



EG Industries progressing towards Industry 4.0

- *Newly acquired production facility to be the Group's first fully automated plant*
- *Reports RM5.3 million 1Q19 net profit on RM256.7 million revenue*

Sungai Petani, Kedah, Malaysia, 30 November 2018 - Electronic Manufacturing Services (EMS) provider **EG Industries Berhad** (EG Industries; EG 工业; Bloomberg: EG:MK; Reuters: EGCM.KL) is setting in motion its goal to progress towards Industry 4.0, in an effort to boost the Group's operational efficiency.

EG Industries intends to turn their newly acquired production facility into the Group's first fully automated plant. Coupled with ongoing machine improvement and a skilled management team, the Group is targeting to expand its box-build production capacity by 10 million units per annum.

Industry 4.0 represents the current trend of automation and data exchange in manufacturing technologies.

“With the global manufacturing scene experiencing rapid technology advancement in recent years, we believe that transitioning towards the adoption of Industry 4.0 is the right path for the Group to take, even as we streamline our operations and enhance profit ability.

Seeing that we are getting more enquiries in light of the ongoing U.S-China trade war, our reputation as a vertically-integrated electronic manufacturing services player serving multinational companies' strongest requirements bodes well.

We believe that our expansion plan is opportune and should place us on a higher place of growth from here on out.”

Dato' Alex Kang (“江邦健”)

Group Chief Executive Officer and Executive Director of EG Industries Berhad



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

Financial results for the first quarter ended 30 September 2018 (1Q19)

EG Industries reported a 3.5% increase in 1Q19 revenue to RM256.7 million from RM247.9 million a year ago. The improved topline was mainly due to stronger sales of data storage products.

However, the Group recorded 30.9% lower net profit to RM5.3 million in 1Q19 from RM7.6 million previously, due to a less favorable product mix, of which two of its existing high margin box-build consumer electronics products have reached its End-of-Life stage and will be replaced with newer models. The latest models are currently undergoing several stages of introduction testing, hence the overall production efficiency is lower compared to the older models due to low volume production.

When compared against the preceding quarter, EG Industries registered 1Q19 net profit increase of more than twofold to RM5.3 million from RM2.6 million in 4Q18, on the back of a favourable product mix, which contained more box build products. This was achieved despite posting marginally lower revenue of 0.6% to RM256.7 million in 1Q19 from RM258.3 million in 4Q18.

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.

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Ms. Julia Pong

E: julia@aquilas.com.my

Tel: 03-27111391 / 012-3909258