



EG Industries Berhad (222897-W)

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

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PRESS RELEASE

EG Industries records RM256.1 million revenue in 3Q18

- *Reports RM4.2 million net profit in 3Q18*
- *Commenced third business segment of distribution*

Sungai Petani, Kedah, Malaysia, 31 May 2018 - Electronic Manufacturing Services (EMS) provider **EG Industries Berhad** (EG Industries; EG 工业; Bloomberg: EG:MK; Reuters: EGCM.KL) recorded 1.2% increase in revenue for the the third quarter ended 31 March 2018 (3Q18) to RM256.1 million from RM253.1 million on higher sales of consumer electronic products.

The Group reported 20.3% lower net profit to RM4.2 million from RM5.3 million previously, largely due to the weakening of US Dollar against Malaysian Ringgit which translated into lower product margins, higher depreciation costs arising from enlarged machinery base, and long material lead-time.

“We continue to be vigilant in monitoring the forex fluctuations, and will carry on pursuing automation to enhance our operational efficiency.

Despite the ongoing challenges in the EMS industry, we are optimistic of the future of EG Industries, as we are bidding for more box-build assembly and consumer electronic contracts. Our strong track record of over 30 years and our enlarged manufacturing plant in Sungai Petani allows us to take on more orders to meet the stringent demand for EMS products.

We have recently commenced our third business segment of distribution as the next step for the Group to achieve vertical integration. We successfully delivered our customers’ products to a local player in the e-commerce sector, and are exploring similar leads. We hope to distribute to more countries in South East Asia going forward.”

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

For the nine months ended 31 March 2018 (9M18), EG Industries’ revenue rose 1.5% to RM758.5 million, from RM747.5 million previously on higher sales of consumer electronic products. However, 9M18 net profit declined 20.6% to RM15.9 million from RM20.0 million due to higher administrative expenses arising from corporate exercise expenses and lower sales of data storage products from a change of a new complex product model.



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The mass-volume electronics segment of Printed Circuit Board Assembly (PCBA) made up 80.8% or RM613.1 million of 9M18 group revenue, while the higher-value box-build segment contributed 19.2% or RM145.4 million to group revenue.

About EG Industries Berhad (“EG 工业”, 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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