



Hi-P International
Limited



2Q2013 Results Briefing

2 Aug 2013

*The Integrated
Electro-Mechanics
Solution Provider*



2Q2013 Overview

Mr. Yao Hsiao Tung
Executive Chairman & CEO





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Key Financial Highlights

(S\$m)	2Q13	2Q12	YOY % Chg	1Q13	QOQ % Chg
Revenue	285.0	251.8	13.2	267.6	6.5
Gross profit	28.4	15.1	88.1	30.2	(5.8)
Pretax profit (PBT)/ (loss)	12.6	(2.3)	n.m.	8.3	52.1
Tax (expense)/ credit	(1.7)	0.2	n.m.	(1.4)	22.6
Net profit (PAT)/ (loss)	10.9	(2.1)	n.m.	6.9	58.1
EPS (S cts)	1.32	(0.25)	n.m.	0.83	59.0
NAV/Share (S cts)	73.69	68.76	7.2	71.90	2.5

Note: QOQ and YOY change is calculated based on figures in thousands



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2Q2013 Key Financial Highlights (YOY)



Revenue increased by 13.2% mainly contributed by increased orders from existing customers

Bottom line turnaround from a net loss to a net profit due to:

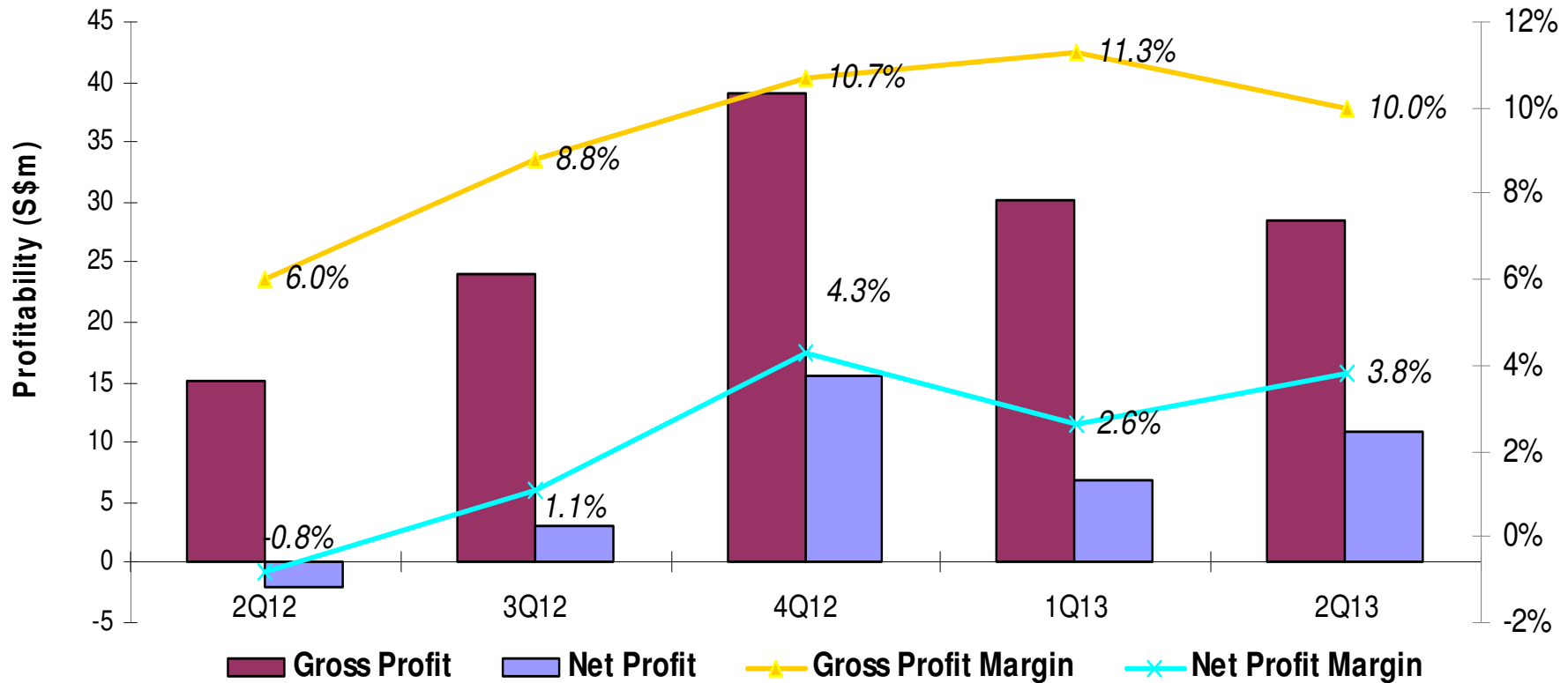
- Positive shift in product mix
- Organizational decentralization led to better management of volatile business environment



Profitability Status



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Cash Flow Statement

Category	2Q13 S\$ m	2Q12 S\$ m
Net cash generated from/ (used in) operations ¹	23.9	(30.5)
Net cash used in investing activities ²	(20.0)	(27.1)
Net cash (used in)/ generated from financing activities ³	(24.3)	58.7
Cash and cash equivalents at end of period	188.6	234.6



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Cash Flow Statement

- ¹ - Net cash generated from operations of S\$23.9m mainly due to
- Operating cash flow before changes in working capital (S\$37.7m)
 - Increase in inventories (S\$27.4m)
 - Increase in trade and other payables (S\$19.5m)
 - Increase in trade and other receivables (S\$12.2m)
 - Increase in accrued operating expenses (S\$8.4m)
 - Income tax paid (S\$2.1m)



Cash Flow Statement

² - Net cash used in investing activities of S\$20.0m mainly due to

- Purchase of PPE (S\$15.8m)
- Acquisition of land use rights (S\$6.7m)

³ - Net cash used in financing activities of S\$24.3m mainly due to

- Net repayment of loans & borrowings (S\$10.8m)
- Dividend paid on ordinary shares (S\$9.9m)
- Purchase of treasury shares (S\$6.1m)



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CAPEX Update

For 1H2013, CAPEX amounted to:

- S\$19.8m for purchase of PPE

For FY2013, CAPEX is estimated at S\$80m

- For Nantong:
 - S\$4.5m for purchase of PPE in 1H2013
 - S\$32.0m will be allocated for purchase of PPE in 2H2013





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Healthy Balance Sheet, Net Cash Position

Category	30 Jun 13 S\$ m	31 Dec 12 S\$ m
Net Cash	85.2	34.3



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Business Updates



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Business Situation Updates

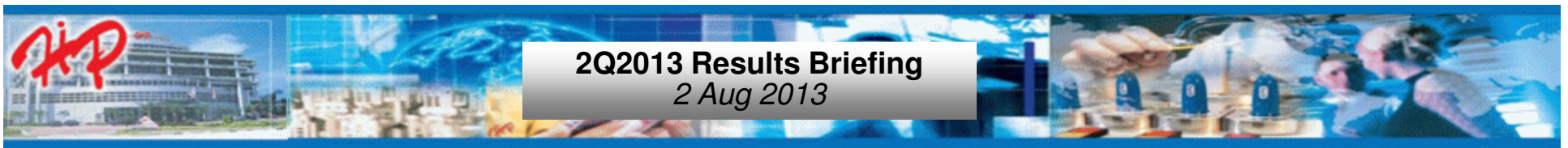
- Existing and new projects will contribute to FY2013 performance
- Development of new business opportunities
- Pursue more allocations from existing programs
- Develop new capabilities to align with market trends
- Continue to focus on currency volatility management
- Financial position remains healthy



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Ongoing Plans

- ❑ Diversify customer & industry base
- ❑ Construction of Nantong plant in progress
- ❑ Gain momentum in business development
- ❑ Prudent and effective investment in capex
 - ❑ Capex for FY2013 to be around S\$80m (similar to depreciation)





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Earnings Outlook





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Earnings Outlook

- ❑ The Group expects to record higher revenue and profit in 3Q2013 as compared to 3Q2012.
- ❑ The Group expects to record higher revenue and profit in 2H2013 as compared to 1H2013.
- ❑ The Group expects higher revenue and profit in FY2013 as compared to FY2012.
- ❑ Continue to deliver value to shareholders through profitability and growth.



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Thank You

Q & A

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