

Financial Statement and Dividend Announcement for the quarter ended 30 September 2012

**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 3-12	Q 3-11	Increase/ (decrease)	YTD	YTD	Increase/ (decrease)
	S\$'000	S\$'000	%	Q 3-12	Q 3-11	%
				S\$'000	S\$'000	
Revenue	271,657	308,567	(12.0)	801,774	781,773	2.6
Cost of sales	<u>(247,690)</u>	<u>(281,870)</u>	(12.1)	<u>(742,991)</u>	<u>(685,100)</u>	8.5
Gross profit	23,967	26,697	(10.2)	58,783	96,673	(39.2)
Other items of income						
Interest income	1,344	1,349	(0.4)	6,016	2,871	109.5
Other income	2,006	2,497	(19.7)	9,521	9,887	(3.7)
Other items of expense						
Selling and distribution expenses	(1,682)	(1,695)	(0.8)	(5,319)	(5,585)	(4.8)
Administrative expenses	(19,825)	(16,703)	18.7	(55,178)	(49,850)	10.7
Financial costs	(936)	(419)	123.4	(3,231)	(663)	387.3
Other expenses	(1,207)	(2,954)	(59.1)	(7,282)	(5,299)	37.4
Share of results of associates	<u>(28)</u>	<u>31</u>	n.m.	<u>(72)</u>	<u>90</u>	n.m.
Profit before tax	3,639	8,803	(58.7)	3,238	48,124	(93.3)
Taxation	<u>(656)</u>	<u>(2,342)</u>	(72.0)	<u>(837)</u>	<u>(12,591)</u>	(93.4)
Profit, net of tax	<u>2,983</u>	<u>6,461</u>	(53.8)	<u>2,401</u>	<u>35,533</u>	(93.2)
Attributable to:						
Owners of the Company	2,982	6,468	(53.9)	2,398	35,558	(93.3)
Non-controlling interests	<u>1</u>	<u>(7)</u>	n.m.	<u>3</u>	<u>(25)</u>	n.m.
	<u>2,983</u>	<u>6,461</u>	(53.8)	<u>2,401</u>	<u>35,533</u>	(93.2)

n.m. – Not Meaningful

Consolidated statement of comprehensive income for the quarter ended 30 September 2012

	Group			Group		
	Q3-12 S\$'000	Q3-11 S\$'000	Increase/ (decrease) %	YTD Q3-12 S\$'000	YTD Q3-11 S\$'000	Increase/ (decrease) %
Profit for the period	2,983	6,461	(53.8)	2,401	35,533	(93.2)
Other comprehensive income:						
Foreign currency translation	(11,907)	25,532	n.m.	(20,455)	15,936	n.m.
Share of other comprehensive income of associates	-	56	n.m.	-	68	n.m.
Other comprehensive income for the period, net of tax	<u>(11,907)</u>	<u>25,588</u>	n.m.	<u>(20,455)</u>	<u>16,004</u>	n.m.
Total comprehensive income for the period	<u>(8,924)</u>	<u>32,049</u>	n.m.	<u>(18,054)</u>	<u>51,537</u>	n.m.
Total comprehensive income attributable to:						
Owners of the Company	(8,895)	31,998	n.m.	(18,005)	51,526	n.m.
Non-controlling interests	<u>(29)</u>	<u>51</u>	n.m.	<u>(49)</u>	<u>11</u>	n.m.
	<u>(8,924)</u>	<u>32,049</u>	n.m.	<u>(18,054)</u>	<u>51,537</u>	n.m.

n.m. – Not Meaningful

Other notes:

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

	Q3-12	Q3-11	YTD	YTD
	S\$'000	S\$'000	Q3-12	Q3-11
			S\$'000	S\$'000
1. Depreciation of property, plant and equipment	18,261	13,792	50,001	44,707
2. Impairment loss/ (reversal of impairment loss) on property, plant and equipment	-	28	2,391	(553)
3. Net (gain)/ loss on disposal of property, plant and equipment	(254)	21	(115)	(477)
4. Property, plant and equipment written off	273	79	587	140
5. Allowance for inventory obsolescence	1,361	3,217	3,993	1,005
6. Inventories written back	(88)	(596)	(614)	(1,724)
7. Impairment write back on doubtful receivables	(72)	(867)	(364)	(919)
8. Bad debt written off/ (recovered)	-	10	(42)	136
9. Directors' fees	92	105	279	309
10. Staff costs (including directors' remuneration)	66,683	63,453	179,512	169,588
11. Operating lease expense	4,532	4,301	14,267	12,368
12. Net foreign exchange loss/ (gain)	2,877	(79)	4,535	6,226
13. Net fair value (gain)/ loss on derivatives	(1,416)	2,870	(1,932)	(1,007)
14. Loss on disposal of investment in a subsidiary	-	108	1,516	108
15. Gain on disposal of investment in an associate	(9)	-	(9)	-

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	
	30/09/2012	31/12/2011	30/09/2012	31/12/2011
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	339,592	284,392	17,614	18,069
Investment in subsidiaries	-	-	212,147	207,821
Investment in associates	1,762	2,328	984	1,478
Other investment	12	12	12	12
Trade and other receivables	-	-	62,954	60,649
Other long term assets	242	87	-	-
Deferred tax assets	10,785	13,974	-	-
Current assets				
Inventories	173,848	124,832	3,914	3,889
Trade and other receivables	258,439	293,318	103,480	140,283
Prepaid operating expenses	28,403	16,453	427	510
Derivatives	740	984	435	692
Cash and cash equivalents	213,455	339,713	44,078	48,297
	674,885	775,300	152,334	193,671
Assets of disposal group classified as held for sale (Note 1)	6,878	-	-	-
	681,763	775,300	152,334	193,671
Current liabilities				
Trade and other payables	298,882	311,355	17,862	15,870
Accrued operating expenses	32,019	33,467	3,877	10,586
Loans and borrowings	128,870	116,692	91,346	116,176
Income tax payable	7,025	10,742	229	357
Derivatives	2,039	2,835	2,021	2,237
	468,835	475,091	115,335	145,226
Liabilities directly associated with disposal group classified as held for sale (Note 1)	1,663	-	-	-
	470,498	475,091	115,335	145,226
Net current assets	211,265	300,209	36,999	48,445
Non-current liabilities				
Loans and borrowings	2,208	2,725	-	-
Deferred tax liabilities	1,517	1,582	-	-
	3,725	4,307	-	-
Net assets	559,933	596,695	330,710	336,474

	Group		Company	
	30/09/2012	31/12/2011	30/09/2012	31/12/2011
	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	(44,561)	(44,235)	(44,561)	(44,235)
Accumulated profits	459,642	477,068	248,180	255,091
Other reserves	20,245	43,175	7,366	5,893
Reserve of disposal group classified as held for sale (Note 1)	3,969	-	-	-
	<u>559,020</u>	<u>595,733</u>	<u>330,710</u>	<u>336,474</u>
Non-controlling interests	913	962	-	-
Total equity	<u><u>559,933</u></u>	<u><u>596,695</u></u>	<u><u>330,710</u></u>	<u><u>336,474</u></u>

Note 1

On 16 July 2012, the Company announced the decision of its board of directors to cease business operation of one of its wholly-owned subsidiaries, High Precision Moulding and Tools, S.A.de C.V. ("Hi-P Mexico"), with effect from 30 September 2012. Hi-P Mexico will remain a dormant company thereafter.

In accordance with FRS 105, the assets and liabilities related to Hi-P Mexico are presented as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale". The assets and liabilities of Hi-P Mexico classified as held for sale and the related reserve as at 30 September are as follows:

	Group	
	30/09/2012	31/12/2011
	S\$'000	S\$'000
Assets		
Property, plant and equipment	234	-
Inventories	737	-
Trade and other receivables	2,610	-
Prepaid operating expenses	14	-
Cash and cash equivalents	3,283	-
Assets of disposal group classified as held for sale	<u>6,878</u>	<u>-</u>
Liabilities		
Trade and other payables	746	-
Accrued operating expenses	780	-
Income tax payable	71	-
Deferred tax liabilities	66	-
	<u>1,663</u>	<u>-</u>
Net assets of disposal group classified as held for sale	<u><u>5,215</u></u>	<u><u>-</u></u>
Reserve		
Foreign currency translation reserve	<u>3,969</u>	<u>-</u>

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

Amount repayable within one year or less, or on demand

As at 30/9/2012		As at 31/12/2011	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
492	128,378	584	116,108

Amount repayable after one year

As at 30/9/2012		As at 31/12/2011	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,208	-	2,725	-

Lease obligations 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.

	Q3-12	Q3-11	YTD Q3-12	YTD Q3-11
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before tax	3,639	8,803	3,238	48,124
Adjustments for:				
Depreciation of property, plant and equipment	18,261	13,792	50,001	44,707
Impairment loss/ (reversal of impairment loss) on property, plant and equipment	-	28	2,391	(553)
Net (gain)/ loss on disposal of property, plant and equipment	(254)	21	(115)	(477)
Property, plant and equipment written off	273	79	587	140
Allowance for inventory obsolescence	1,361	3,217	3,993	1,005
Inventories written back	(88)	(596)	(614)	(1,724)
Impairment write back on doubtful receivables	(72)	(867)	(364)	(919)
Bad debts written off/ (recovered)	-	10	(42)	136
Equity compensation expense	496	583	1,450	1,511
Interest expense	936	419	3,231	663
Interest income	(1,344)	(1,349)	(6,016)	(2,871)
Net fair value (gain)/ loss on derivatives - unrealised	(1,195)	4,771	(584)	3,157
Loss on disposal of investment in a subsidiary	-	108	1,516	108
Gain on disposal of investment in an associate	(9)	-	(9)	-
Unrealised exchange difference	4,226	(560)	5,510	(205)
Share of results of associates	28	(31)	72	(90)
Operating cash flows before changes in working capital	26,258	28,428	64,245	92,712
Changes in working capital				
Increase in inventories	(32,940)	(26,943)	(59,738)	(60,633)
(Increase)/ decrease in trade and other receivables	(20,794)	(54,378)	18,786	7,552
Decrease/ (increase) in prepaid operating expenses	11,012	(9,682)	(12,977)	(22,735)
Increase/ (decrease) in trade and other payables	55,750	63,000	(6,517)	55,257
(Decrease)/ increase in accrued operating expenses	(6,236)	383	(1,585)	(4,615)
Decrease/ (increase) in amounts due from related parties	35	(61)	34	(117)
Total changes in working capital	6,827	(27,681)	(61,997)	(25,291)
Cash flows generated from operations	33,085	747	2,248	67,421
Income taxes refund/ (paid)	3,653	(4,575)	230	(18,893)
Net cash flows generated from/ (used in) operating activities	36,738	(3,828)	2,478	48,528

	Q3-12	Q3-11	YTD	YTD
	S\$'000	S\$'000	Q3-12	Q3-11
			S\$'000	S\$'000
Cash flows from investing activities				
Dividends received from an associated company	-	-	-	150
Interest received	909	838	5,878	2,360
Proceeds from disposal of property, plant and equipment	585	179	1,227	925
Purchase of property, plant and equipment (Note a)	(65,855)	(12,061)	(112,630)	(31,126)
Proceeds from short term investments	-	16,400	-	3,906
Proceeds from disposal of an associate	500	-	500	-
Net cash flows (used in)/ generated from investing activities	(63,861)	5,356	(105,025)	(23,785)
Cash flows from financing activities				
Dividends paid on ordinary shares	-	-	(19,824)	(29,811)
Purchase of treasury shares	-	-	(1,095)	(9,777)
Proceeds from re-issuance of treasury shares	-	24	792	1,290
Interest paid	(936)	(419)	(3,231)	(663)
(Repayment of)/ proceeds from loans and borrowings	(33,558)	61,138	17,898	85,818
Repayments of obligations under finance lease	(145)	(142)	(439)	(431)
Net cash flows (used in)/ generated from financing activities	(34,639)	60,601	(5,899)	46,426
Net (decrease)/ increase in cash and cash equivalents	(61,762)	62,129	(108,446)	71,169
Effect of exchange rate changes on cash and cash equivalents	(8,182)	6,842	(14,529)	3,981
Cash and cash equivalents at beginning of period	286,682	221,157	339,713	214,978
Cash and cash equivalents at end of period	216,738	290,128	216,738	290,128

Note to the Consolidated Cash Flow Statement

(a) Purchase of Property, plant and equipment

Current year additions	39,045	29,728	124,556	52,840
Less: Payable to creditors	(24,130)	(18,713)	(32,057)	(26,806)
	14,915	11,015	92,499	26,034
Payments for prior period/year purchases	50,940	1,046	20,131	5,092
Net cash outflow for purchase	65,855	12,061	112,630	31,126

(b) Reconciliation of cash and cash equivalents at 30 September 2012

Cash and cash equivalents at end of period per Statement of Financial Position	213,455
Cash and cash equivalents of disposal group classified as held for sale	3,283
Cash and cash equivalents at end of period per Cash Flow Statement above	216,738

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 2012

Attributable to owners of the Company

	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
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Opening balance at 1 January 2012	119,725	(44,235)	43,175	-	477,068	595,733	962	596,695
Profit for the period	-	-	-	-	1,530	1,530	(13)	1,517
Foreign currency translation	-	-	(10,250)	-	-	(10,250)	(31)	(10,281)
Total comprehensive income for the period	-	-	(10,250)	-	1,530	(8,720)	(44)	(8,764)
<u>Contributions by and distributions to owners</u>								
Employee share option scheme -Equity compensation benefits	-	-	411	-	-	411	-	411
Purchase of treasury shares	-	(563)	-	-	-	(563)	-	(563)
Total transactions with owners in their capacity as owners	-	(563)	411	-	-	(152)	-	(152)
Closing balance at 31 March 2012	119,725	(44,798)	33,336	-	478,598	586,861	918	587,779
Loss for the period	-	-	-	-	(2,114)	(2,114)	15	(2,099)
Foreign currency translation	-	-	1,724	-	-	1,724	9	1,733
Total comprehensive income for the period	-	-	1,724	-	(2,114)	(390)	24	(366)
<u>Contributions by and distributions to owners</u>								
Employee share option scheme -Equity compensation benefits	-	-	543	-	-	543	-	543
Purchase of treasury shares	-	(532)	-	-	-	(532)	-	(532)
Treasury shares reissued pursuant to employee share option plans	-	769	23	-	-	792	-	792
Dividends on ordinary shares	-	-	-	-	(19,824)	(19,824)	-	(19,824)
Total transactions with owners in their capacity as owners	-	237	566	-	(19,824)	(19,021)	-	(19,021)
Closing balance at 30 June 2012	119,725	(44,561)	35,626	-	456,660	567,450	942	568,392

(i) Consolidated statement of changes in equity for the 9 months ended 30 September 2012

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 2012	119,725	(44,561)	35,626	-	456,660	567,450	942	568,392
Profit for the period	-	-	-	-	2,982	2,982	1	2,983
Foreign currency translation	-	-	(11,877)	-	-	(11,877)	(30)	(11,907)
Total comprehensive income for the period	-	-	(11,877)	-	2,982	(8,895)	(29)	(8,924)
<u>Contributions by and distributions to owners</u>								
Employee share option scheme	-	-	496	-	-	496	-	496
-Equity compensation benefits	-	-	496	-	-	496	-	496
Total transactions with owners in their capacity as owners	-	-	496	-	-	496	-	496
<u>Others</u>								
Reserve attributable to disposal group classified as held for sale	-	-	(3,969)	3,969	-	-	-	-
Disposal of an associate	-	-	(31)	-	-	(31)	-	(31)
Total others	-	-	(4,000)	3,969	-	(31)	-	(31)
Closing balance at 30 September 2012	119,725	(44,561)	20,245	3,969	459,642	559,020	913	559,933

(ii) Consolidated statement of changes in equity for the 9 months ended 30 September 2011
 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 2011	119,725	(34,040)	21,263	463,701	570,649	942	571,591
Profit for the period	-	-	-	17,862	17,862	(9)	17,853
Share of other comprehensive income of associates	-	-	12	-	12	-	12
Foreign currency translation	-	-	(5,537)	-	(5,537)	(14)	(5,551)
Total comprehensive income for the period	-	-	(5,525)	17,862	12,337	(23)	12,314
<u>Contributions by and distributions to owners</u>							
Employee share option scheme -Equity compensation benefits	-	-	369	-	369	-	369
Purchase of treasury shares	-	(9,777)	-	-	(9,777)	-	(9,777)
Treasury shares reissued pursuant to employee share option plans	-	436	20	-	456	-	456
Total transactions with owners in their capacity as owners	-	(9,341)	389	-	(8,952)	-	(8,952)
Closing balance at 31 March 2011	119,725	(43,381)	16,127	481,563	574,034	919	574,953
Profit for the period	-	-	-	11,228	11,228	(9)	11,219
Foreign currency translation	-	-	(4,037)	-	(4,037)	(8)	(4,045)
Total comprehensive income for the period	-	-	(4,037)	11,228	7,191	(17)	7,174
<u>Contributions by and distributions to owners</u>							
Employee share option scheme -Equity compensation benefits	-	-	559	-	559	-	559
Treasury shares reissued pursuant to employee share option plans	-	816	(6)	-	810	-	810
Dividends on ordinary shares	-	-	-	(29,811)	(29,811)	-	(29,811)
Total transactions with owners in their capacity as owners	-	816	553	(29,811)	(28,442)	-	(28,442)
Closing balance at 30 June 2011	119,725	(42,565)	12,643	462,980	552,783	902	553,685

(ii) Consolidated statement of changes in equity for the 9 months ended 30 September 2011
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
Closing balance at 30 June 2011	119,725	(42,565)	12,643	462,980	552,783	902	553,685
Profit for the period	-	-	-	6,468	6,468	(7)	6,461
Share of other comprehensive income of associates	-	-	56	-	56	-	56
Foreign currency translation	-	-	25,475	(1)	25,474	58	25,532
Total comprehensive income for the period	-	-	25,531	6,467	31,998	51	32,049
<u>Contributions by and distributions to owners</u>							
Employee share option scheme -Equity compensation benefits	-	-	583	-	583	-	583
Treasury shares reissued pursuant to employee share option plans	-	23	-	-	23	-	23
Total transactions with owners in their capacity as owners	-	23	583	-	606	-	606
<u>Others</u>							
Transfer from retained earnings to statutory reserve fund	-	-	291	(291)	-	-	-
Closing balance at 30 September 2011	119,725	(42,542)	39,048	469,156	585,387	953	586,340

(iii) Statement of changes in equity of the Company for the 9 months ended 30 September 2012

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 2012	119,725	(44,235)	5,893	255,091	336,474
Profit for the period	-	-	-	3,148	3,148
<u>Contributions by and distributions to owners</u>					
Employee Share Option Scheme - Equity compensation benefits	-	-	411	-	411
Purchase of treasury shares	-	(563)	-	-	(563)
Total transactions with owners in their capacity as owners	-	(563)	411	-	(152)
Balance at 31 March 2012	119,725	(44,798)	6,304	258,239	339,470
Profit for the period	-	-	-	8,190	8,190
<u>Contributions by and distributions to owners</u>					
Employee Share Option Scheme - Equity compensation benefits	-	-	543	-	543
Purchase of treasury shares	-	(532)	-	-	(532)
Treasury shares reissued pursuant to employee share option plans	-	769	23	-	792
Dividends on ordinary shares	-	-	-	(19,824)	(19,824)
Total transactions with owners in their capacity as owners	-	237	566	(19,824)	(19,021)
Balance at 30 June 2012	119,725	(44,561)	6,870	246,605	328,639
Profit for the period	-	-	-	1,575	1,575
<u>Contributions by and distributions to owners</u>					
Employee Share Option Scheme - Equity compensation benefits	-	-	496	-	496
Total transactions with owners in their capacity as owners	-	-	496	-	496
Balance at 30 September 2012	119,725	(44,561)	7,366	248,180	330,710

(iv) Statement of changes in equity of the Company for the 9 months ended 30 September 2011

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 2011	119,725	(34,040)	3,837	233,894	323,416
Loss for the period	-	-	-	(1,140)	(1,140)
<u>Contributions by and distributions to owners</u>					
Employee Share Option Scheme - Equity compensation benefits	-	-	369	-	369
Purchase of treasury shares	-	(9,777)	-	-	(9,777)
Treasury shares reissued pursuant to employee share option plans	-	436	20	-	456
Total transactions with owners in their capacity as owners	-	(9,341)	389	-	(8,952)
Balance at 31 March 2011	119,725	(43,381)	4,226	232,754	313,324
Loss for the period	-	-	-	(1,194)	(1,194)
<u>Contributions by and distributions to owners</u>					
Employee Share Option Scheme - Equity compensation benefits	-	-	559	-	559
Treasury shares reissued pursuant to employee share option plans	-	816	(6)	-	810
Dividends on ordinary shares	-	-	-	(29,811)	(29,811)
Total transactions with owners in their capacity as owners	-	816	553	(29,811)	(28,442)
Balance at 30 June 2011	119,725	(42,565)	4,779	201,749	283,688
Loss for the period	-	-	-	(3,508)	(3,508)
<u>Contributions by and distributions to owners</u>					
Employee Share Option Scheme - Equity compensation benefits	-	-	583	-	583
Treasury shares reissued pursuant to employee share option plans	-	23	-	-	23
Total transactions with owners in their capacity as owners	-	23	583	-	606
Balance at 30 September 2011	119,725	(42,542)	5,362	198,241	280,786

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 period ended 30 September 2012, there has been no increase in the issued and paid-up share capital of the Company.

Share Options

During the period ended 30 September 2012, 600,202 options lapsed, 469,716 options were forfeited and 1,070,500 options were exercised.

There are 24,980,434 options outstanding as at 30 September 2012 (31 December 2011: 18,754,000).

Treasury Shares

For the third quarter ended 30 September 2012, 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 2012 is 61,855,500 (31 December 2011: 61,288,000).

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 2012 was 825,319,500 (31 December 2011: 825,887,000).

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 period ended 30 September 2012, 1,070,500 treasury shares were transferred to employees upon the exercise of share options.

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 auditors.

3. Where the figures have been audited or reviewed, the auditors' 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 2011.

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”) and Interpretations of FRS (“INT FRS”) that are effective for annual periods beginning on or after 1 January 2012. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

Amendments to FRS 107	Disclosures – Transfers of Financial Assets
Amendments to FRS 12	Deferred Tax: Recovery of Underlying Assets

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).**

	Q3-12	Q3-11	YTD Q3-12	YTD Q3-11
Operating profit after exceptional items and tax before deducting non-controlling interests as a percentage of revenue	1.1%	2.1%	0.3%	4.5%
Operating profit after tax attributable to owners of the company as a percentage of issued capital and reserves at the end of the period	0.5%	1.1%	0.4%	6.1%
Earnings per ordinary share				
(a) Based on weighted average number of ordinary shares in issue (cents)	0.35	0.76	0.28	4.16
(b) On a fully diluted basis (cents)*	0.35	0.76	0.28	4.16

*6,928,500 (3Q2011: Nil) share options granted to employees under the existing employee share option plan have been included in the calculation of diluted earnings per share (EPS). For 3Q2011, it is not meaningful to calculate the diluted EPS as the stock option exercise prices are above the market price.

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

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	
	30/09/2012	31/12/2011	30/09/2012	31/12/2011
Net Asset Value per Ordinary Share based on issued share capital at the end of the period (in cents)	67.73	72.13	40.07	40.74

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

3Q2012 vs. 3Q2011

Revenue decreased 12.0% yoy to S\$271.7 million in 3Q2012 mainly due to lower sales volumes resulting from delays in projects' start up from existing and new customers.

Gross profit decreased 10.2% yoy to S\$24.0 million in 3Q2012 mainly due to lower revenue, increased depreciation as a result of higher capital expenditure, increased start up costs for new projects and increased labor costs.

Total selling & distribution and administrative expenses increased by 16.9% yoy to S\$21.5 million in 3Q2012. The increase was mainly due to the increases in staff cost and lower reversal on impairment loss on doubtful receivables.

Financial costs increased 123.4% yoy from S\$0.4 million to S\$0.9 million in 3Q2012 mainly due to an increase in USD bank borrowings.

Other expenses decreased by 59.1% yoy to S\$1.2 million in 3Q2012 mainly due to the net fair value gain on derivatives totaling S\$1.4 million (3Q2011: net fair value loss S\$2.9 million). The net fair value gain was due to the lower forward rate caused by depreciation of USD against RMB as compared with the contract rate. The decrease was partially offset by the net foreign exchange loss totaling S\$2.9 million (3Q2011: net foreign exchange gain S\$0.1 million), which arose mainly from depreciation of the RMB and USD against SGD.

Income tax expense decreased by 72.0% yoy to S\$0.7 million and the effective tax rate decreased from 26.6% in 3Q2011 to 18.0% in 3Q2012. This was mainly contributed by the concessionary tax rates obtained by certain subsidiaries in China.

As a result of the above factors, the Group achieved net profit after tax of S\$3.0 million in 3Q2012.

Cashflow Analysis

Net cash generated from operating activities before working capital changes was S\$26.3 million in 3Q2012. Net cash flows generated from operating activities in 3Q2012 amounted to S\$36.7 million.

Net cash used in investing activities was S\$63.9 million in 3Q2012, mainly due to net cash outflow for purchase of capital expenditure amounting to S\$65.9 million.

Net cash used in financing activities was S\$34.6 million in 3Q2012, mainly due to repayment of loans and borrowings amounting to S\$33.6 million.

Balance Sheet Analysis

Property, plant and equipment increased by 19.4% from S\$284.4 million as at 31 December 2011 to S\$339.6 million as at 30 September 2012. The increase was mainly due to the total additions of S\$124.6 million incurred during the period ended 30 September 2012, which mainly consisted of CNC machines and factory renovation, partially offset by the total depreciation of S\$50.0 million.

Deferred tax assets decreased by 22.8% from S\$14.0 million as at 31 December 2011 to S\$10.8 million as at 30 September 2012, while income tax payable decreased by 34.6% from S\$10.7 million as at 31 December 2011 to S\$7.0 million as at 30 September 2012. The decrease was due to reversal of taxes from concessionary tax rates obtained by certain China subsidiaries in mid 2012. The concessionary tax rates are applicable for the period starting from 2011 to 2013.

Inventories increased by 39.3% from S\$124.8 million as at 31 December 2011 to S\$173.8 million as at 30 September 2012 due to build up of inventory for 4Q2012.

Trade and other receivables decreased by 11.9% from S\$293.3 million as at 31 December 2011 to S\$258.4 million as at 30 September 2012 which was due to the decrease in sales as compared to Q42011 (4Q2011: revenue S\$422.1 million).

Prepaid operating expenses increased by 72.6% from S\$16.5 million as at 31 December 2011 to S\$28.4 million as at 30 September 2012 due mainly to the increase of prepaid operating expenses for fixed assets of S\$10.1 million.

Trade and other payables decreased by 4.0% from S\$311.4 million as at 31 December 2011 to S\$298.9 million as at 30 September 2012 which was in line with the decrease in cost of sales as compared to Q42011.

The increase in current loans and borrowings (in USD) from S\$116.7 million as at 31 December 2011 to S\$128.9 million as at 30 September 2012 is for hedging purpose and general working capital purposes of our subsidiaries.

Cash and cash equivalents decreased from S\$339.7 million as at 31 December 2011 to S\$213.5 million as at 30 September 2012. Debt was S\$131.1 million, resulting in a net cash position of S\$82.4 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 2Q2012 results announcement made on 1 Aug 2012, the Group guided *inter alia*, as follows:

The Group expects higher revenue in 3Q2012 as compared to 2Q2012. The Group also expects to be profitable in 3Q2012.

The Group expects similar revenue but higher profit in 3Q2012 as compared to 3Q2011.

Subsequently in our business update on 19 October 2012, the Group guided for lower revenue and profit for 3Q2012 as compared to 3Q2011.

In line with our guidance, we recorded lower revenue and net profit after tax of S\$271.7 million and S\$3.0 million respectively for 3Q2012 as compared to 3Q2011.

(S\$'000)	3Q2012	2Q2012	3Q2011
Revenue	271,657	251,762	308,567
Net profit/ (loss) after tax	2,983	(2,099)	6,461

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.

2012 has been a difficult year for companies due to macroeconomic factors such as Europe's ongoing debt crisis, concerns over China's growth and a sluggish United States economy.

Despite the uncertainty, sales of tablets and smart phones continue to be robust as consumers increasingly turn to these devices for ease of mobile computing and consumption of digital content. As a leading contract manufacturer to several major tablet and mobile brands, Hi-P is confident that the outlook in the industry will have a positive impact on the Group's performance.

To support the Group's growing customer base, the Group will be investing S\$300.0 million to build a plant in Nantong, China which will increase the production space of the Group by about 50% through a planned built-up area of approximately 190,000m² on a 100,000m² land parcel. The new plant will allow the Group to integrate different production lines under one roof, thereby streamlining manufacturing processes and creating economies of scale.

The new plant is expected to commence operations in 2H2013 and become fully operational in 1H2014. The sizeable Nantong plant will have a positive impact on the Group's future growth and will position the Group as a leading Asian technology contract manufacturer.

At the extraordinary general meeting of the Company held on 15 October 2012, shareholders have approved the proposed acquisition of land, construction of buildings, and purchase and installation of facilities and equipment in Nantong Economic & Technological Development Area, PRC ("Nantong Project") at an estimated total investment cost of about S\$300.0 million.

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

The Group expects higher revenue and profit in 4Q2012 as compared to 3Q2012.

The Group expects lower revenue and profit in FY2012 as compared to FY2011.

11. Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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 2012

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 Molex International Inc & its group of companies	\$903,762	-

No general mandate has been obtained from shareholders for interested persons transactions.

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 2012 to be false or misleading in any material aspect.

Yao Hsiao Tung
Executive Chairman
Chief Executive Officer

Gerald Lim Thien Su
Director