



# 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 retains RM1 billion revenue in FY2019

- *Revenue temporarily impacted by shifting of certain production from Malaysia to Thailand, and two of existing box-build consumer electronics reaching end-of-life stage which will be replaced by new models*

Sungai Petani, Kedah, Malaysia, 30 August 2019 - Electronic Manufacturing Services (EMS) provider **EG Industries Berhad** (EG Industries; EG 工业; Bloomberg: EG:MK; Reuters: EGCM.KL) retained revenue of RM1.013 billion in the financial year ended 30 June 2019 (FY2019), versus RM1.017 billion a year ago, despite the shifting of certain production from Malaysia to Thailand, and two of existing box-build consumer electronics reaching end-of-life stage which will be replaced by new models.

Nonetheless, the Group's bottomline dipped to RM12.8 million in FY2019 from RM18.5 million previously, impacted by the higher minimum wage rate and higher operating expenses related to the upcoming mass production of several new product models.

The fourth quarter ended 30 June 2019 (4Q19) charted 8.6% higher revenue of RM280.6 million compared to RM258.3 million previously, on higher sales from new customer products. Group net profit moderated 42.0% to RM1.5 million from RM2.6 million a year ago due to the increase in minimum wage and higher operating expenses that were incurred for the upcoming mass production of several new product models.

“The shifting of production lines for data storage products follows EG’s formation of the new joint venture company with Quanta Storage Inc, which opened up the opportunity to consolidate orders across three segments of solid state drive, hard disk drive and USB flash drive, compared to just hard disk drive previously.

More importantly, the move would also be instrumental in us targeting greater operational efficiency across all aspects from raw material procurement to supply chain sourcing.

Additionally, we remain in active talks with potential customers to secure new manufacturing contracts, in light of the ongoing trade war between US and China; and we are optimistic that some of these will materialize soon. With our strong track record of over 25 years and strategic locations of our production facility in Malaysia and Thailand, we are hopeful in reaching greater heights.”

**Dato’ Alex Kang (“江邦健”)**

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



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## **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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