



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 optimistic of securing more jobs going forward

- *Group receiving increased number of enquiries from multinational companies*
- *Records 9M19 net profit of RM11.3 million on topline of RM732.5 million*

Sungai Petani, Kedah, Malaysia, 30 May 2019 - Electronic Manufacturing Services (EMS) provider **EG Industries Berhad** (EG Industries; EG 工业; Bloomberg: EG:MK; Reuters: EGCM.KL) is optimistic that the Group will be able to secure more contracts going forward, leveraging on its manufacturing plants in Malaysia and Thailand.

The Group has also noted an increased number of enquiries from multinational companies, which justifies the Group's RM30 million capital expenditure that was allocated for the financial year ending 30 June 2019 to fund the purchase of automated machineries and equipment for the new manufacturing plant that was recently acquired in October 2018.

“With the global markets affected adversely by the ongoing trade war between U.S and China, we believe that this may be a blessing in disguise for us as we have been receiving more enquiries from several multinational companies. The jump in enquiries also showcases our international reputation as a vertically integrated electronic manufacturing services provider.

We are actively negotiating with potential customers to secure new contracts and we are hoping that some of these will materialize soon. With our strong track record of over 25 years and strategic locations of our production facility in Malaysia and Thailand, we are optimistic in securing more contracts going forward.”

Dato' Alex Kang (“江邦健”)

Group Chief Executive Officer and Executive Director of EG Industries Berhad

Financial results for the nine months ended 31 March 2019 (9M19)

The Group recorded 28.9% lower net profit of RM11.3 million on 3.4% weaker revenue to RM732.5 million in 9M19. The moderated performance was largely due to higher labour costs arising from the new minimum wage rate coupled with the decrease in total volume shipped for data storage products as the Group is in the midst of moving several production lines from Malaysia to Thailand.

As a comparison, EG Industries posted RM15.9 million net profit on RM758.5 million revenue in 9M18.



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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.

Issued for and on behalf of EG INDUSTRIES BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd. For media enquiries, please contact:

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