



EG Industries topline expands 9.8% to RM284.8 million in 2Q20

- *Driven by increasing demand for new customer products*
- *Records net profit of RM5.9 million in 1H20*

Sungai Petani, Kedah, Malaysia, 27 February 2020 - Electronic Manufacturing Services (EMS) provider **EG Industries Berhad's** (EG Industries; EG 工业; Bloomberg: EG:MK; Reuters: EGCM.KL) topline expanded 9.8% to RM284.8 million in the second quarter ended 31 December 2019 (2Q20) from RM259.4 million a year ago, driven by increasing demand for new customer products.

Nonetheless, the Group registered net profit of RM2.0 million in 2Q20, a 52.4% decline from RM4.3 million in the preceding year's corresponding quarter. This was mainly attributed to less favourable product mix, higher depreciation from the larger production space, as well as higher labour cost incurred from several new products under the initial stages of development.

Dato' Alex Kang (“江邦健”), Group Chief Executive Officer and Executive Director of **EG Industries Berhad** said:

“In the last six months, we have primarily focused on expanding production space to take on larger orders, further growing our product portfolio and driving efficiency within our operations.

We expanded our production space by 80% from 31,000 to 55,000 square metres in October 2019, having acquired the neighbouring plant in Sungai Petani. This newly-acquired manufacturing facility is our first fully-automated factory, significantly catapulting our appeal to next-generation device developers.

Following that, we have successfully commercialised new products for customers, as shown by the increase in revenue. Our priority is to maintain production costs at an optimal level, which we have done successfully for past products, and is well within our experience. This would form a solid platform for us to remain competitive and resilient despite the challenging operating environment.”

Financial results for the first half ended 31 December 2019 (1H20)

EG Industries' topline grew 8.9% in 1H20 to RM561.8 million from RM516.1 million previously, mainly attributed to higher demand for new customer products. The Group recorded net profit of RM5.9 million in 1H20, 38.1% lower than the RM9.5 million posted in the first half of last year on less favourable product mix, higher depreciation cost and higher labour cost.



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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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