



EG Industries 1Q24 net profit surges 20.2% to RM10.8 million

- *Higher quarterly net profit attributed to improved margins from favourable product mix and lower unrealised foreign exchange loss compared to a year ago*
- *Shareholders approve proposed warrants exercise at Extraordinary General Meeting (“EGM”)*

Sungai Petani, Malaysia, 29 November 2023 - Electronic Manufacturing Services (EMS) provider **EG Industries Berhad** (EG Industries; EG 工业; Bloomberg: EG:MK) posted 20.2% higher net profit of RM10.8 million in the first quarter ended 30 September 2023 (“1Q24”) from RM9.0 million in the previous corresponding quarter, driven primarily by improved margins from favourable product mix and lower unrealised foreign exchange loss compared to a year ago.

However, the Group’s revenue decreased 31.7% to RM259.9 million in 1Q24 from RM380.3 million in the previous corresponding quarter. The decline in revenue is mainly attributed to deferment of sales orders from consumer electronics, 5G wireless access, and photonics modular related products, to the forthcoming quarters due to the global economic slowdown and decades-high inflation in multiple markets.

Furthermore, EG Industries’ Smart Factory 4.0 in Batu Kawan, Penang, is on track for completion by early 2024 and is expected to commence operations by the second half of 2024. The RM180.0 million plant, equipped by distinct Lights-Out methodology, is dedicated to the production of next-generation technologies including 5G optical modules and other advanced components for multinational corporations (“MNCs”).

“The higher net profit recorded in 1Q24 is a mark of resilience amid a volatile global economic climate. We have invested in vigorous technology adoption, holistic research and development activity, strong design innovation, and high efficiency to generate sustainable growth.

We remain confident of our outlook for the rest of the current financial year as we venture deeper into high-value upstream activities. We expect to benefit from the robust global demand for 5G wireless and photonic modular related products.”

The Group is committed to supporting its strategic initiatives with ongoing strong focus on enhancing production yield and operational efficiency, as well as adopting new technologies to enable the Group to improve its resilience and chart future growth.”

Dato’ Alex Kang (“江邦健”)

Group Chief Executive Officer and Executive Director of EG Industries Berhad

EG Industries’ prospects are also helped by corporations diverting investment from China to Southeast Asia as part of the “China Plus One” diversification and business continuation strategy. Also, the weakening of the Malaysian Ringgit relative to the U.S. Dollar throughout the past year has boosted the Group’s appeal to foreign clients.



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At the Group's EGM today, shareholders approved a bonus issue of 225,108,037 free five-year Warrants on the basis of one warrant for every two existing shares. Based on the indicative exercise price of RM1.80 per warrant and assuming full conversion, the exercise is expected to raise up to RM405.2 million in gross proceeds over the five-year period to be utilised for the repayment of bank borrowings and as working capital to fund the Group's day-to-day operations.

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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.

Issued for and on behalf of EG INDUSTRIES BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd

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