



## **PRESS RELEASE**

### **FROM STRENGTH TO STRENGTH**

#### **35% Jump in Net Profit with Record Revenue of S\$2.37b**

**SINGAPORE – 28 February 2003** – Mainboard-listed Venture Corporation Limited, a leading global electronics services provider today reported yet another set of sterling results for the fiscal year ended 31 December 2002, with revenue making a 65% leap to reach an all time high of S\$2.37b. Net profit for the year also reached a record S\$181m, an increase of 35% compared to the previous year. This was despite higher depreciation and amortization of S\$43m compared to last year's S\$28m, and a foreign exchange loss of S\$13m compared to gain of S\$8m in 2001.

CEO Wong Ngit Liong said, "In spite of soft market conditions and unabated price erosion, Venture has been able to achieve tremendous progress in 2002. Not only have we achieved exponential growth in revenue and profit, there were major advances in world-class competencies on many fronts."

#### **Performance by Lines of Business & Product Segments**

All three lines of business continued to show strong growth. The Electronics Manufacturing Services (EMS) business remained the biggest contributor to the Group's activities at 77%, while the E-Fulfillment Services (EFS) and the Original Design Manufacturing (ODM) businesses contributed 12% and 11% respectively.

"The combined contribution from EFS and ODM activities of 23%, as compared to 19% in 2001 is in line with our strategy to better balance our activities to provide superior end-to-end solutions for our customers," said Mr Wong, who also pointed out that the Group had changed its name from "Venture Manufacturing (Singapore) Limited" to "Venture Corporation Limited" in May last year as a reflection of its commitment to this strategy.



Despite what was generally acknowledged to be a challenging year for the electronics industry, the Group experienced sustained demand growth for the various product segments. This was due to market share improvement from existing customers as well as business from new customers sourcing for lower cost solutions in Asia.

“Our global customer base expanded significantly, and in particular, we are encouraged by the addition of several European customers, and a growing interest from Japanese OEMs,” Mr. Wong said.

Contributing 27% to the Group revenue, the Computer Peripherals/Data Storage segment registered the highest year-on-year growth of 129% compared to 2001. The Printing/Imaging and Networking/Communications segments registered strong growth and contributed 40% and 25% respectively. In terms of year-on-year growth, the Printing/Imaging segment was up 59%, while the Networking/Communications segment increased 31%. Products in the “others” category, which contributed 8% to group revenue, saw a significant 77% year-on-year increment. Overall, the Group also managed to achieve good product diversification across the volume-mix spectrum, and added new products such as photo-finishing products, medical and laser equipment, energy control units, satellite base communication devices to its overall portfolio.

Although the Group made three acquisitions during the year, contribution from these transactions to the bottom line was not significant. This is due to the fact that the acquisition of a 67% stake in Univac Precision Engineering Pte Ltd was completed only in July, while the acquisitions of Iomega (Malaysia) Sdn Bhd, and of the PCBA operations from Agilent Technologies Inc were completed in November.

### **Balance Sheet**

With its sterling performance, the Group’s balance sheet received a further boost. Shareholders’ equity increased 42% to S\$943m, while earnings per share at 77 cents, was 32% higher than that for 2001. Net asset per share was also higher at S\$3.92, an increase of



36% compared to the previous year. There was also substantial growth in cash and cash equivalents from S\$299m in 2001 to S\$414m last year.

### **Dividend**

For the year 2002, the Board of Directors have proposed a final dividend of 15% and a bonus dividend of 15% on a tax-exempt basis. This is 10% higher than last year's total tax-exempt payment of 20%.

### **Outlook**

As to the outlook for the year, Mr. Wong said, "There are mixed signals of recovery in end-market demand with downside risks due to any protracted conflict in the Middle East. The operating environment is generally expected to remain challenging."

However, he believes that with its sound strategy, innovative business models and superb execution, the Group is well-positioned to overcome all challenges and further improve its market share. Mr. Wong also said that the Group would continue to enhance its global presence, particularly by building up its clusters of excellence in North-East Asia, Europe and the Americas. Combining synergistically with its South-East Asia cluster of excellence, the Group seeks to continually optimize the utilization of resources globally and to provide an integrated range of world-class end-to-end supply chain solutions at lower cost. In addition, the Group plans to intensify its efforts to develop and acquire new technologies, through its own internal research and development programmes and collaboration with strategic partners.

"In this fast-changing, highly competitive industry, it is our strategy to perpetually grow new competencies and technical capabilities to ensure that we stay several steps ahead of competition," said Mr. Wong.



### ***About Venture Corporation***

Venture Corporation Limited aims to be the best and most reliable electronics services provider and strategic global partner for successful global companies by providing end-to-end expertise in electronics manufacturing services (EMS), original design & manufacturing (ODM) and e-fulfillment services (EFS). Founded in 1984, the Venture group comprises 27 companies with global clusters of excellence in South-East Asia, North-East Asia, the Americas and Europe. Top Fortune 500 companies including HP, Agilent, Cisco Systems, IBM, Motorola as well as other up-and-coming multi-nationals have selected Venture as their global strategic partner for their long-term manufacturing, engineering, product development and design and supply chain management needs.

Today, Venture is ranked among the top Electronics Services Provider (ESP) companies in the world, bearing testimony to its consistent performance, flawless execution and world-class quality. Venture is recognized to be one of the companies with the strongest management and technical expertise in the industry. Venture has received numerous accolades from its customers such as “Supplier of the Year” and “Successful Strategic Partnership”, and from the financial media such as “Amongst Singapore’s Best Managed Companies” by both Asiamoney and FinanceAsia in 2002. In October 2002, its Chief Executive Officer, Wong Ngit Liong was awarded the Ernst & Young Entrepreneur of the Year and Master Entrepreneur Awards.

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