



EG Industries 1Q21 net profit grows 14.8% to RM4.4 million

- *Revenue increases 5.8% to RM293.1 million in 1Q21 on an increase in sales volume of data storage products*
- *Aiming for further growth by bidding for box-build contracts and new jobs within medical and automotive sectors; proceeding with construction of first fully-automated factory in Penang*

Sungai Petani, Kedah, Malaysia, 27 November 2020 - Electronic Manufacturing Services (EMS) provider **EG Industries Berhad** (EG Industries; EG 工业; Bloomberg: EG:MK; Reuters: EGCM.KL) reported today that its net profit grew 14.8% to RM4.4 million in the first quarter ended 30 September 2020 (1Q21) from RM3.9 million a year ago.

This was set in motion by revenue increasing 5.8% to RM293.1 million in 1Q21 from RM277.1 million in the previous year's corresponding quarter. The improved topline was due to an increase in sales volume of data storage products.

Having recommenced operations following the end of the Movement Control Order (MCO) in May 2020 and moved closer to optimum production levels in 3Q20, the Group's net profit of RM4.4 million represented a completed turnaround from the RM14.1 million net loss in the preceding fourth quarter ended 30 June 2020 (4Q20). This was also on the back of 1Q21 revenue of RM293.1 million outperforming 4Q20 topline contributions of RM230.0 million.

“Buoyed by the profitable 1Q21, we are looking forward towards resuming our growth trajectory. We will step up efforts to elevate our earnings potential by bidding for box-build contracts and new jobs within industries with high technological requirements like the medical and automotive sectors. At the same time, we will proceed with the construction of our first fully-automated factory in Penang to take on more orders.

Notwithstanding the stronger financial performance in 1Q21, we would also remain vigilant of the ongoing macroeconomic challenges which constrained manufacturing activities, including foreign currency fluctuations, ongoing US-China trade tensions, as well as COVID-19.

In view of this, we will continue executing initiatives to enhance strategic planning, streamline costs and improve resource allocation abilities to strengthen EG Industries' resilience in the future.”

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

EG Industries' first fully-automated factory in Penang is being constructed on a 5.2-acre leasehold land in Batu Kawan Industrial Park, which was acquired in November 2019 for a purchase consideration of RM10.3 million.

Upon completion of this new plant in end-2021, the Group's total production floor space increases from 55,000 square metres (sq m) to 85,000 sq m. Together with the Group's existing plants in Sungai Petani, Kedah and Prachinburi, Thailand, the new factory will increase the Group's total production capacity by 30%.

This new factory also represents the Group's second fully-automated manufacturing facility as a whole after the Group had completed construction of the first fully-automated plant, located in Sungai Petani, Kedah in October 2019.

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 3,500 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:

Ms. Julia Pong

E: julia@aquilas.com.my

Tel: 03-27111391 / 012-3909258