



## **EG Industries records 7.9% higher 1Q20 revenue of RM277.1 million**

- ***Reports net profit of RM3.9 million in 1Q20***
- ***Group allocates RM15.0 million CAPEX for its recently acquired 5.2-acre land in Batu Kawan, Penang***

**Sungai Petani, Kedah, Malaysia, 29 November 2019** - Electronic Manufacturing Services (EMS) provider **EG Industries Berhad** (EG Industries; EG 工业; Bloomberg: EG:MK; Reuters: EGCM.KL) recorded 7.9% higher revenue of RM277.1 million in the first quarter ended 30 September 2019 (1Q20) from RM256.7 million in the previous corresponding quarter on higher sales of new products.

However, the Group reported 26.6% lower net profit of RM3.9 million in 1Q20 from RM5.3 million previously due to less favourable product mix and higher production costs as several new product models are still under initial learning and development stage, which require a certain period to stabilise to reach optimal efficiency level.

Moreover, the Group has also allocated RM15 million capital expenditure to construct and equip its recently acquired 5.2-acre land at Batu Kawan Industrial Park, Penang.

The new manufacturing facility will be furnished with automated machineries to improve operational efficiency and reduce the Group's reliance in labour. The factory will also be the Group's first Smart 4.0 factory in Penang, in line with EG Industries' goal of embracing Industry 4.0.

“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, as we had done so with the acquired manufacturing facility beside our Sungai Petani plant.

Besides that, this land acquisition is in line with our development plan to expand the Group's existing manufacturing business area to include Penang. We anticipate the global demand of electronic manufacturing services to shift towards South East Asia due to the tariff implementations and trade barriers on global market players.”

**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.

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