



# 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 to invest RM30 million CAPEX into newly acquired production facility

- *New plant comes at favourable time, as Group receives more enquiries from MNC amidst ongoing U.S-China trade war*
- *Reports 5.2% higher net profit of RM4.3 million in 2Q19*

Sungai Petani, Kedah, Malaysia, 27 February 2019 - Electronic Manufacturing Services (EMS) provider **EG Industries Berhad** (EG Industries; EG 工业; Bloomberg: EG:MK; Reuters: EGCM.KL) is allocating RM30 million in capital expenditure (CAPEX) to purchase automated machineries and equipment for its newly acquired production facility in Sungai Petani.

In line with Industry 4.0, EG Industries plans to turn their newly acquired manufacturing plant 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.

The Group's new production facility was acquired in October 2018 and is located next to its present manufacturing facilities in Sungai Petani, Kedah. The new plant will enlarge the Group's production land area by 80% from 31,000 square metre (sq m) currently to 55,000 sq m altogether.

“We believe that our expansion plan comes at a favourable time, as we are receiving more enquiries from multinational companies amidst the uncertainties surrounding ongoing U.S-China trade war. The increased floor space would also allow us to take on more jobs to sustain our growth momentum going forward.

Furthermore, the new fully-automated factory would improve output consistency and quality in addition to reducing our labour-to-output ratio to enhance bottomline performance.

Hence, this expansion is expected to place us on a higher plane of growth moving forward.”

**Dato' Alex Kang (“江邦健”)**

**Group Chief Executive Officer and Executive Director of EG Industries Berhad**



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## **Financial results for the second quarter ended 31 December 2018 (2Q19)**

The Group recorded 5.2% higher net profit of RM4.3 million on 1.9% increase in revenue to RM259.4 million in 2Q19. The improved performance came on the back of stronger sales of data storage products and lower tax expense due to reinvestment allowance. This helped to offset the higher operating expenses for the upcoming mass production of new product models in 2Q19.

As a comparison, EG Industries posted RM4.1 million net profit on RM254.5 million revenue in 2Q18.

## **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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