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Speech by Ms Chen Yew Nah

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At the “Fastest Growing 50” 2011 Press Conference

August 16, 2011

- 1 Ladies and Gentlemen,
- 2 On behalf of DP Information Group, I would like to thank you for attending this morning’s press conference to announce the Fastest Growing 50 Companies in Singapore for 2011.
- 3 This is the tenth anniversary of the Fastest Growing 50 or FG50 Awards. Its longevity comes from the unique criteria that surfaces surprising new companies every year.
- 4 The reason this FG50 Award remains so difficult to win is that the criteria we use for selection is extremely tough.

- 5 Of the hundreds of thousands of companies in Singapore, only a couple hundred even meet the strict criteria.
- 6 It is from the best performing of this select group that we get the final 50 Award Winners.
- 7 Let me explain how we do it.
- 8 To qualify for the FG50, a company must fulfil 4 criteria:
 - 9 Firstly, they must be in operation for the past 4 consecutive years.
 - 10 Secondly, they must achieve a minimum of 10% turnover growth every year for the last four years.
 - 11 Next and most importantly – they must remain profitable during each of the last three years.
 - 12 Lastly, the company's financials must be fair and true, according to the auditors, for all 4 years.
 - 13 Only then will the top qualifying companies, be ranked based on their 3-year Compounded Annual Growth Rate or CAGR.
 - 14 Following our analysis of this year's results, we noticed several interesting developments that I would like to share with you.

- 15 Firstly, despite the strong performance of the Top 50, there was a dramatic 40% drop in the number of companies meeting the tough criteria, in terms of turnover, from 364 to 217, as most companies felt the force of the global financial crisis.
- 16 The global financial crisis has had a clear impact on the growth ambitions of many companies. But, even against the backdrop of one of the worst economic downturn in memory, a good number of companies still delivered excellent results.
- 17 This select group of companies are the Construction firms and SMEs.
- 18 This is evidenced by a record 17 SMEs that are in the FG50 List. This indicates that smaller companies were able to respond to the post-crisis conditions. In comparison, there were only 10 SMEs in 2010. The previous highest number was 16 in 2008.
- 19 Thirdly, I will now look at the star performer for this year – Construction.
- 20 In 2006, not a single construction firm made the FG50 list.
- 21 Since then, the number of construction firms has increased every year for the last five years.
- 22 This year, construction has 11 award winners, seven of which are SMEs.

- 23 Only the wholesale sector – the traditional powerhouse of the Singapore economy – contributed more winners with 12 companies on the list.
- 24 Fourthly, we noticed there were several changes in the characteristics of the winning companies.
- 25 The number of companies with a DP1-4 Credit Rating increased to a high of 66%, compared to 46% last year.
- 26 DP1-4 is considered an investment grade credit rating, and indicates a company has a very low probability of defaulting on any debt.
- 27 If a company fuels its growth through unsustainable debt, then its credit rating will suffer.
- 28 Many of the winning companies have strong balance sheets and were able to rely on internal resources to keep growing during the crisis.
- 29 During the Top 50 Awards Luncheon tomorrow, we will also be honouring the Top 10 Internationalizing companies.
- 30 Similar to the FG50 qualifying criteria, a company must achieve a minimum of 10% turnover growth every year for the last three years, they must remain profitable during each of the last two years.

- 31 And then they will be ranked based on their 2-year overseas revenue CAGR.
- 32 Lastly, we observed that this year's Top 10 Internationalizing Winner - Sapphire Corporation Limited - epitomizes the star performance of the Construction industry. They are ranked both in our Top 10 Internationalizing List and in our FG50 List as well.
- 33 That is why we are very proud to have Mr Teo Cheng Kwee with us today. Sapphire's foray into the construction market in China is what companies in Singapore should try to leverage on.
- 34 Also joining us today is Mr Ma Shixun, his company - Parthnon Derivatives Pte Ltd, deals with metals and as such benefits from Construction's stellar performance this year.
- 35 Ladies and Gentlemen, I would like to acknowledge the other organisations that make the FG50 possible.
- 36 Each year, we receive invaluable support and input from Ernst & Young, IE Singapore, SPRING Singapore, IDA Singapore, Singapore Business Federation and The Business Times.
- 37 Our Key Sponsor is HSBC Singapore - a company that for more than 130 years has helped companies achieve their growth ambitions, especially those doing business overseas.

38 I would also like to extend each of you an invitation to join us at tomorrow's Awards Luncheon at the Raffles City Convention Centre.

39 Thank you.

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