

Financial Statement and Dividend Announcement for the quarter ended 30 September 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) Income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q 3-15	Q 3-14	Increase/ (decrease)	YTD	YTD	Increase/ (decrease)
	S\$'000	S\$'000	%	Q 3-15	Q 3-14	%
				S\$'000	S\$'000	
Revenue	394,180	245,748	60.4	988,637	636,967	55.2
Cost of sales	(340,677)	(222,650)	53.0	(917,688)	(596,564)	53.8
Gross profit	53,503	23,098	131.6	70,949	40,403	75.6
Other items of income						
Interest income	330	482	(31.5)	2,244	1,758	27.6
Other income	4,636	3,066	51.2	9,056	10,631	(14.8)
Other items of expense						
Selling and distribution expenses	(3,706)	(1,839)	101.5	(9,199)	(5,491)	67.5
Administrative expenses	(22,247)	(15,698)	41.7	(58,874)	(47,883)	23.0
Financial costs	(1,225)	(285)	329.8	(3,001)	(1,122)	167.5
Other expenses	(3,575)	4,549	n.m.	(4,039)	(826)	389.0
Share of results of associates	167	62	169.4	407	110	270.0
Profit/ (loss) before tax	27,883	13,435	107.5	7,543	(2,420)	n.m.
Income tax expense	(3,558)	(2,663)	33.6	(4,984)	(2,107)	136.5
Profit/ (loss) for the period	24,325	10,772	125.8	2,559	(4,527)	n.m.
Attributable to:						
Owners of the Company	24,324	10,766	125.9	2,556	(4,530)	n.m.
Non-controlling interests	1	6	(83.3)	3	3	0.0
	24,325	10,772	125.8	2,559	(4,527)	n.m.

n.m. – Not Meaningful

Consolidated statement of comprehensive income for the quarter ended 30 September 2015

	Group			Group		Increase/ (decrease) %
	Q3-15 S\$'000	Q3-14 S\$'000	Increase/ (decrease)	YTD Q3-15 S\$'000	YTD Q3-14 S\$'000	
Profit/ (loss) for the period	24,325	10,772	125.8	2,559	(4,527)	n.m.
<u>Other comprehensive income</u>						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	15,251	14,154	7.8	22,145	(603)	n.m.
Share of other comprehensive income of an associated company	26	9	188.9	62	(21)	n.m.
Other comprehensive income for the period, net of tax	15,277	14,163	7.9	22,207	(624)	n.m.
Total comprehensive income for the period	39,602	24,935	58.8	24,766	(5,151)	n.m.
Total comprehensive income attributable to:						
Owners of the Company	39,567	24,899	58.9	24,710	(5,148)	n.m.
Non-controlling interests	35	36	(2.8)	56	(3)	n.m.
	39,602	24,935	58.8	24,766	(5,151)	n.m.

n.m. – Not Meaningful

Other notes:

Profit/ (loss) from operations is arrived at after charging/ (crediting) the following:

	Q3-15	Q3-14	YTD	YTD
	S\$'000	S\$'000	Q3-15	Q3-14
			S\$'000	S\$'000
1. Depreciation of property, plant and equipment	26,004	18,752	71,685	57,901
2. Amortization of intangible asset	370	361	1,100	1,048
3. Amortization of land use rights	71	66	211	197
4. Impairment loss/ (reversal of impairment loss) on property, plant and equipment	328	(884)	529	(930)
5. Net (gain)/ loss on disposal of property, plant and equipment	(65)	283	(264)	316
6. Property, plant and equipment written off	1,206	259	1,302	338
7. Inventory provisions	4,972	4,954	11,196	5,322
8. Inventories (written back)/ written off	(112)	(125)	2,875	(262)
9. Impairment loss/ (write back) on doubtful receivables	659	62	610	(191)
10. Trade/ other payables written off	(29)	(392)	(60)	(696)
11. Directors' fees	90	89	269	268
12. Staff costs (including directors' remuneration)	113,632	73,641	272,600	187,097
13. Operating lease expense	7,106	4,526	19,939	13,661
14. Net foreign exchange gain	(4,377)	(2,916)	(5,686)	(1,220)
15. Net fair value loss/ (gain) on derivatives	6,266	(243)	5,767	3,397
16. Loss on disposal of investment in subsidiaries	-	-	-	59
17. (Reversal of provision)/ provision for warranty costs	(7)	(2,726)	169	(2,379)
18. (Reversal of allowance)/ allowance on non-cancellable purchase commitments	(616)	(80)	945	(583)
19. Insurance claim	(83)	-	(83)	(3,912)
20. Net gain on sales of scrap materials	(2,047)	(960)	(4,532)	(2,010)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/9/2015	31/12/2014	30/9/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	488,885	384,130	15,215	15,090
Intangible assets	3,531	4,531	12	12
Land use rights	12,793	12,498	-	-
Investment in subsidiaries	-	-	352,212	247,882
Investment in associates	2,387	2,089	984	984
Other receivables	-	-	79,958	117,115
Investment securities	491	-	-	-
Other long term assets	45	67	-	-
Deferred tax assets	31,664	26,566	-	-
	539,796	429,881	448,381	381,083
Current assets				
Inventories	290,082	223,082	4,589	4,168
Trade and other receivables	562,405	372,857	68,375	45,161
Prepaid operating expenses	13,386	9,319	468	194
Derivatives	-	134	-	-
Short term deposits pledged	-	4,958	-	-
Cash and cash equivalents	86,222	208,146	6,570	12,817
	952,095	818,496	80,002	62,340
Current liabilities				
Trade and other payables	410,969	339,013	29,093	8,199
Accrued operating expenses	84,222	68,354	6,989	7,567
Provisions	182	-	-	-
Deferrred Capital Grant - Current	726	-	-	-
Loans and borrowings	349,746	212,477	48,386	37,015
Income tax payable	12,573	12,379	1,380	530
Derivatives	1,192	3,352	-	611
	859,610	635,575	85,848	53,922
Net current assets/ (liabilities)	92,485	182,921	(5,846)	8,418
Non-current liabilities				
Deferred capital grant - Non-current	2,903	-	-	-
Loans and borrowings	2,967	2,785	155	232
Deferred tax liabilities	3,165	3,088	1,932	1,770
	9,035	5,873	2,087	2,002
Net assets	623,246	606,929	440,448	387,499

	Group		Company	
	30/9/2015	31/12/2014	30/9/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
Equity attributable to owners of the Company				
Share capital	119,725	119,725	119,725	119,725
Treasury shares	(51,512)	(51,035)	(51,512)	(51,035)
Accumulated profits	468,951	474,579	362,611	309,387
Other reserves	85,016	62,650	9,624	9,422
	622,180	605,919	440,448	387,499
Non-controlling interests	1,066	1,010	-	-
Total equity	623,246	606,929	440,448	387,499

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable within one year or less, or on demand

As at 30/9/2015		As at 31/12/2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
12,346	337,400	3,347	209,130

Amount repayable after one year

As at 30/9/2015		As at 31/12/2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,967	-	2,785	-

Lease obligations of S\$15,313,000 were secured against the respective leased assets.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q3-15	Q3-14	YTD	YTD
	S\$'000	S\$'000	Q3-15	Q3-14
			S\$'000	S\$'000
Cash flows from operating activities				
Profit/ (loss) before tax	27,883	13,435	7,543	(2,420)
Adjustments for:				
Depreciation of property, plant and equipment	26,004	18,752	71,685	57,901
Amortization of intangible asset	370	361	1,100	1,048
Amortization of land use rights	71	66	211	197
Impairment loss/ (reversal of impairment loss) on property, plant and equipment	328	(884)	529	(930)
Net (gain)/ loss on disposal of property, plant and equipment	(65)	283	(264)	316
Property, plant and equipment written off	1,206	259	1,302	338
Inventory provisions	4,972	4,954	11,196	5,322
Inventories (written back)/ written off	(112)	(125)	2,875	(262)
(Reversal of provision)/ provision for warranty costs	(7)	(2,726)	169	(2,379)
Impairment loss/ (write back) on doubtful receivables	659	62	610	(191)
(Reversal of allowance)/ allowance on non-cancellable purchase commitments	(616)	(80)	945	(583)
Trade/ other payables written off	(29)	(392)	(60)	(696)
Equity compensation expense	70	212	347	578
Financial costs	1,225	285	3,001	1,122
Interest income	(330)	(482)	(2,244)	(1,758)
Net fair value loss/ (gain) on derivatives - unrealised	682	(183)	(2,025)	3,882
Loss on disposal of investment in a subsidiary	-	-	-	59
Net unrealised exchange difference	(7,320)	(2,032)	(8,893)	(112)
Share of results of associates	(167)	(62)	(407)	(110)
Operating cash flows before changes in working capital	54,824	31,703	87,620	61,322
Changes in working capital				
Increase in inventories	(39,059)	(24,095)	(69,062)	(6,387)
(Increase)/ decrease in trade and other receivables	(46,215)	(41,529)	(181,199)	59,724
(Increase)/ decrease in prepaid operating expenses and other long term assets	(1,392)	1,001	(3,550)	(2,989)
(Decrease)/ increase in trade and other payables	(18,313)	35,226	31,279	(39,751)
Increase in accrued operating expenses	6,027	5,418	13,274	5,370
Total changes in working capital	(98,952)	(23,979)	(209,258)	15,967
Cash flows (used in)/ generated from operations	(44,128)	7,724	(121,638)	77,289
Income taxes paid	(3,333)	(3,162)	(8,328)	(9,560)
Net cash flows (used in)/ generated from operating activities	(47,461)	4,562	(129,966)	67,729

	Q3-15	Q3-14	YTD	YTD
	S\$'000	S\$'000	Q3-15	Q3-14
			S\$'000	S\$'000
Cash flows from investing activities				
Proceeds from capital grants	-	-	3,903	-
Consultancy fee paid for capital grants application	-	-	(392)	-
Interest received	1,134	267	2,824	1,594
Proceeds from disposal of property, plant and equipment	212	553	594	939
Purchase of property, plant and equipment (Note a)	(51,929)	(12,722)	(117,867)	(32,285)
Acquisition of intangible asset (Note a)	(40)	-	(99)	(251)
Purchase of investment securities	-	-	(486)	-
Net cash flows used in investing activities	(50,623)	(11,902)	(111,523)	(30,003)
Cash flows from financing activities				
Decrease in short term deposits pledged	602	-	4,958	6,970
Dividends paid on ordinary shares	-	-	(8,174)	(4,910)
Purchase of treasury shares	-	-	(622)	-
Interest paid	(1,225)	(285)	(3,001)	(1,122)
Net proceeds from loans and borrowings	73,656	32,345	123,814	5,407
Repayments of obligations under finance lease	(2,779)	(171)	(4,312)	(480)
Net cash flows generated from financing activities	70,254	31,889	112,663	5,865
Net (decrease)/ increase in cash and cash equivalents	(27,830)	24,549	(128,826)	43,591
Effect of exchange rate changes on cash and cash equivalents	5,441	1,422	6,902	(1,569)
Cash and cash equivalents at beginning of period	108,611	147,985	208,146	131,934
Cash and cash equivalents at end of period	86,222	173,956	86,222	173,956

Note to the Consolidated Cash Flow Statement

(a) Purchase of Property, plant and equipment & intangible assets

Current period additions	48,668	30,758	155,300	53,386
Less: Payable to creditors	(32,760)	(19,081)	(47,907)	(35,052)
Acquired by means of finance leases	67	(290)	(12,942)	(290)
	15,975	11,387	94,451	18,044
Payments for prior period/year purchases	35,994	1,335	23,515	14,492
Net cash outflow for purchase	51,969	12,722	117,966	32,536

1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(i) Consolidated statement of changes in equity for the 9 months ended 30 September 2015

Attributable to owners of the Company

Group	Share capital	Treasury shares	Other reserves	Accumulated profits	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Opening balance at 1 January 2015	119,725	(51,035)	62,650	474,579	605,919	1,010	606,929
(Loss)/ profit for the period	-	-	-	(13,795)	(13,795)	1	(13,794)
Share of other comprehensive income of an associated company	-	-	29	-	29	-	29
Foreign currency translation	-	-	16,981	-	16,981	42	17,023
Other comprehensive income for the period, net of tax	-	-	17,010	-	17,010	42	17,052
Total comprehensive income for the period	-	-	17,010	(13,795)	3,215	43	3,258
Contributions by and distributions to owners							
Employee share option and award schemes -Equity compensation benefits	-	-	196	-	196	-	196
Total transactions with owners in their capacity as owners	-	-	196	-	196	-	196
Others							
Transfer from retained earnings to statutory reserve fund	-	-	9	(9)	-	-	-
Total others	-	-	9	(9)	-	-	-
Closing balance at 31 March 2015	119,725	(51,035)	79,865	460,775	609,330	1,053	610,383

(i) Consolidated statement of changes in equity for the 9 months ended 30 September 2015

Attributable to owners of the Company

Group	Share capital	Treasury shares	Other reserves	Accumulated profits	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Opening balance at 31 March 2015	119,725	(51,035)	79,865	460,775	609,330	1,053	610,383
(Loss)/ profit for the period	-	-	-	(7,973)	(7,973)	1	(7,972)
Share of other comprehensive income of an associated company	-	-	7	-	7	-	7
Foreign currency translation	-	-	(10,106)	-	(10,106)	(23)	(10,129)
Other comprehensive income for the period, net of tax	-	-	(10,099)	-	(10,099)	(23)	(10,122)
Total comprehensive income for the period	-	-	(10,099)	(7,973)	(18,072)	(22)	(18,094)
<u>Contributions by and distributions to owners</u>							
Employee share option and award schemes -Equity compensation benefits	-	-	81	-	81	-	81
Purchase of treasury shares	-	(622)	-	-	(622)	-	(622)
Treasury shares reissued pursuant to employee share award scheme	-	143	(143)	-	-	-	-
Dividends on ordinary shares	-	-	-	(8,174)	(8,174)	-	(8,174)
Total transactions with owners in their capacity as owners	-	(479)	(62)	(8,174)	(8,715)	-	(8,715)
<u>Others</u>							
Transfer from retained earnings to statutory reserve fund	-	-	1	(1)	-	-	-
Total others	-	-	1	(1)	-	-	-
Closing balance at 30 June 2015	119,725	(51,514)	69,705	444,627	582,543	1,031	583,574

(i) Consolidated statement of changes in equity for the 9 months ended 30 September 2015

Attributable to owners of the Company

Group	Share capital	Treasury shares	Other reserves	Accumulated profits	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Opening balance at 30 June 2015	119,725	(51,514)	69,705	444,627	582,543	1,031	583,574
Profit for the period	-	-	-	24,324	24,324	1	24,325
Share of other comprehensive income of an associated company	-	-	26	-	26	-	26
Foreign currency translation	-	-	15,217	-	15,217	34	15,251
Other comprehensive income for the period, net of tax	-	-	15,243	-	15,243	34	15,277
Total comprehensive income for the period	-	-	15,243	24,324	39,567	35	39,602
<u>Contributions by and distributions to owners</u>							
Employee share option and award schemes -Equity compensation benefits	-	-	70	-	70	-	70
Treasury shares reissued pursuant to employee share award scheme	-	2	(2)	-	-	-	-
Total transactions with owners in their capacity as owners	-	2	68	-	70	-	70
Closing balance at 30 September 2015	119,725	(51,512)	85,016	468,951	622,180	1,066	623,246

(ii) Consolidated statement of changes in equity for the 9 months ended 30 September 2014

Attributable to owners of the Company

Group	Share capital	Treasury shares	Other reserves	Reserve of disposal group classified as held for sale	Accumulated profits	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Opening balance at 1 January 2014	119,725	(50,361)	55,425	4,037	469,249	598,075	984	599,059
(Loss)/ profit for the period	-	-	-	-	(12,272)	(12,272)	1	(12,271)
Share of other comprehensive income of an associated company	-	-	52	-	(15)	37	-	37
Foreign currency translation	-	-	(11,775)	-	-	(11,775)	(28)	(11,803)
Other comprehensive income for the period, net of tax	-	-	(11,723)	-	(15)	(11,738)	(28)	(11,766)
Total comprehensive income for the period	-	-	(11,723)	-	(12,287)	(24,010)	(27)	(24,037)
<u>Contributions by and distributions to owners</u>								
Employee share option and award schemes -Equity compensation benefits	-	-	157	-	-	157	-	157
Total transactions with owners in their capacity as owners	-	-	157	-	-	157	-	157
<u>Others</u>								
Reserve attributable to disposal group classified as held for sale	-	-	-	1	-	1	-	1
Transfer from retained earnings to statutory reserve fund	-	-	118	-	(118)	-	-	-
Total others	-	-	118	1	(118)	1	-	1
Closing balance at 31 March 2014	119,725	(50,361)	43,977	4,038	456,844	574,223	957	575,180

(ii) Consolidated statement of changes in equity for the 9 months ended 30 September 2014 (cont'd)

Attributable to owners of the Company

Group	Share capital	Treasury shares	Other reserves	Reserve of disposal group classified as held for sale	Accumulated profits	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Closing balance at 31 March 2014	119,725	(50,361)	43,977	4,038	456,844	574,223	957	575,180
Loss for the period	-	-	-	-	(3,024)	(3,024)	(4)	(3,028)
Share of other comprehensive income of associates	-	-	(67)	-	-	(67)	-	(67)
Foreign currency translation	-	-	(2,946)	-	-	(2,946)	(8)	(2,954)
Other comprehensive income for the period, net of tax	-	-	(3,013)	-	-	(3,013)	(8)	(3,021)
Total comprehensive income for the period	-	-	(3,013)	-	(3,024)	(6,037)	(12)	(6,049)
<u>Contributions by and distributions to owners</u>								
Employee share option and award schemes -Equity compensation benefits	-	-	209	-	-	209	-	209
Treasury shares reissued pursuant to employee share award scheme	-	73	(73)	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	(4,910)	(4,910)	-	(4,910)
Total transactions with owners in their capacity as owners	-	73	136	-	(4,910)	(4,701)	-	(4,701)
<u>Others</u>								
Reserve attributable to disposal group classified as held for sale	-	-	-	(31)	-	(31)	-	(31)
Total others	-	-	-	(31)	-	(31)	-	(31)
Closing balance at 30 June 2014	119,725	(50,288)	41,100	4,007	448,910	563,454	945	564,399

(ii) Consolidated statement of changes in equity for the 9 months ended 30 September 2014 (cont'd)

Attributable to owners of the Company

Group	Share capital	Treasury shares	Other reserves	Reserve of disposal group classified as held for sale	Accumulated profits	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Closing balance at 30 June 2014	119,725	(50,288)	41,100	4,007	448,910	563,454	945	564,399
Profit for the period	-	-	-	-	10,766	10,766	6	10,772
Share of other comprehensive income of associates	-	-	9	-	-	9	-	9
Foreign currency translation	-	-	14,124	-	-	14,124	30	14,154
Other comprehensive income for the period, net of tax	-	-	14,133	-	-	14,133	30	14,163
Total comprehensive income for the period	-	-	14,133	-	10,766	24,899	36	24,935
<u>Contributions by and distributions to owners</u>								
Employee share option and award scheme -Equity compensation benefits	-	-	212	-	-	212	-	212
Treasury shares reissued pursuant to employee share award scheme	-	3	(3)	-	-	-	-	-
Total transactions with owners in their capacity as owners	-	3	209	-	-	212	-	212
<u>Others</u>								
Reserve attributable to disposal group classified as held for sale	-	-	-	(4,007)	-	(4,007)	-	(4,007)
Total others	-	-	-	(4,007)	-	(4,007)	-	(4,007)
Closing balance at 30 September 2014	119,725	(50,285)	55,442	-	459,676	584,558	981	585,539

(iii) Statement of changes in equity of the Company for the 9 months ended 30 September 2015

Company	Attributable to owners of the Company				Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Accumulated profits S\$'000	
Opening balance at 1 January 2015	119,725	(51,035)	9,422	309,387	387,499
Profit for the period	-	-	-	14,462	14,462
<u>Contributions by and distributions to owners</u>					
Employee share option and award schemes - Equity compensation benefits	-	-	196	-	196
Total transactions with owners in their capacity as owners	-	-	196	-	196
Closing balance at 31 March 2015	119,725	(51,035)	9,618	323,849	402,157
Profit for the period	-	-	-	51,323	51,323
<u>Contributions by and distributions to owners</u>					
Employee share option & award schemes - Equity compensation benefits	-	-	81	-	81
Purchase of treasury shares	-	(622)	-	-	(622)
Treasury shares reissued pursuant to employee share award scheme	-	143	(143)	-	-
Dividends on ordinary shares	-	-	-	(8,174)	(8,174)
Total transactions with owners in their capacity as owners	-	(479)	(62)	(8,174)	(8,715)
Closing balance at 30 June 2015	119,725	(51,514)	9,556	366,998	444,765
Loss for the period	-	-	-	(4,387)	(4,387)
<u>Contributions by and distributions to owners</u>					
Employee share option & award scheme - Equity compensation benefits	-	-	70	-	70
Treasury shares reissued pursuant to employee share award scheme	-	2	(2)	-	-
Total transactions with owners in their capacity as owners	-	2	68	-	70
Closing balance at 30 September 2015	119,725	(51,512)	9,624	362,611	440,448

(iv) Statement of changes in equity of the Company for the 9 months ended 30 September 2014

Company	<u>Attributable to owners of the Company</u>				Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Accumulated profits S\$'000	
Opening balance at 1 January 2014	119,725	(50,361)	8,705	284,880	362,949
Profit for the period	-	-	-	5,710	5,710
<u>Contributions by and distributions to owners</u>					
Employee share option and award schemes - Equity compensation benefits	-	-	157	-	157
Total transactions with owners in their capacity as owners	-	-	157	-	157
Closing balance at 31 March 2014	119,725	(50,361)	8,862	290,590	368,816
Loss for the period	-	-	-	(357)	(357)
<u>Contributions by and distributions to owners</u>					
Employee share option & award schemes - Equity compensation benefits	-	-	209	-	209
Treasury shares reissued pursuant to employee share award scheme	-	73	(73)	-	-
Dividends on ordinary shares	-	-	-	(4,910)	(4,910)
Total transactions with owners in their capacity as owners	-	73	136	(4,910)	(4,701)
Closing balance at 30 June 2014	119,725	(50,288)	8,998	285,323	363,758
Profit for the period	-	-	-	2,161	2,161
<u>Contributions by and distributions to owners</u>					
Employee share option & award scheme - Equity compensation benefits	-	-	212	-	212
Treasury shares reissued pursuant to employee share option plans	-	3	(3)	-	-
Total transactions with owners in their capacity as owners	-	3	209	-	212
Closing balance at 30 September 2014	119,725	(50,285)	9,207	287,484	366,131

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the quarter ended 30 September 2015, there has been no increase in the issued and paid-up share capital of the Company.

Share Options

During the quarter ended 30 September 2015, 1,252,272 options have lapsed while no option was exercised.

There are 19,084,041 options outstanding as at 30 September 2015 (30 September 2014: 22,310,551).

Share Awards

During the quarter ended 30 September 2015, 5,376 awards have lapsed while no award was vested.

There are 271,251 share awards outstanding as at 30 September 2015 (30 September 2014: 308,770).

Treasury Shares

During the quarter ended 30 September 2015, the Company has not purchased any shares to be held as treasury shares.

The number of treasury shares held by the Company as at 30 September 2015 is 70,872,237 (30 September 2014: 68,848,661).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares excluding treasury shares as at 30 September 2015 was 816,302,763 (31 December 2014: 817,219,339).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

During the quarter ended 30 September 2015, 2,540 treasury shares were transferred to employees for share awards vested on 7 May 2015. As at 30 September 2015, there are 587 treasury shares pending to be transferred to employees for share awards vested on 7 May 2015.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been reviewed or audited by the Company's auditor.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the accounting policies have been consistently applied by the Group and the Company and are consistent with the audited financial statements as at 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In the current financial period, the Group adopted the new/ revised Financial Reporting Standards ("FRS") that are effective for annual periods beginning on or after 1 July 2014.

The following are the new or amended FRS that are relevant to the Group:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 19 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 <i>Share Based Payment</i>	1 July 2014
(b) Amendments to FRS 103 <i>Business Combinations</i>	1 July 2014
(c) Amendments to FRS 108 <i>Operating Segments</i>	1 July 2014
(d) Amendments to FRS 113 <i>Fair Value Measurement</i>	1 July 2014
(e) Amendments to FRS 16 <i>Property, Plant and Equipment and FRS 38 Intangible Assets</i>	1 July 2014
(f) Amendments to FRS 24 <i>Related Party Disclosures</i>	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 <i>Business Combinations</i>	1 July 2014
(b) Amendments to FRS 113 <i>Fair Value Measurement</i>	1 July 2014

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

- (a) Based on the weighted average number of ordinary shares on issue; and
 (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Q3-15	Q3-14	YTD Q3-15	YTD Q3-14
Operating profit/ (loss) after exceptional items and tax before deducting non-controlling interests as a percentage of revenue	6.2%	4.4%	0.3%	(0.7%)
Operating profit/ (loss) after tax attributable to owners of the company as a percentage of issued capital and reserves at the end of the period	3.9%	1.8%	0.4%	(0.8%)
Earnings/ (loss) per ordinary share				
(a) Based on weighted average number of ordinary shares in issue (cents)	2.98	1.32	0.31	(0.55)
(b) On a fully diluted basis (cents)*	2.98	1.31	0.31	(0.55)

Earnings/ (loss) per share have been computed based on the weighted average number of ordinary shares in issue during the period.

* For 3Q2015, 325,246 share awards granted to employees under the existing employee share award scheme have been included in the calculation of diluted earnings per share (EPS). The financial effect of share options issued has been disregarded in the calculation of dilutive loss per ordinary share as the stock option exercise prices are above the market price. For 3Q2014, 5,965,000 share options and 308,770 share awards granted to employees under the existing employee share option scheme and employee share award scheme have been included in the calculation of diluted earnings per share (EPS).

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
 (b) immediately preceding financial year :

	Group		Company	
	30/9/2015	31/12/2014	30/9/2015	31/12/2014
Net Asset Value per Ordinary Share based on issued share capital at the end of the period (in cents)	76.22	74.14	53.96	47.42

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Revenue and Profitability Analysis

3Q2015 vs. 3Q2014

Revenue increased by S\$148.4 million (60.4%) yoy to S\$394.2 million in 3Q2015. The increase was mainly driven by increase in orders from key customers.

Gross profit increased by S\$30.4 million (131.6%) yoy to S\$53.5 million in 3Q2015 mainly due to the higher sales and higher gross profit margin. Gross profit margin increased from 9.4% in 3Q2014 to 13.6% in 3Q2015 mainly due to a positive shift in product mix, partially offset by higher scrap costs incurred during production ramp-up.

Net interest expense of S\$0.9 million in 3Q2015 mainly due to net debt position in 3Q2015.

Other income increased by S\$1.6 million (51.2%) yoy to S\$4.6 million in 3Q2015 mainly contributed by an incentive granted by the applicable local governmental authority to the Group's subsidiary in the People's Republic of China ("PRC").

Total selling & distribution and administrative expenses increased by S\$8.4 million (48.0%) yoy to S\$26.0 million in 3Q2015. The increase was mainly due to an absence of reversal of warranty provision, higher business development expenses incurred for new projects, normal yearly salary increment for staff and provision for bonuses.

Other expenses of S\$3.6 million in 3Q2015 mainly consisted of net fair value loss on derivatives of S\$6.3 million resulting from changes in fair value and settlement of currency hedging contracts, which were partially offset by net foreign exchange gain of S\$4.4 million arose mainly from appreciation of USD against SGD and CNY. In addition, property, plant and equipment with net book value of S\$1.2 million were written off in 3Q2015 as we retrofitted the space for a new project.

The Group recorded an income tax expense of S\$3.6 million in 3Q2015, representing an effective tax rate of 12.8%. The low effective tax rate was mainly due to utilisation of previous unused tax losses.

As a result of the above factors, the Group achieved a net profit after tax of S\$24.3 million in 3Q2015.

Balance Sheet Analysis

The net book value of property, plant and equipment increased by S\$104.8 million (27.3%) from S\$384.1 million as at 31 December 2014 to S\$488.9 million as at 30 September 2015. The increase was mainly due to additions of S\$155.2 million, translation gain of S\$23.4 million, partially offset by depreciation of S\$71.7 million and write off of S\$1.3 million.

Deferred tax assets increased by S\$5.1 million (19.2%) from S\$26.6 million as at 31 December 2014 to S\$31.7 million as at 30 September 2015 mainly due to recognition of deferred tax assets on provisions and certain unutilized tax losses.

Inventories increased by S\$67.0 million (30.0%) from S\$223.1 million as at 31 December 2014 to S\$290.1 million as at 30 September 2015 mainly due to build up of inventory for 4Q2015.

Trade and other receivables increased by S\$189.5 million (50.8%) from S\$372.9 million as at 31 December 2014 to S\$562.4 million as at 30 September 2015. The increase was mainly due to the increase in trade receivables resulting from higher sales in 3Q2015 as compared to 4Q2014, longer trade receivables turnover and increase in input VAT.

Prepaid operating expenses increased by S\$4.1 million (43.6%) from S\$9.3 million as at 31 December 2014 to S\$13.4 million as at 30 September 2015 mainly due to increase in prepayment for purchase of property, plant & equipment.

Trade and other payables increased by S\$72.0 million (21.2%) from S\$339.0 million as at 31 December 2014 to S\$411.0 million as at 30 September 2015. The increase was mainly due to amount payable to suppliers for purchase of machines and advances from customers for purchase of other machines.

Accrued operating expenses increased by S\$15.8 million (23.2%) from S\$68.4 million as at 31 December 2014 to S\$84.2 million as at 30 September 2015. The increase was mainly due to higher accruals for employment related costs and business development expenses incurred for new projects.

Current and non-current deferred capital grant of S\$3.6 million as at 30 September 2015 (31 December 2014: nil) represents a government grant received by a subsidiary in the PRC for the investment in technology enhancement projects.

Current and non-current loans and borrowings increased by S\$137.4 million (63.9%) from S\$215.3 million as at 31 December 2014 to S\$352.7 million as at 30 September 2015. The increase was mainly due to net drawdown of bank loans for working capital requirements, purchase and lease of property, plant and equipment.

Cash and cash equivalents and short term deposits pledged decreased by S\$126.9 million (59.5%) from S\$213.1 million as at 31 December 2014 to S\$86.2 million as at 30 September 2015. Debt was S\$352.7 million, which represented a net debt position of S\$266.5 million (31 December 2014: net debt S\$2.2 million).

Cash Flows Analysis

Net cash generated from operating activities before working capital changes was S\$54.8 million in 3Q2015. Net cash used in operating activities in 3Q2015 amounted to S\$47.5 million.

Net cash used in investing activities was S\$50.6 million in 3Q2015, mainly due to net cash outflow for purchase of property, plant and equipment amounting to S\$51.9 million.

Net cash generated from financing activities was S\$70.3 million in 3Q2015, mainly due to net proceed from loans and borrowings amounting to S\$73.7 million.

9. Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

In the Group's 2Q2015 results announcement made on 5 August 2015, the Group guided as follows:

- The Group expects higher revenue and profit in 3Q2015 as compared to 3Q2014.

In line with our guidance, the results achieved are summarized below:

(S\$'000)	3Q2015	3Q2014
Revenue	394,180	245,748
Net profit after tax	24,325	10,772

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

According to market intelligence firm IDC, the global smartphone market achieved a growth of 6.8% yoy to 355.2 million units for third quarter of 2015. This marks the second highest quarter of shipment on record.

Despite economic uncertainties, PRC remains the biggest contributor accounting for 30% of global smartphone sales while Chinese and new market players drove the fastest smartphone growth in emerging countries¹.

Taking into account the industry outlook for the smartphone and consumer electronics markets and to overcome the industry and business challenges, the Group will maintain its focus on:

- Providing dedicated solutions to meet customers' requirements and improving customer satisfaction
- Enhancing acquired technology with CNC equipment to raise operational efficiency and develop more metal-related businesses

The Group continues to strive for sustainable growth and be one of the top contract manufacturers in Asia, by providing a one-stop dedicated solution to fulfill its customers' needs - from product development, component manufacturing to complete product assembly.

Subject to the outcome of the claim against Yota Devices (as announced on 21 August 2015) and any resulting impairment, and barring any other unforeseen circumstances, the Group wishes to guide its performance as follows:

- The Group expects higher revenue and profit in 4Q2015 as compared to 4Q2014.
- The Group expects higher revenue in 2H2015 as compared to 1H2015. The Group expects to be profitable in 2H2015.
- The Group expects higher revenue and profit in FY2015 as compared to FY2014.

¹ Gartner, Gartner Says Worldwide Smartphone Sales Recorded Slowest Growth Rate Since 2013, 20 August 2015

11. Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

Name of Dividend	:	Interim Dividend
Dividend Type	:	Cash
Dividend Rate	:	0.3 cents per ordinary share
Tax rate	:	Exempt from tax (One-tier corporate tax system)
Total amount payable	:	S\$2.449 million

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Aggregate value of interested persons transactions entered into during the quarter ended 30 September 2015

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under the shareholders mandate pursuant to rule 920)	Aggregate value of all interested person transactions conducted under the shareholders mandate pursuant to rule 920 (excluding transactions less than \$100,000)
Transaction for Purchases of Goods and Services Moxel International Inc. & its group of companies *	-	-
Transaction for Sales of Goods and Services VSN Mobil, Inc. (f.k.a. VSN Technologies, Inc.) ^	-	-

* No general mandate has been obtained from shareholders for interested persons transactions with these entities.

^ A general mandate has been obtained from shareholders on 28th April 2015 for interested person transactions with this entity.

Confirmation by the Board

We, the undersigned, do hereby confirm on behalf of the Board of Hi-P International Limited that, to the best of its knowledge, nothing has come to its attention which may render the financial statements for the period ended 30th September 2015 to be false or misleading in any material aspect.

Yao Hsiao Tung
Executive Chairman
Chief Executive Officer

Gerald Lim Thien Su
Director