



# Hi-P INTERNATIONAL LIMITED

Bringing value to our customers through quality & technology

[www.hi-p.com](http://www.hi-p.com)

## 1Q2014 Results Briefing

The Integrated

Electro-Mechanics

Solution Provider



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# 1Q2014 Overview

Mr. Yao Hsiao Tung  
Executive Chairman & CEO

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# Key Financial Highlights



<b>(S\$m)</b>	<b>1Q14</b>	<b>1Q13</b>	<b>YOY % Chg</b>	<b>4Q13</b>	<b>QOQ % Chg</b>
<b>Revenue</b>	<b>178.9</b>	<b>267.6</b>	<b>(33.1)</b>	<b>344.5</b>	<b>(48.1)</b>
<b>Gross profit</b>	<b>3.4</b>	<b>30.2</b>	<b>(88.8)</b>	<b>15.1</b>	<b>(77.7)</b>
<b>Pretax (loss)/ profit (PBT)</b>	<b>(12.3)</b>	<b>8.3</b>	<b>n.m.</b>	<b>(13.5)</b>	<b>(9.2)</b>
<b>Tax credit/ (expense)</b>	<b>0</b>	<b>(1.4)</b>	<b>n.m.</b>	<b>(1.0)</b>	<b>n.m.</b>
<b>Net (loss)/ profit (PAT)</b>	<b>(12.3)</b>	<b>6.9</b>	<b>n.m.</b>	<b>(14.5)</b>	<b>(15.4)</b>
<b>EPS (S cts)</b>	<b>(1.50)</b>	<b>0.83</b>	<b>n.m.</b>	<b>(1.77)</b>	<b>(15.3)</b>
<b>NAV/Share (S cts)</b>	<b>70.18</b>	<b>71.90</b>	<b>(2.4)</b>	<b>73.09</b>	<b>(4.0)</b>

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

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# Key Financial Highlights (YOY)

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## 1Q2014 vs 1Q2013

Revenue decreased by 33.1% mainly due to:

- Lower sales volume from key customers

Bottom line impacted by:

- Slower pace of decrease in labour costs
- Change in product mix
- Low manufacturing yield and efficiency during initial stage of new projects
- Net fair value loss on forex hedging

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# Cash Flow Statement



<b>Category</b>	<b>1Q14 S\$ m</b>	<b>1Q13 S\$ m</b>
<b>Net cash generated from operations <sup>1</sup></b>	<b>67.7</b>	<b>74.6</b>
<b>Net cash used in investing activities <sup>2</sup></b>	<b>(13.9)</b>	<b>(13.1)</b>
<b>Net cash used in financing activities <sup>3</sup></b>	<b>(18.9)</b>	<b>(26.0)</b>
<b>Cash and cash equivalents at end of period</b>	<b>164.5</b>	<b>204.7</b>

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# Cash Flow Statement

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1 - Net cash generated from operations of S\$67.7m is mainly due to

- ❑ Operating cash flow before changes in working capital S\$13.5m
- ❑ Decrease in trade and other receivables S\$130.1m
- ❑ Decrease in trade and other payables (S\$75.2m)

2 - Net cash used in investing activities of S\$13.9m is mainly due to

- ❑ Purchase of PPE (S\$14.8m)

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# Cash Flow Statement

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3 - Net cash used in financing activities of S\$18.9m is mainly due to

- Net repayment of loans & borrowings (S\$25.2m)
- Decrease in short term deposits pledged S\$7.0m

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# Capex Update

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- For 1Q2014, CAPEX amounted to S\$9.1m.
- For FY2014, CAPEX is estimated to be around S\$86m.

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# Net Cash Position



<b>Category</b>	<b>31 Mar 14 S\$ m</b>	<b>31 Dec 13 S\$ m</b>
<b>Net Cash</b>	<b>86.8</b>	<b>35.7</b>

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# Business Updates

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# Business Situation Update

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- Volatile market situation and pricing pressure
- Diversification of product markets and customer base
- Low manufacturing yield and efficiency during initial stages of new projects
- Continue to focus on currency volatility management
- Financial position remains healthy

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# Earnings Outlook

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# Earnings Outlook

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- The Group expects lower revenue in 2Q2014 as compared to 2Q2013, and expects to record a loss in 2Q2014.
- The Group expects higher revenue and lower loss in 2Q2014 as compared to 1Q2014.
- The Group expects lower revenue but higher profit in FY2014 as compared to FY2013.

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# Thank You

## Q & A

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Succeed Together...*