Company Name **: Frontken Corporation Berhad**
Date **: 18 September 2026**
Source **: The Star**

Frontken's Taiwan buy gives room for expansion

PETALING JAYA: The acquisition of additional industrial land and factory space by Frontken Corp Bhd's Taiwan subsidiary is set to give the semiconductor services provider room to expand capacity amid expected growth from its major foundry customer.

The group's Taiwan subsidiary, AGTC secured the industrial site in the Tainan Xinying Industrial Zone for 920 million Taiwanese dollars (RM118.2mil), which is also close by to AGTC's existing P1 facility.

Apex Research said the acquisition was a "capacity-enabling investment", securing land within AGTC's existing Tainan cluster, about 950 metres from its P1 facility, ahead of anticipated capacity expansion by its foundry customer.

The research firm said the "price was full but reasonable", at 12.5% to 16.1% above the two most recent Type B land transactions in the same industrial park.

The research house noted Frontken has ample balance sheet headroom to fund the acquisition, with financial year 2026 (FY26) cash and bank balances of RM386mil and fixed deposits of RM181.5mil, giving it combined liquidity of RM567.4mil.

With near-zero borrowings, the group is expected to remain in a net cash position throughout FY26 to FY28 even after the RM118.2mil acquisition.

Apex Research said the acquisition price covers not just the land but also seven ready-built factory blocks and an installed solar photovoltaic system, providing AGTC with immediately usable capacity.

"We maintain our FY26, FY27 and FY28 core net profit forecasts of RM197.3mil, RM206.8mil and RM217.4mil, with no changes to our earnings assumptions," the research firm said in a report.

The research firm also maintained its "buy" call on Frontken, with an unchanged target price of RM5.86 per share, based on a 46.2 times price-to-earnings multiple applied to its FY27 core earnings per share of 12.7 sen.