



# V.S. Industry Berhad

(88160-P)

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## PRESS STATEMENT / SIARAN AKHBAR

(FOR IMMEDIATE RELEASE)

### **3QFY17 NET PROFIT UP 42.2% YoY TO RM50.5 MILLION**

**WHILE 9MFY17 REVENUE JUMPS 41.7% YoY TO RECORD HIGH OF RM2.30 BILLION, SURPASSING FULL YEAR REVENUE OF FY16**

- 3QFY17 revenue soared 68.2% YoY to a record quarterly high of RM854.1 million;
- 9MFY17 revenue and PATAMI jumped 41.7% YoY and 11.7% YoY to RM2.30 billion and RM119.5 million respectively;
- The surge in revenue was mainly attributed to substantial increase in sales orders from customers across all key markets;
- Outlook remains bright with better prospects ahead as VS rides on the growth of its clients to grow its top line, while prudent cost management and increase in automation level help keep cost in check.

**Johor Bahru, 13 June 2017** – V.S. Industry Berhad (“VS” or “the Group”) (“威鉞集团”), announced its Third Quarter FY17 (“3QFY17”) results today for the financial period ended 30 April 2017.

For 3QFY17, the Group posted yet another record quarterly high revenue of RM854.1 million, an increase of 68.2% year-on-year (“YoY”) from RM507.8 million a year ago. The jump in revenue was mainly due to high double-digit growth from across all three key markets – Malaysia, Indonesia and China. Meanwhile, the Group’s gross profit (“GP”) margin too improved to 15.2% in 3QFY17 as compared to 13.9% in the previous year’s corresponding quarter, contributed by increase in economies of scale and production efficiency. In line

with the top line growth and GP margin enhancement, pre-tax profit and profit after tax and minority interest ("PATAMI") surged 212.5% YoY and 161.6% YoY in 3QFY17 to RM69.8 million and RM50.5 million respectively.

On a cumulative basis, the Group recorded a 41.7% YoY jump in revenue to a record high of RM2.30 billion for its nine months period ended 30 April 2017 ("9MFY17"). It is noteworthy to mention that the 9MFY17 revenue has already surpassed the full year revenue of RM2.18 billion achieved in FY16. The revenue growth was achieved on the back of substantial increase in sales orders from its clients in Malaysia, Indonesia and China. All three geographical markets posted very healthy double-digit growth for the period under review – Malaysia (+41.8% YoY), Indonesia (+35.6% YoY) and China (+42.8% YoY). Malaysia remains VS' primary revenue contributor at 67.8%, followed by China (27.3%) and Indonesia (4.9%).

In tandem with the improved revenue, 9MFY17 pre-tax profit and PATAMI rose 32.2% YoY and 11.7% YoY to RM175.8 million and RM119.5 million respectively. The smaller-than-proportionate increase in PATAMI was mainly due to higher effective tax rate for the period arising from absence of export tax incentives enjoyed in the previous year, coupled with some non-tax deductible expenses.

**Managing Director of VS, Datuk S. Y. Gan (拿督颜森炎)**, said, "We are delighted that the growth prospects that we have been sharing with our shareholders and investors have begun to materialize and come to fruition. In our previous engagements with media, we had said our 2HFY17 results would be stronger than that of 1HFY17, and now, our 3QFY17 results have indeed proven to be so. The execution of our growth plans is on track and is starting to reflect in our financial performance from 3QFY17 onwards. With more production lines expected to come on-stream in the near future to meet the

rising demand from our clients, we believe the future looks exciting for us. Our clients are experiencing brisk sales growth with their new products, effective marketing campaigns and enhanced distribution channels. As for us, we will ride on our clients' growth, supporting them in every step of the way with our integrated manufacturing capability to produce quality products at the quantity required by them on a timely basis."

"Meanwhile, apart from pursuing new orders to grow our top line, our management team has also invested time, cost and efforts to improve production efficiency via better production line designs as well as increasing automation where feasible."

"In summary, with our revenue on the growth trajectory, coupled with careful execution and prudent cost management, we endeavor to deliver even better results next year." Datuk Gan added.

The Board has declared a 3<sup>rd</sup> interim single tier dividend of 1.5 sen for the current quarter. The total dividend per share for the current financial period is 3.9 sen as compared to 3.1 sen in the previous year corresponding period. The Group has a dividend policy of at least 40% payout of net profit.

### **About VS**

VS is one of the world's top 50 Electronics Manufacturing Services (EMS) corporations, providing integrated manufacturing solutions to multinational corporations mainly from the Europe, USA and Asia. It has advanced manufacturing facilities in Malaysia, Indonesia, China and Vietnam. Backed by a team of highly skilled and innovative R&D personnel, VSI also serves as an Original Design Manufacturer (ODM) in addition to being Original Equipment Manufacturer (OEM). Its comprehensive services include high-precision printed



circuit board assembly, plastic injection moulding, sub- and full- assembly as well as tool design and fabrication.

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Released on behalf of V.S. Industry Berhad by Capital Front Investor Relations.

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