



EG Industries 1Q23 net profit quadruples to RM9.0 million

- *Stellar growth on revenue nearly doubling to RM380.3 million from higher sales volume of data storage and consumer electronics products*
- *Optimistic on prospects in financial year ending 30 June 2023 (FY2023) on efforts to enhance overall cost-efficiency*

Sungai Petani, Kedah, Malaysia, 29 November 2022 - Electronic Manufacturing Services (EMS) provider EG Industries Berhad (EG Industries; EG 工业; Bloomberg: EG:MK) more than quadrupled its net profit to RM9.0 million for the first quarter ended 30 September 2022 (1Q23) from RM1.9 million a year ago on improved topline, gain on disposal of quoted investments and fair value gain on quoted investments.

1Q23 revenue nearly doubled to RM380.3 million from RM197.0 million previously on higher sales volume of data storage and consumer electronics products. Furthermore, sales in the previous corresponding quarter were severely impacted by the temporary shutdown of manufacturing operations following the Government-imposed Enhanced Movement Control Order in July 2021.

EG Industries' Chief Executive Officer Dato' Alex Kang was optimistic of the Group's prospects in FY2023, as the Group had proactively taken steps to manage component shortages.

“Despite continuous challenges in overall macro economy, especially on the prolonged global shortages of key components, rising inflation rate, increase of minimum wages and the weakening of Ringgit Malaysia against US Dollar, we remain optimistic of our prospects because we are deriving the benefits of reaching optimal efficiency in our manufacturing facilities at present.

We have proactively stocked up on materials to mitigate risk of components shortages and are working closely with suppliers to secure the necessary material to fulfil market demand. At the same time, we expect demand for data storage and consumer electronics products to remain robust, which bodes well for FY2023.

In the immediate term, we will continue to implement factory automation to improve overall cost-efficiency, quality and reduce reliance in labour. This will prepare EG Industries for the next level of growth when our new Smart Factory 4.0 in Batu Kawan is ready in 2024.”

Dato' Alex Kang (“江邦健”)

Group Chief Executive Officer and Executive Director of EG Industries Berhad

EG Industries is building its RM180 million Smart Factory 4.0 in Batu Kawan, Penang to potentially create more than 1,000 high-value jobs for the local community upon its commencement in 2024.

EG Industries' first fully-automated Lights-Out Smart Factory 4.0 will be situated on six-acre industrial land in Batu Kawan by wholly-owned subsidiary SMT Technologies Sdn Bhd, with a built-up area of more than 22,500 sq m for production floor area, office building and warehousing capacity. The Lights-Out methodology creates a completely networked environment that digitises material flow for autonomous manufacturing, controlled by a remote team of highly-specialised experts to manage data, production planning and quality.

Upon targeted completion of the Batu Kawan facility in 2024, EG Industries' total built-up area of its production, warehousing and offices, including its facilities in Sg Petani, Kedah, would increase by 45% from 55,000 sq m to 80,000 sq m.



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The upcoming Smart Factory 4.0 had recently attracted the attention of a few notable local and foreign customers.

Among them are US-based Cambridge Industries Group (CIG), where EG Industries had recently signed a Letter of Intent to produce Advanced High Speed Optical Signal Transmitter and Receiver for 5G wireless network (Optical Modules) using the photonics and semiconductor technologies for their global customers. This would be CIG's first-ever pioneer technology transfer to South East Asia.

Dato' Alex concluded: "Gaining the vote of confidence from global players such as CIG is a boost for us, as we would add the next-generation 5G photonic products into our portfolio, on top of expanding on the current and new range of wireless and wired access routers gateway products. In addition, we are targeting more new customers especially with our Smart Factory 4.0 in Batu Kawan. We believe that EG Industries is poised for long-term growth."

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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. The Group has a workforce of approximately 3,000 employees in its manufacturing plants in Kedah, Malaysia and Prachinburi, Thailand.

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.

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