

## VS Industry to invest USD10mil to expand manufacturing facility in Indonesia

- *Leading Electronics Manufacturing Services (EMS) provider sees Indonesia plant recording compounded annual growth rate (CAGR) of 31% over last 3 years*
- *Targets 20% contribution to group revenue in 3 years*
- *Announces 1H12 results and declares 2<sup>nd</sup> interim tax-exempt dividend of 2.0 sen/share*

Johor Bahru, Malaysia, 29 March 2012 - V.S. Industry Berhad (VSI, Bloomberg: VSI MK; Reuters: VSID:KL), listed among the world's top 50 EMS providers, expects its Indonesian operations to contribute more than 10% of group revenue for the financial year ending 31 July 2012 (FY2012), in view of its positive performance in the first half ended 31 January 2012 (1H12).

During 1H12, the Group's Indonesian operations saw 38.0% increase in revenue to RM65.9 million, versus 1H11's RM47.7 million, effectively contributing 12% to group revenue of RM548.2 million in 1H12.

Meanwhile, the Malaysian operations continued its uptrend, posting 6.5% growth to RM475.0 million in 1H12, compared to RM445.8 million in the previous corresponding period.

"We are encouraged by the uptrend in sales orders for our Indonesia operations. In fact, the Indonesia plant has also grown in significance to the Group, with revenue contribution rising from 4% in FY2008 to 9% in FY2011, and now exceeding 10% for the first time at 12% in 1H12.

Our strategic presence in the emerging economy, coupled with our track record in providing a comprehensive EMS solution, places us in good stead to reinforce our position in Indonesia in the future.

We target for the Indonesia plant to contribute 20% of group revenue in three years' time, as we aim to expand alongside our existing customers and secure new ones during this period."

**Mr. Gan Sem Yam (顏森炎)**  
Managing Director of V.S. Industry Berhad



# V.S. INDUSTRY BERHAD

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On a compounded annual basis, revenue from the Group's Indonesia plant grew 30.8% from RM41.5 million in FY2008 to RM92.9 million in FY2011.

The Indonesia plant in Jakarta, with a total production space of 6,185 square meter, provides integrated EMS services from production of printed circuit boards and automated assembly, to final processes of packaging and logistics. The plant serves multinational clientele from Japan, US, and Europe.

The Group had in late FY2011 invested a capital expenditure (CAPEX) of USD2.9 million acquire new factory land area of more than 25,400 sq meter to expand its production facility to cater to the increased clientele in Indonesia.

Going forward in the next two financial years, the Group plans to invest further CAPEX of USD10.0 million to construct the new plant with plastic injection capabilities.

VSI announced its 1H12 financial results today, where group revenue rose 9.0% to RM548.2 million from RM502.9 million on the back of higher sales orders in both its Malaysia and Indonesia operations.

However, group net profit stood at RM18.2 million in 1H12 compared to RM23.1 million in the previous corresponding period, resulting from increased competition in the EMS sector and share of losses from associate.

Financial Summary (Unaudited Consolidated Results)						
RM'000	2Q12 to 31.1.12	2Q11 to 31.1.11	Change	1H12 to 31.1.12	1H11 to 31.1.11	Change
Revenue	265,769	255,513	4.0%	548,207	502,907	9.0%
Gross Profit	32,725	36,422	(10.2%)	68,808	73,626	(6.5%)
Operating Profit	10,525	16,477	(36.1%)	26,952	36,357	(25.9%)
Share of Associates	(183)	(807)	77.3%	(2,317)	(1,086)	(113.4%)
Pre-tax Profit	9,027	14,121	(36.1%)	21,957	32,249	(31.9%)
Net Profit to Shareholders	6,642	10,100	(34.2%)	18,232	23,114	(21.1%)
Basic EPS (sen)	3.66	5.60	(34.6%)	10.05	12.86	(21.9%)

In line with its dividend policy, the Board of VSI declared its second interim single tier dividend of 2.0 sen per share, translating to dividend payout of RM3.6 million. The dividend is payable on 3 May 2012 to shareholders whose names appear on the Company's Record of Depositors on 20 April 2012.

"While the prospects of the EMS sector largely trace the consumer sentiment and the general economic cycles, VS endeavours to establish a diverse clientele within the consumer electronics sector, which allows us to mitigate the challenging global economy," concluded Gan.



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## About V.S. Industry Berhad (“威城集团”, [www.vs-i.com](http://www.vs-i.com))

V.S. Industry is a leading integrated Electronic Manufacturing Services (EMS) provider for world-renowned brand names of electrical and electronic products for office and household sectors.

With advanced manufacturing facilities in Malaysia, Indonesia, Vietnam and China, V.S. Industry offers full-service manufacturing solutions to multinational corporations from Europe, Japan and USA. Its extensive manufacturing services include plastic injection mould design & fabrication, wide range of injection tonnage, finishing processes, large scale production of printed circuit boards, automated assembly, and final processes of packaging & logistics.

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