



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 FY2021 net profit rebounds to RM14.7 million

- *Improved product mix and contained operating expenditure (OPEX) spurs turnaround as revenue increases by 4.7% to RM1.1 billion*
- *100% of employees fully vaccinated as at end-September 2021*

Sungai Petani, Kedah, Malaysia, 15 September 2021 - Electronic Manufacturing Services (EMS) provider **EG Industries Berhad** (EG Industries; EG 工业; Bloomberg: EG:MK) announced a rebound in its net profit of RM14.7 million for the financial year ended 30 June 2021 (FY2021) as compared to RM13.6 million net loss previously, as the Group's topline increased 4.7% to RM1.1 billion from RM1.0 billion a year ago.

The turnaround was the result of improved product sales mix, contained OPEX as well as the absence of RM7.0 million one-off exceptional provisions.

“COVID-19 made us redouble our efforts to enhance our product mix and streamline processes to put our profitability back on track.

Achieving a fully-vaccinated workforce was our utmost priority to meet customers' needs and demands with minimal interruptions. Under the Public-Private Partnership COVID-19 Industry Immunisation Programme (PIKAS) we have managed to achieve a 100% vaccination rate as at end-September 2021. This would allow us to optimise the operations of our Malaysia-based manufacturing facilities in the near future which are currently operating at a restricted capacity.

With this stable platform, we continue to be in talks to secure new customers within our existing industries, such as consumer electronics, medical and automotive sectors. We strive to keep the momentum going into the next financial year.”

Dato' Alex Kang (“江邦健”)

Group Chief Executive Officer and Executive Director of EG Industries Berhad

For the three months ended 30 June 2021 (4Q21), EG Industries recorded a slight revenue decline of 1.3% to RM227.1 million from RM230.0 million in the previous year. This was due to a drop in production capacity attributed to the temporary suspension of manufacturing operations at Sungai Petani's plant from mid-June 2021 to mitigate the spread of COVID-19.

Despite this, the Group registered a net profit of RM1.0 million in 4Q21 versus a net loss of RM14.1 million previously. The improved earnings was due to a favorable product sales mix, effective control on OPEX as well as the absence of RM7.0 million one-off exceptional provisions made in the previous corresponding quarter.



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Dato' Alex concluded, "We remain cautious on the overall outlook based on the current economic situation globally. However, we have already put in the necessary measures to mitigate unforeseeable risks that may occur in the future. The Management will continue to focus on its cost cutting measure and allocate resources accordingly."

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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 approximately 3,000 employees in its manufacturing plants in Kedah, Malaysia and Prachinburi, Thailand.

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