

Hi-P INTERNATIONAL LIMITED

Bringing value to our customers through quality & technology

www.hi-p.com

FY2014 Results Briefing

The Integrated

Electro-Mechanics

Solution Provider



FY2014 Overview

Mr. Yao Hsiao Tung
Executive Chairman & CEO

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FY2014 Financial Highlights



(S\$m)	FY14	FY13	% Chg
Revenue	951.4	1,262.5	(24.6)
Gross profit	70.0	97.6	(28.2)
Pretax profit (PBT)	15.7	11.2	40.5
Tax expense	(5.2)	(4.8)	9.6
Net profit (PAT)	10.5	6.4	63.5
EPS (S cts)	1.28	0.78	64.1
NAV/Share (S cts)	74.14	73.09	1.4

Note: % change is calculated based on figures in thousands

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FY2014 Financial Highlights



FY2014 vs FY2013

Revenue decreased by 24.6%:

- Mainly due to lower sales volumes from 2 key customers
- Partially offset by orders from existing and new customers

Net profit increased by 63.5% due to:

- No further costs incurred in connection with the consolidation and relocation of TJ plant to our SZ plant
- Absence of PPE impairment due to fire incident
- Reversal of warranty provision
- Insurance claim
- Gain on liquidation of subsidiary
- Continuous improvement on cost control

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4Q2014 Financial Highlights



(S\$m)	4Q14	4Q13	YOY % Chg	3Q14	QOQ % Chg
Revenue	314.4	344.5	(8.7)	245.7	27.9
Gross profit	29.6	15.1	95.9	23.1	28.2
Pretax profit/ (loss) (PBT)	18.1	(13.5)	n.m.	13.4	35.0
Tax expense	(3.1)	(1.0)	217.5	(2.6)	17.8
Net profit/ (loss) (PAT)	15.0	(14.5)	n.m.	10.8	39.2
EPS (S cts)	1.83	(1.77)	n.m.	1.32	38.6
NAV/Share (S cts)	74.14	73.09	1.4	71.43	3.8

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

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4Q2014 Financial Highlights



4Q2014 vs 4Q2013

Revenue decreased by 8.7%:

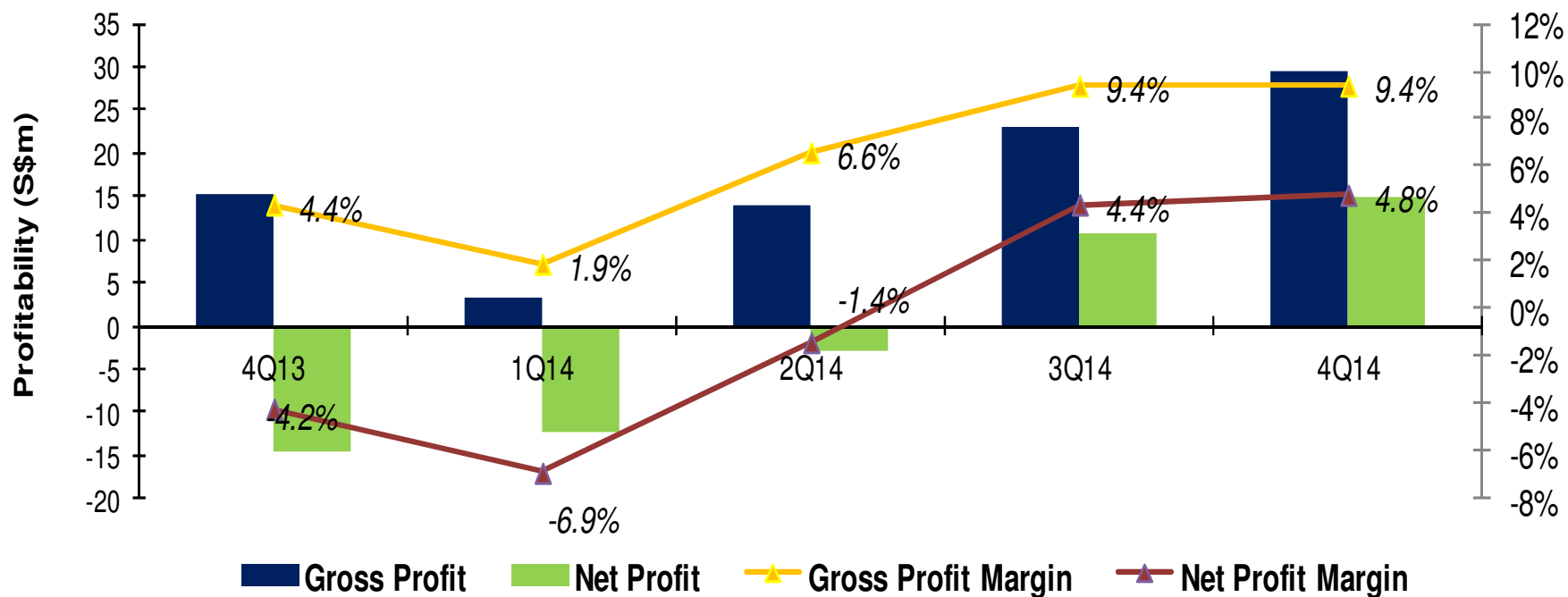
- Mainly due to lower sales volumes from 2 key customers
- Partially offset by orders from existing and new customers

Net profit increased to S\$15.0m in 4Q14 (4Q13: loss S\$14.5m)

- Positive shift in product mix
- No further costs incurred in connection with the consolidation and relocation of TJ plant to our SZ plant
- Reversal of warranty provision
- Gain on liquidation of subsidiary
- Continuous improvement on cost control

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Profitability



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Capex Update



- For FY2014, CAPEX amounted to S\$113.9m

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Net Cash/Debt Position



Category	31 Dec 14 S\$ m	31 Dec 13 S\$ m
Net (Debt) / Cash	(2.2)	35.7

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Business Updates

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Business Situation Update



- ❑ Accelerated build up of metal component capabilities
- ❑ Improving cost efficiency from the consolidation of operations
- ❑ Continuous diversification of customer base and product segments
- ❑ Co-investment from customers on certain projects pave way for long-term partnerships
- ❑ Phase 1A Nantong plant construction on schedule; currently testing machinery target to commence production from end 1Q2015
- ❑ Volatile market situation and pricing pressure
- ❑ Continue to focus on currency volatility management

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Earnings Outlook

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Earnings Outlook



Barring any other unforeseen circumstances, the Group wishes to guide its performance as follows:

- ❑ The Group expects higher revenue in 1Q2015 as compared to 1Q2014. The Group expects to record a loss in 1Q2015.**
- ❑ The Group expects higher revenue and profit in FY2015 as compared to FY2014.**

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Thank You

Q & A

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Succeed Together...*