



# Q4 & FY2005 Results

28 Feb 2006

*Integrated*  
Contract  
Manufacturer



# Overview

**YAO HSIAO TUNG**

**Executive Chairman & Chief Executive Officer**



# Q405 YoY Performance



Hi-P INTERNATIONAL  
LIMITED

	Q405	Q404	+/-
Revenue	\$ 200 m	\$ 144 m	+39%
Gross profit	\$ 38 m	\$ 36 m	+4%
Operating profit	\$ 23 m	\$ 27 m	-14%
Taxation	2.9%	-0.2%	+3.1 pts
Net profit	\$ 22 m	\$ 25 m	-12%
Earnings/share	2.47 cts	2.82 cts	-12%


# Q4 Performance By Segment (YoY)

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Hi-P INTERNATIONAL  
LIMITED

**TELECOMMUNICATIONS**

 **31%**

**CONSUMER E&E**

 **76%**

**COMPUTING/ AUTOMOTIVE**

 **5%**

# Q405 QoQ Performance



Hi-P INTERNATIONAL  
LIMITED

	Q405	Q305	+/-
Revenue	\$ 200 m	\$ 160 m	+25%
Gross profit	\$ 38 m	\$ 39 m	-5%
Operating profit	\$ 23 m	\$ 27 m	-16%
Taxation	2.9%	7.1%	-4.3 pts
Net profit	\$ 22 m	\$ 25 m	-11%
Earnings/share	2.47 cts	2.79 cts	-11%

# Q4 Performance By Segment (QOQ)

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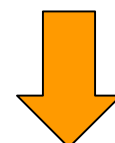
Hi-P INTERNATIONAL  
LIMITED

**TELECOMMUNICATIONS**



**50%**

**CONSUMER E&E**



**4%**

**COMPUTING/ AUTOMOTIVE**



**11%**

# Key Factors behind Q405

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Hi-P INTERNATIONAL  
LIMITED

## Q405 Profitability affected by:

- **Product Mix : new projects with high material content**
- **Under-utilization for new plants in Suzhou and lens manufacturing**
- **Start-up costs for SMT, Poland, Mexico and Thailand**

# Full-Year Performance



Hi-P INTERNATIONAL  
LIMITED

	<b>FY05</b>	<b>FY04</b>	<b>+/-</b>
Revenue	\$ 633 m	\$ 561 m	+13%
Gross profit	\$ 142 m	\$ 140 m	+1%
Operating profit	\$ 93 m	\$ 95 m	-1%
Taxation	5.4%	3.4%	+2.0 pts
Net profit	\$ 89 m	\$ 88 m	+1%
Earnings/share	10.0 cts	9.9 cts	+1%
Dividends/share	1.0 ct	1.0 ct	-



# FY2005 vs FY2004

## Performance By Segment

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Hi-P INTERNATIONAL  
LIMITED

**TELECOMMUNICATIONS**



**1%**

**CONSUMER E&E**



**31%**

**COMPUTING/ AUTOMOTIVE**



**31%**

# Top 10 Customers



HI-P INTERNATIONAL  
LIMITED

## FY 2005

<b>Motorola</b>	<b>Siemens</b>
<b>Gillette</b>	<b>Maxtor</b>
<b>Seagate</b>	<b>Baxter</b>
<b>MEI</b>	<b>ZTE</b>
<b>Kodak</b>	<b>NEC</b>

## FY 2004

<b>Motorola</b>	<b>ZTE</b>
<b>Gillette</b>	<b>Maxtor</b>
<b>Siemens</b>	<b>Haier</b>
<b>Kodak</b>	<b>MEI</b>
<b>Seagate</b>	<b>Capitel</b>

# Financials

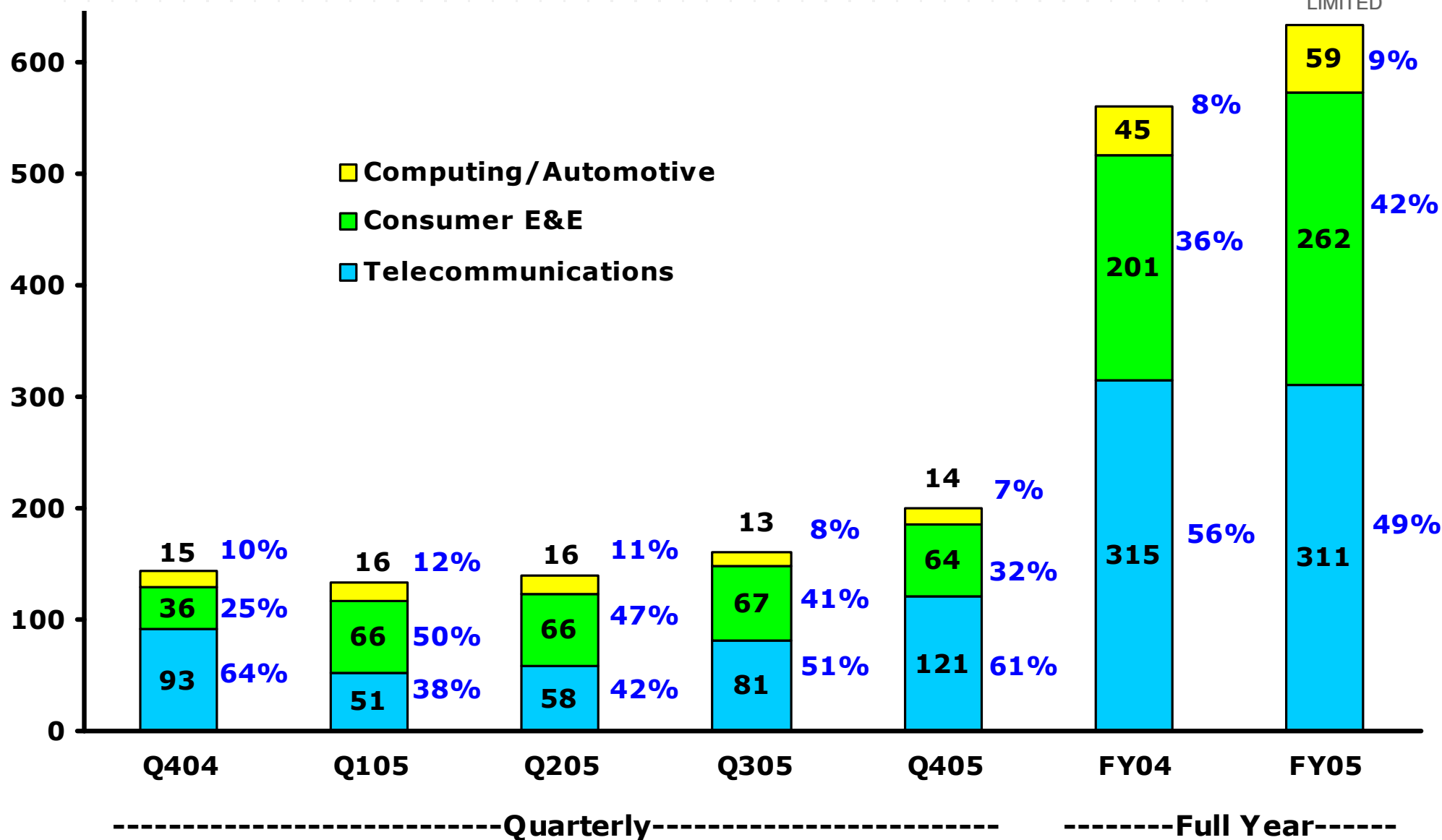
**HUANG WOUI TEIK**  
**Chief Financial Officer**



# Revenue Mix By Business



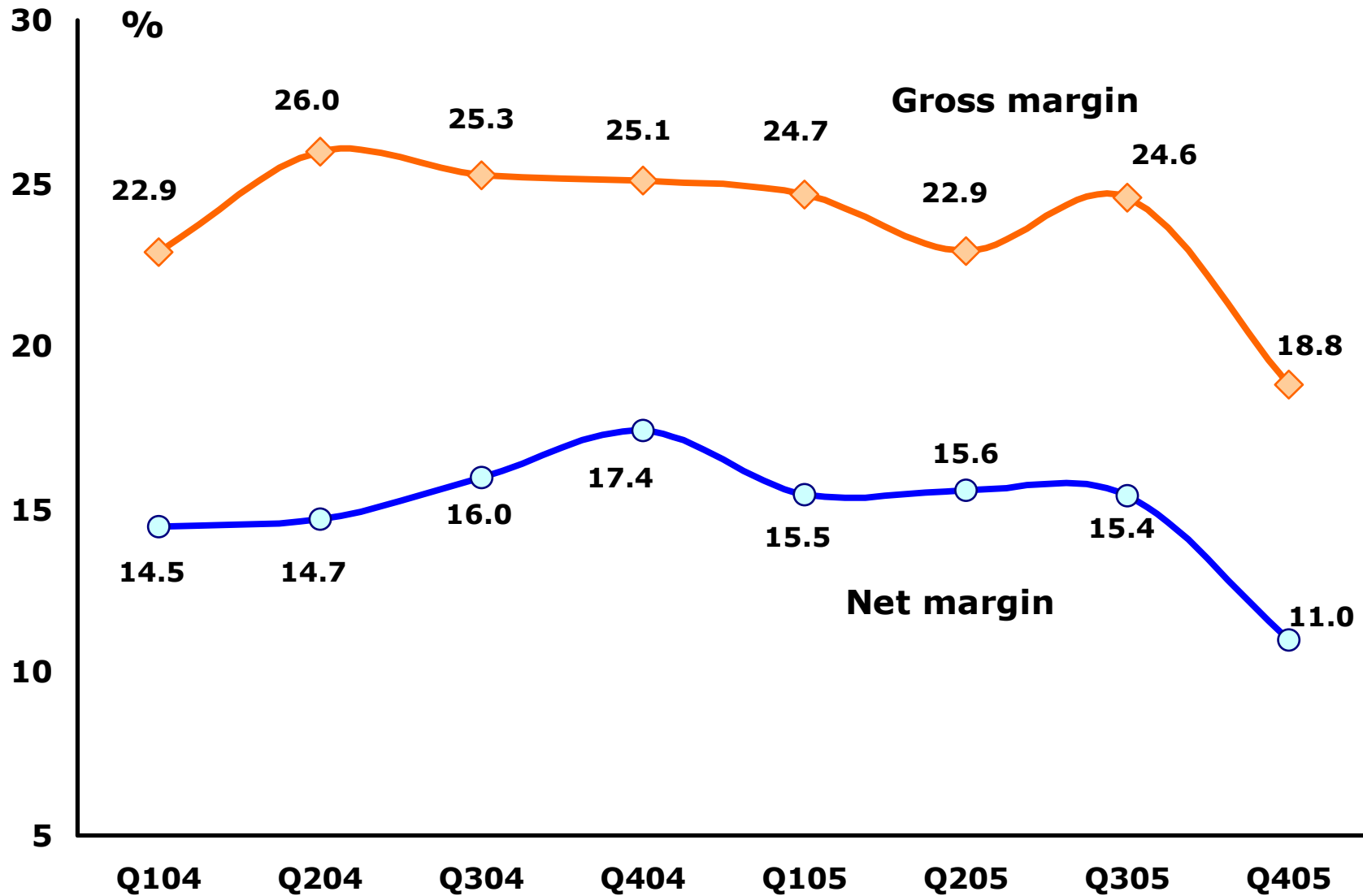
HI-P INTERNATIONAL  
LIMITED



# Margin Trend



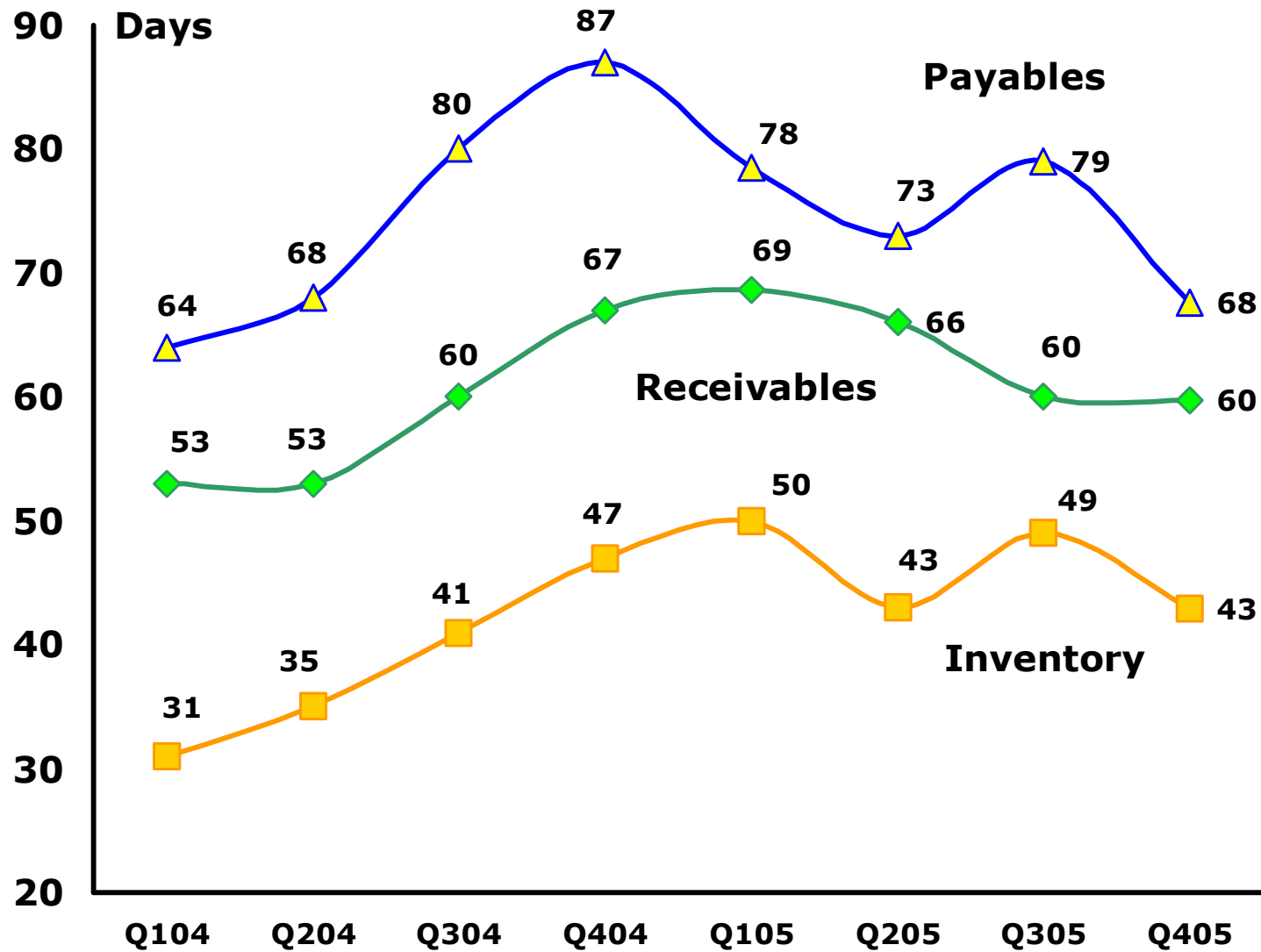
Hi-P INTERNATIONAL  
LIMITED



# Working capital



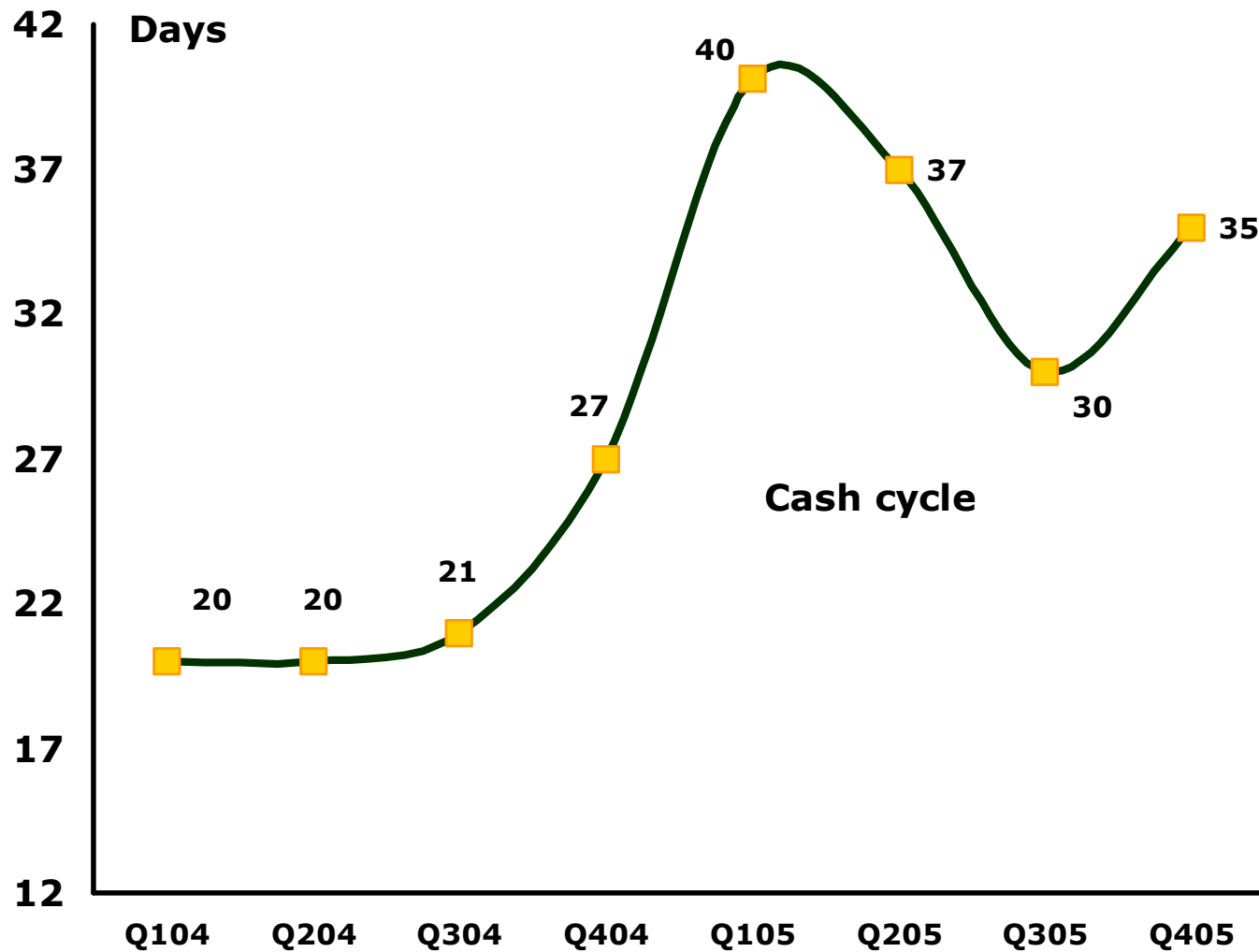
Hi-P INTERNATIONAL  
LIMITED



# Cash Cycle



Hi-P INTERNATIONAL  
LIMITED

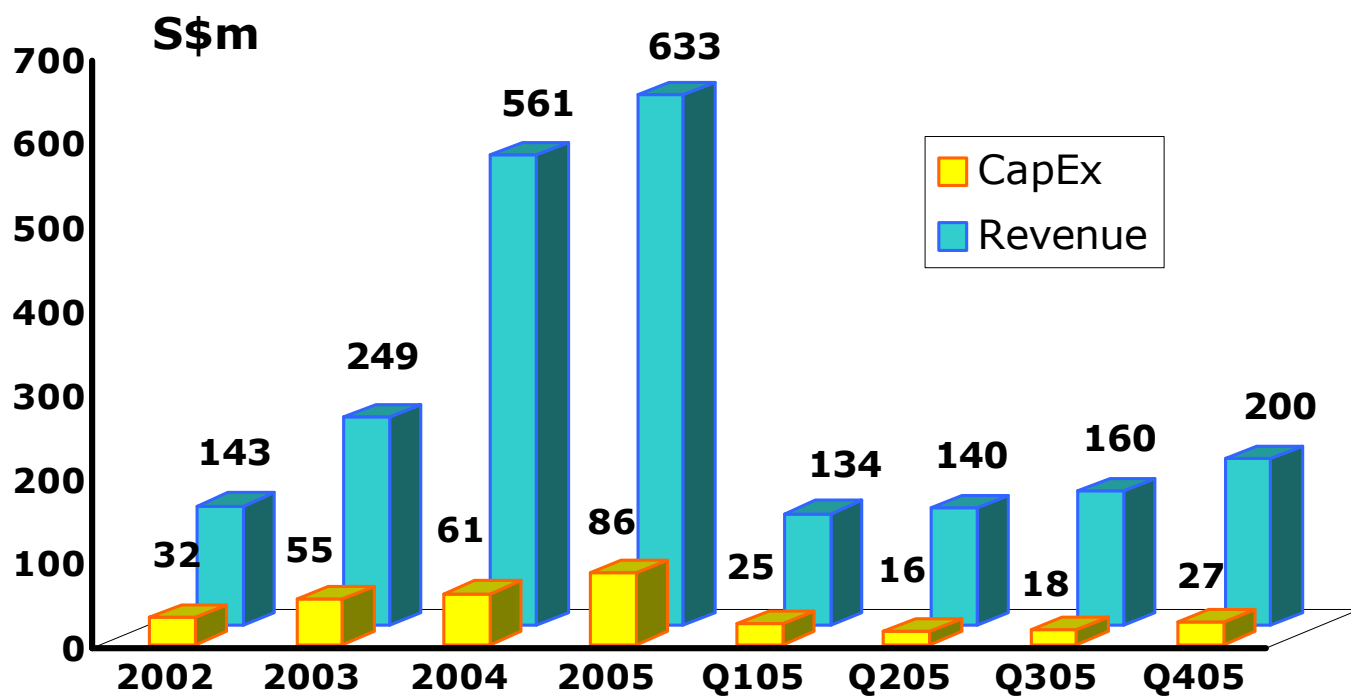


$$\text{Cash Cycle Days} = \text{DSO} + \text{Inventory Days} - \text{DPO}$$

# CapEx vs. Revenue



HI-P INTERNATIONAL  
LIMITED

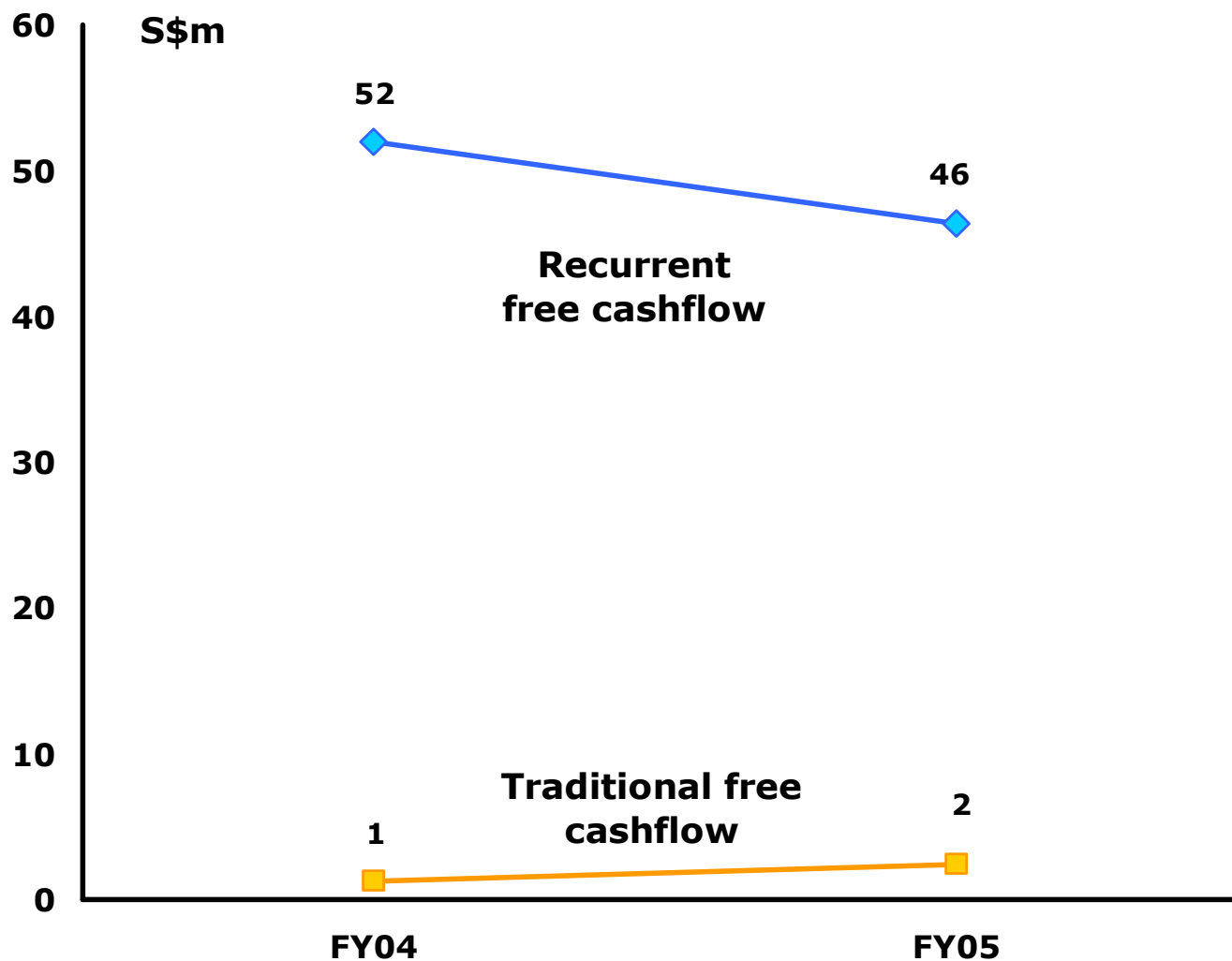




# Free Cashflow



Hi-P INTERNATIONAL  
LIMITED



*Traditional free cashflow* = Operating + Investing cashflows

*Recurrent free cashflow* = Operating cashflow before working capital + net interest paid + tax paid + net capital expenditure and acquisition outflows + finance lease payments

# Key Metrics FY2005



HI-P INTERNATIONAL  
LIMITED

	FY05	FY04	YoY
NTA/share	40.8 cts	30.3 cts	+35%
Return on equity	28.2%	38.3%	-10.0 pts
Return on assets	17.6%	22.4%	-4.8 pts
Gross gearing	1.5%	8.2%	-6.7 pts
Capital expenditure	\$86m	\$61m	+40%
Net cash/share	7.6 cts	7.5 cts	+2%

# OUTLOOK

**YAO HSIAO TUNG**

**Executive Chairman & Chief Executive Officer**



# Looking Back 2005

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Hi-P INTERNATIONAL  
LIMITED

- **A year of restructuring with SBU Approach**
- **A year of significant new customer wins**
- **A year of strategic expansion**
  - **Set up new sites in Poland, Thailand & Suzhou**
  - **Expand space and capacity in Mexico**
  - **Increased tooling and molding capacity**
  - **Added Industrial Design, IMD/IML, PCBA**

# Full-Year Performance



Hi-P INTERNATIONAL  
LIMITED  
+/-

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Dividends/share	1.0 ct	1.0 ct	-

# Looking Ahead – Telecoms

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Hi-P INTERNATIONAL  
LIMITED

- Flat Q1 revenue compared to Q4
- Strong pipeline of projects for FY06
- New customers' contribution from H2
- Vertical integration efforts continue
- Good growth in FY06

# Looking Ahead – CE

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Hi-P INTERNATIONAL  
LIMITED

- **Flat Q1 FY2006**
  - Fusion razor project starts shipment in March
  - Mild recovery of volumes for existing projects
  - New oral care products start production in March
- **Momentum to pick up from Q2 onwards**
  - Higher volumes indicated for Fusion project
  - New Gillette project expected in Q2
  - Contributions from new customers
- **Good growth in FY2006**

# Looking Ahead – Computing

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Hi-P INTERNATIONAL  
LIMITED

- **Q1 FY2006 better than Q4 FY2005 due to maiden contribution from new customer**
- **Better utilization at new plants**
- **Strong growth in FY2006**
  - buoyant outlook for HDD sector
  - rising contribution from new customers



# Guidance

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Hi-P INTERNATIONAL  
LIMITED

## Q1 FY2006

- Revenue to be sustained at Q4 levels
- Momentum to pick up from Q2 onwards

## FY 2006

- Healthy growth for full year



**Q & A Session**



**Thank You !**

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