

## **LG Selects Raya Electric as Air Conditioning Manufacturing Partner**

**Cairo, Egypt, July 30 –**

Raya Electric, a subsidiary of Raya Holding for Financial Investments, signed an agreement with LG, the leading Korean home appliance company. Under this agreement, Raya Electric has started to manufacture LG-branded residential air conditioners, relying on Raya Electric's manufacturing capabilities, which are fully compatible with LG's requirements to ensure the quality of its products.

For the first time in the Middle East and Africa, Raya Electric offers its customers a Manufacturing as a Service (MaaS) business model by designing and manufacturing residential air conditioners that include more than 60% of locally produced parts. This cooperation is in line with the Egyptian government's direction to increase the localized content in the home appliances industry while ensuring the compliance of Egyptian products with the highest international standards. Raya Electric's investments amount to more than EGP 350 million to build its capabilities in research and development, and its manufacturing capabilities, with an annual production capacity of 300,000 units through its factory located in 6th of October City. The factory, built on 20,000 square meters, is equipped with the latest technology in the air conditioning industry and accredited with many international certificates to ensure quality, occupational health and safety requirements, and environmental management.

LG plans to leverage from Raya Electric's manufacturing capabilities within three years, by producing more than 100,000 units annually to meet the growing demand in the Egyptian market and studying for export to some regional markets.

Eng. Usama Zaki, CEO of Raya Electric, stated: "We are honored to be chosen as a manufacturing partner for LG, which attests to Raya Electric's manufacturing capabilities and LG's confidence as a leading global brand in the field of electronics and home appliances. Through this cooperation, Raya Electric leverages its own Original Design Manufacturing (ODM) platform, which strictly adheres to the latest Egyptian and international industry standards after passing numerous audits conducted by LG's global teams to ensure full compliance with the product design, the manufacturing, and the quality control processes for the manufactured products in accordance with LG's global standards." Eng. Usama Zaki added: "An Egyptian company, an Egyptian team, an Egyptian product designed and manufactured with specifications and quality accredited by one of the leading global brands. We are proud of what has been accomplished and the start of production, and we aspire for our products to reach the Egyptian consumer and regional and global markets, which confirms the ability of the Egyptian industry to achieve competitiveness in local and global markets."

Mr. Billy Kim, Chairman of LG Egypt, expressed LG's confidence in Raya Electric as one of the distinguished companies in Egypt to manufacture LG residential air conditioners as a first stage of cooperation between the two companies to meet the needs of the Egyptian market and regional markets that are compatible with the highest quality standards of the LG brand.

This cooperation comes in line with the Egyptian government's direction to develop local manufacturing of home appliances and confirms LG's leading role in promoting the Egyptian economy through its presence in the Egyptian market for thirty years.

Mr. Billy Kim added that the Manufacturing as a Service (MaaS) business model offered by Raya Electric for the first time in Egypt is what encouraged LG to apply the Local Supply/Local Sales business model for the first time of its kind in the world, which reflects LG's confidence in the ability of distinguished Egyptian factories to manufacture some of LG products with global quality standards.