



Hi-P International  
Limited



# FY2010 Results Briefing

22 Feb 2011

*The Integrated  
Electro-Mechanics  
Solution Provider*





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# FY2010 Overview

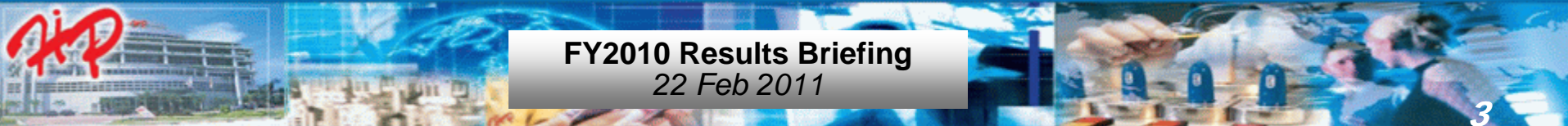
Mr. Yao Hsiao Tung  
Executive Chairman & CEO





# FY2010 Key Financial Highlights (YOY)

(S\$m)	FY10	FY09	YOY % Chg
Revenue	957.7	749.9	27.7
Gross Profit	181.5	135.4	34.1
Pretax Profit (PBT)	88.3	64.2	37.5
Tax expense	-21.3	-11.0	94.7
Net profit (PAT)	66.9	53.2	25.8
EPS (S cts)	7.79	6.15	26.7
NAV/Share (S cts)	68.32	66.16	3.3





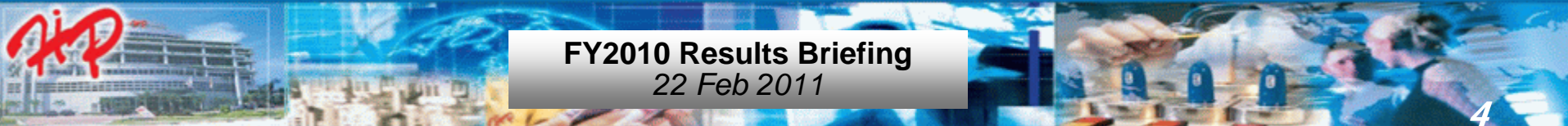
# FY2010 Key Financial Highlights (YOY)

## Revenue up by 27.7% vs FY2009

- Ramp up of new projects

## Gross profit increased 34.1% vs FY2009

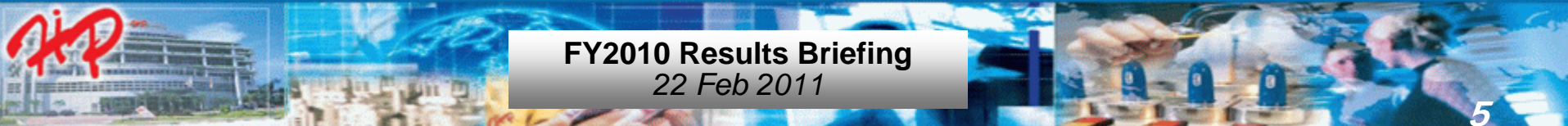
- Economies of scale
- Improved productivity
- Product mix
- Effective overall cost control





# Key Financial Highlights (QOQ)

(S\$m)	4Q10	4Q09	YOY % Chg	3Q10	QOQ % Chg
Revenue	343.8	170.5	101.7	285.5	20.4
Gross Profit	82.0	21.7	278.0	64.6	26.9
Pretax Profit (PBT)	47.7	6.4	647.8	38.8	22.9
Tax expense	-11.8	-2.2	433.2	-5.6	110.7
Net profit (PAT)	35.9	4.2	762.1	33.2	8.0
EPS (S cts)	4.15	0.50	730.0	3.83	8.4
NAV/Share* (S cts)	68.32	66.16	3.3	64.11	6.6





# 4Q2010 Key Financial Highlights (QOQ)

## Revenue up by 101.7% vs 4Q2009

- Ramp up of new projects

## Gross Profit increased 278.0% vs 4Q2009

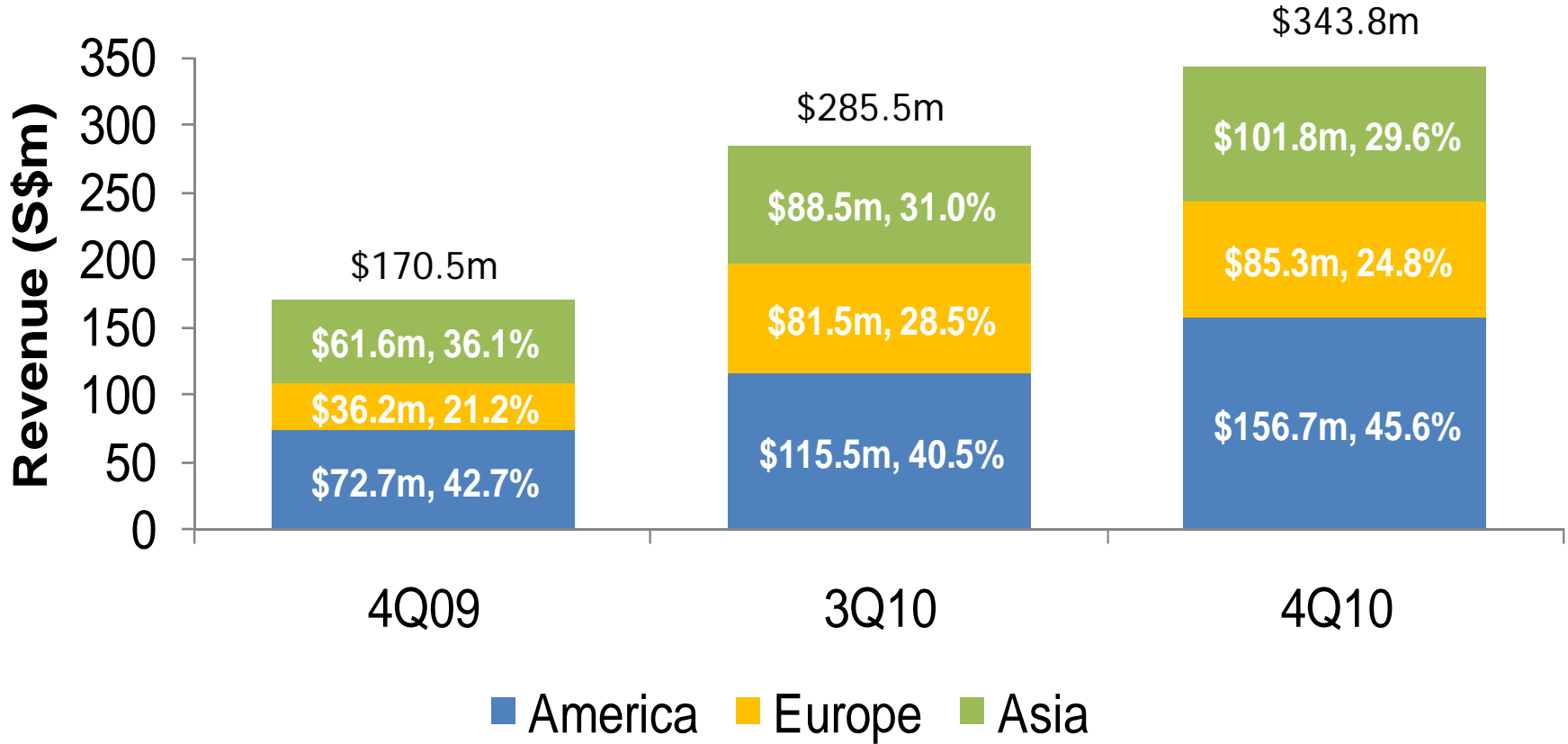
- Economies of scale
- Improved productivity
- Product mix
- Effective overall cost control



# Revenue by Geographical Segmentation



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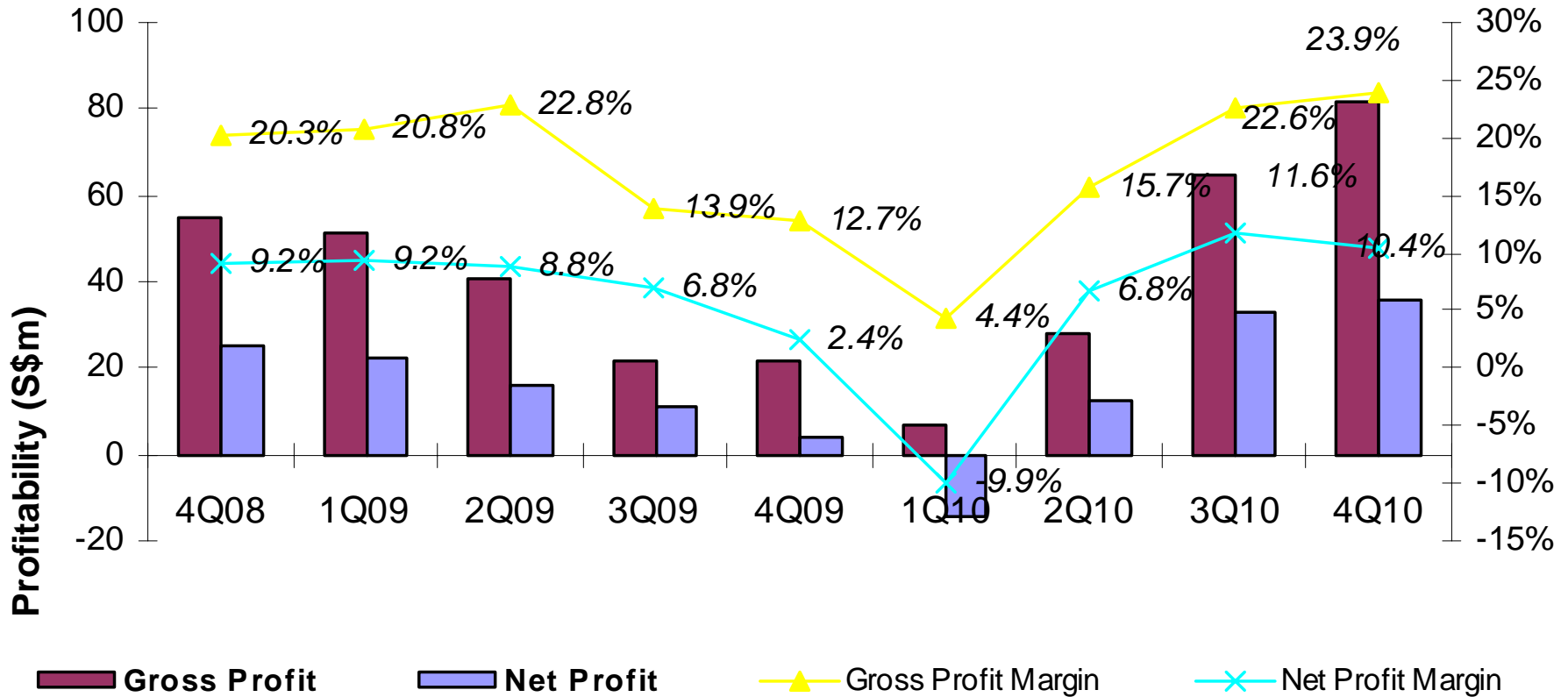
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# Profitability Status



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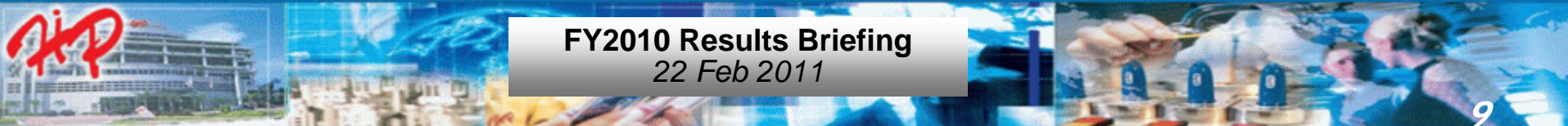






# Cash Flow Statement

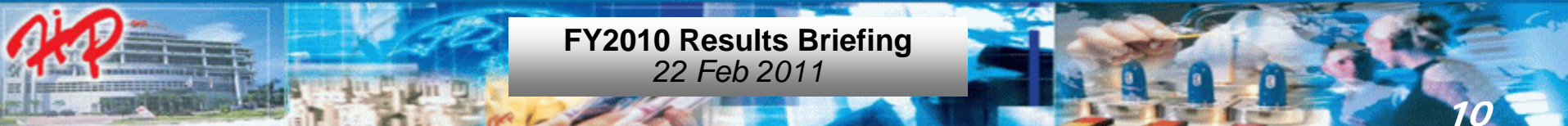
<b>Category</b>	<b>FY10 S\$ m</b>	<b>FY09 S\$ m</b>
<b>Net cash generated from operations<sup>1</sup></b>	<b>66.9</b>	<b>192.6</b>
<b>Net cash used in investing activities<sup>2</sup></b>	<b>-35.6</b>	<b>-52.5</b>
<b>Net cash used in financing activities<sup>3</sup></b>	<b>-53.2</b>	<b>-28.1</b>
<b>Net Cash at end of year</b>	<b>211.1</b>	<b>241.5</b>





# Cash Flow Statement

- <sup>1</sup> - Net cash from operations of S\$66.9m generated mainly due to
  - Operating cash flow before changes in working capital (S\$162.4m)
  - Increase in inventories (S\$44.5m)
  - Increase in trade and other receivables (S\$139.6m)
  - Increase in trade and other payables (S\$95.1m)
  
- <sup>2</sup> - Net cash used in investing activities of S\$35.6m mainly due to
  - Capital expenditure (S\$31.3m)
  
- <sup>3</sup> - Net cash used in financing activities of S\$53.2m in FY10 mainly due to
  - Purchase of treasury shares (S\$26.2m)
  - Dividends (S\$26.1m)

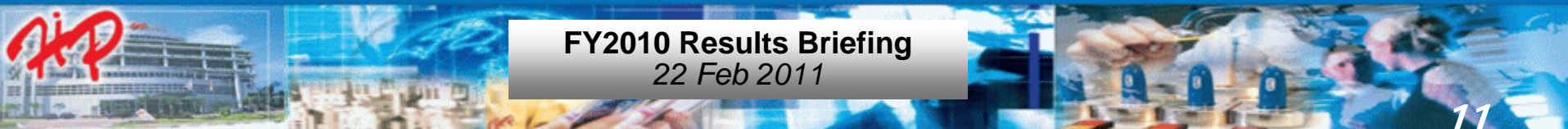


# Strong Balance Sheet, Net Cash Position



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<b>Category</b>	<b>31 Dec 10 S\$ m</b>	<b>31 Dec 09 S\$ m</b>
<b>Net Cash</b>	<b>211.1</b>	<b>241.5</b>
<b>Gearing</b>	<b>0.7%</b>	<b>0.9%</b>



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# Business Updates

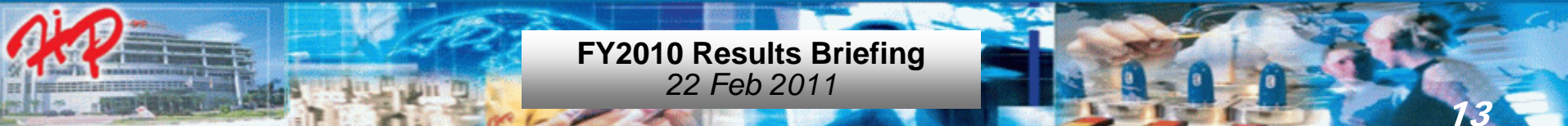




# Business Updates

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- ❑ New projects in 4Q2010 expected to continue contributing in 1Q2011, but lower volumes are expected due to seasonality factors
  
- ❑ Financial position remains healthy
  
- ❑ Competition remains keen, leading to pricing pressure
  
- ❑ Increasing labour costs
  
- ❑ US dollar continues to weaken





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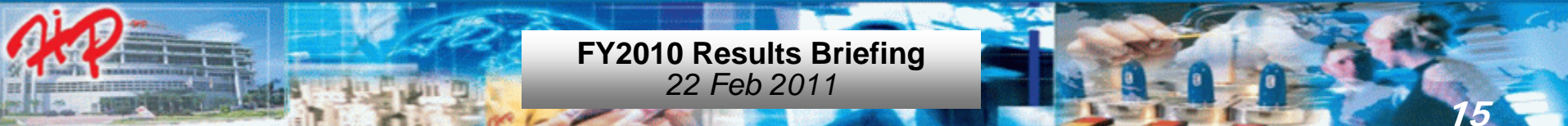
# Earnings Outlook





# Earnings Outlook

- ❑ Expects significantly higher revenue and profit in 1Q 2011 as compared to 1Q 2010 but lower revenue and profit as compared to 4Q 2010 due to seasonality factors.
- ❑ Expects higher revenue and profit in FY2011 as compared to FY 2010.





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# Future Plans



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# Future Plans

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- Strengthen execution foundations
  - Grow talent pool
  - Enhance systems & procedures
  
- Continue to drive cost improvement
  - Lean manufacturing
  - Automation
  - Consolidation of operations
  
- Grow revenue & profitability
  - Continue to grow business with existing customers
  - Diversify market segment and customer base
  
- Enhance vertical integration
  - Develop leading edge process technology
  - Broaden process, product and services offering





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# Thank You

## Q & A

For Investor Relations Enquiries, please contact:



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