



# EG Industries Berhad (222897-W)

Plot 102, Jalan 4, Bakar Arang Industrial Estate, 08000 Sg. Petani, Kedah D.A., Malaysia.

Tel : + 604 - 4229881 Fax : + 604 - 4229885

## PRESS RELEASE

# EG Industries 2Q17 net profit rises 43% on stronger year-end demand

- ***Resulting from 24% revenue jump; better product mix from consumer electronics offsets increased labour costs***

Sungai Petani, Kedah, Malaysia, 24 February 2017 - Electronic Manufacturing Services (EMS) provider **EG Industries Berhad** (EG Industries; EG 工业; Bloomberg: EG:MK; Reuters: EGCM.KL) reported 43.0% higher profit of RM7.6 million in the second quarter ended 31 December 2016 (2Q17) from RM5.3 million previously.

The double-digit net profit growth was on the back of revenue expanding 24.3% to RM259.7 million in 2Q17, compared to RM209.0 million a year ago, as the Group noted higher demand for customers' consumer electronics products during the year-end holiday seasons.

Additionally, EG Industries achieved better product mix in 2Q17, with higher sales from the consumer electronics segment.

“Contrary to the industry norm in the region, we expanded our workforce in our Sungai Petani plant in the quarter to ramp up our production to fulfil customers' orders for consumer electronics products. Remarkably, the higher labour cost was offset by the favourable product mix, which still allowed us to enhance our bottomline.

Our goal is to garner more principals and increase orders for box-build products, given our accelerating experience for timely delivery, upholding product quality, and continuing investments to upgrade our capabilities.”

**Mr. Alex Kang (“江邦健”)**  
**Group Chief Executive Officer and Executive Director**  
**EG Industries Berhad**

As at 31 December 2016, EG Industry has RM113.6 million outstanding order book of box-build orders, which is targeted to be delivered for the rest of the financial year ending 30 June 2017 (FY2017). Box-build refers to end-to-end manufacturing services, from product design and assembly to shipping of completed products to customers' end users.

EG plans to invest RM25 million in capital expenditure aimed at achieving greater economies of scale and improving production efficiency in its Kedah and Thailand plants.

For the first half ended 31 December 2016 (1H17), EG Industries' net profit rose 42.5% to RM14.8 million, from RM10.4 million previously. 1H17 group revenue increased 23.6% to RM494.4 million compared to RM399.9 million earlier.



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Financial Highlights (Unaudited Consolidated Results)						
RM'000	2Q17 31.12.16	2Q16 31.12.15	Change	1H17 31.12.16	1H16 31.12.15	Change
Revenue	259,701	208,978	24.3%	494,407	399,855	23.6%
Pre-tax Profit	8,209	5,716	43.6%	15,756	11,054	42.5%
Net Profit to Shareholders	7,603	5,316	43.0%	14,751	10,354	42.5%

## About EG Industries Berhad (“EG 工业”, [www.eg.com.my](http://www.eg.com.my))

EG Industries is a leading Electronic Manufacturing Services (EMS) and Vertical Integration provider for world-renowned brand names of electrical and electronic products for several industries including consumer electronics, ICT, medical, automotive and telecommunications.

Listed as one of the top 50 EMS players in the world, EG Industries provides services in original equipment manufacturing and original design manufacturing with full turnkey solutions for completed final products assembly (box-build), printed circuit board assembly and modular components assembly.

The Group has a workforce of more than 2,300 employees in its manufacturing plants in Kedah, Malaysia and Prachinburi, Thailand.

Issued for and on behalf of EG INDUSTRIES BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd. For media enquiries, please contact:

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