 3% lower than the same corresponding period in 2022. The lower numbers were mainly due to weaker contributions from subsidiaries in Taiwan, Singapore and Indonesia. For the same period, PAT decreased by 11%, mainly due to

lower revenue and higher tax payments. Excluding withholding tax, foreign currency exchange and under provision of incentive from an incorrect advice on the financial treatment of certain benefits in the previous corresponding period, 9M'23's performance would have only been 2% lower than the preceding year corresponding period.

As for the prospects for the rest of the year, the management was hopeful to see more activities at its new second facility in Taiwan. The better quarterly performance sequentially is an encouraging sign to a strong close for the year.

No dividend was declared for the current quarter.