



Hi-P International
Limited



1Q2011 Results Briefing

4 May 2011

*The Integrated
Electro-Mechanics
Solution Provider*



1Q2011 Overview

Mr. Yao Hsiao Tung
Executive Chairman & CEO



1Q2011 Key Financial Highlights (YOY)



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| (S\$m) | 1Q11 | 1Q10 | YOY % Chg |
|---------------------|-------|-------|--------------|
| Revenue | 243.3 | 146.9 | 65.6 |
| Gross Profit | 39.7 | 6.5 | 508.8 |
| Pretax Profit (PBT) | 24.1 | -13.5 | N.M. |
| Tax expense | -6.2 | -1.0 | 520.5 |
| Net profit (PAT) | 17.9 | -14.5 | N.M. |
| EPS (S cts) | 2.08 | -1.63 | N.M. |
| NAV/Share (S cts) | 69.38 | 64.51 | 7.5 |



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1Q2011 Key Financial Highlights (YOY)

Revenue up by 65.6% vs 1Q2010

- Ramp up of new projects

Gross profit increased 508.8% vs 1Q2010

- Economies of scale
- Improved productivity
- Product mix
- Effective overall cost control





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Key Financial Highlights (QOQ)

| (S\$m) | 1Q11 | 4Q10 | QOQ % Chg |
|---------------------|-------|-------|--------------|
| Revenue | 243.3 | 343.8 | -29.2 |
| Gross Profit | 39.7 | 82.0 | -51.6 |
| Pretax Profit (PBT) | 24.1 | 47.7 | -49.5 |
| Tax expense | -6.2 | -11.8 | -47.5 |
| Net profit (PAT) | 17.9 | 35.9 | -50.1 |
| EPS (S cts) | 2.08 | 4.15 | -49.9 |
| NAV/Share* (S cts) | 69.38 | 68.32 | 1.6 |



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1Q2011 Key Financial Highlights (QOQ)

Revenue down by 29.2% vs 4Q2010

- Seasonal slowdown

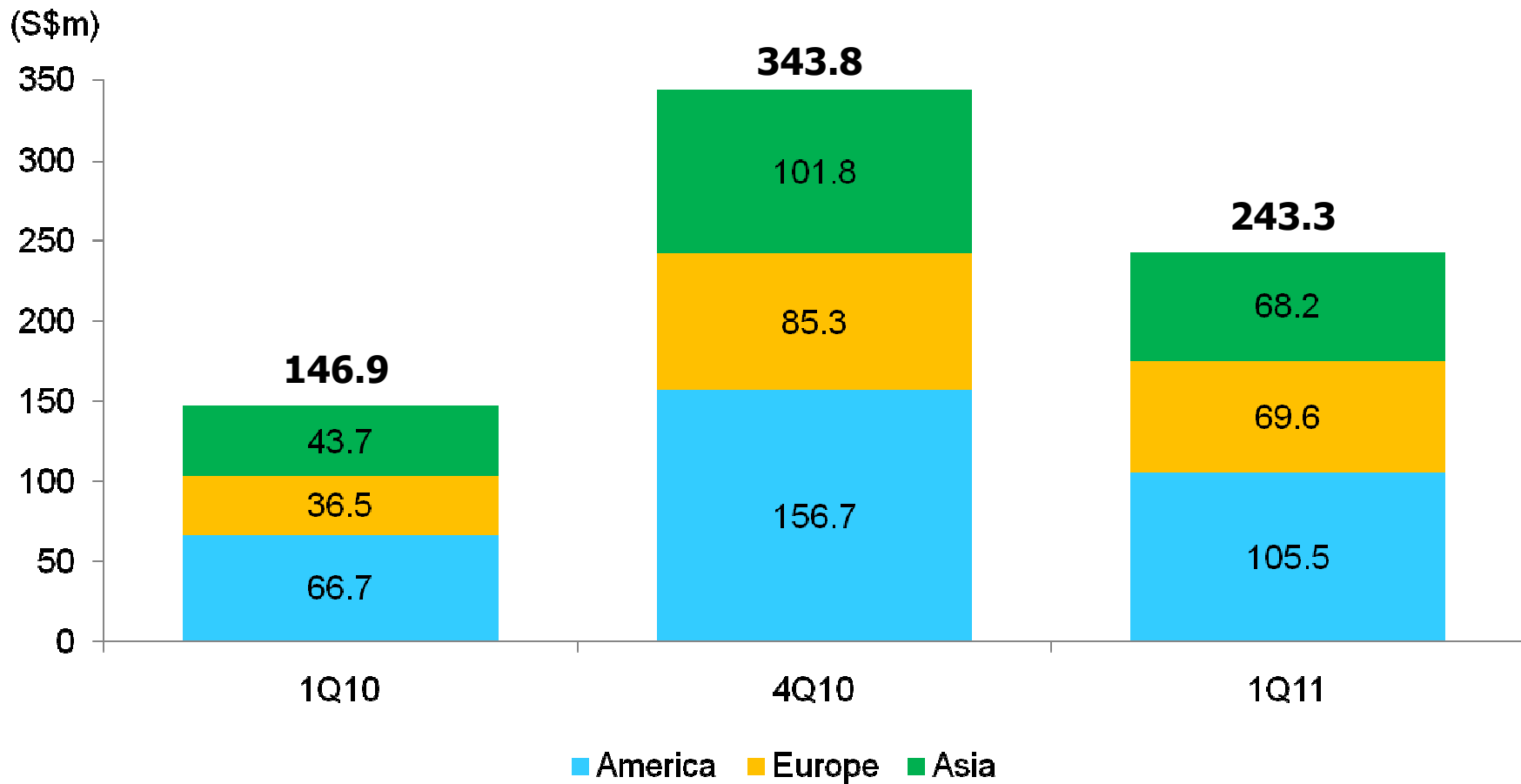
Gross profit decreased 51.6% vs 4Q2010

- Reduced economies of scale
- Rationalise depreciation estimate in China (S\$5.4 million)



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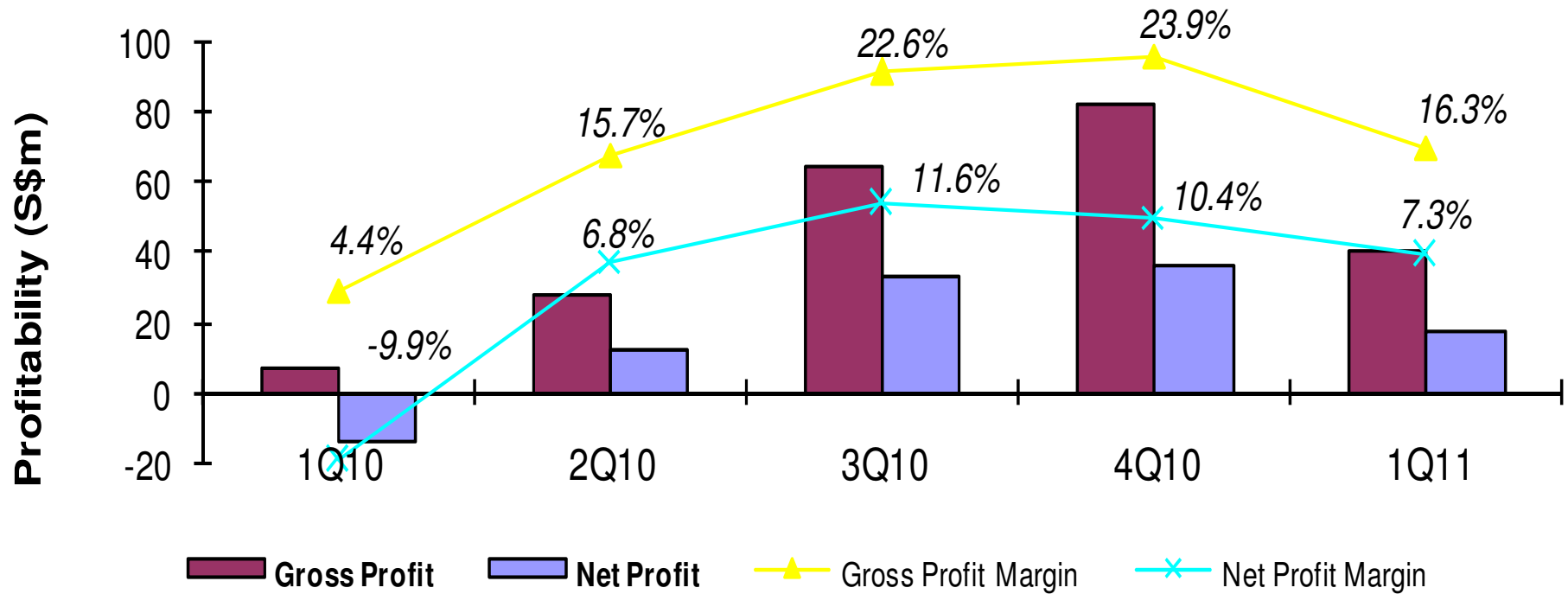
Revenue by Geographical Segmentation



Profitability Status



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Cash Flow Statement

| Category | 1Q11 S\$ m | 1Q10 S\$ m |
|----------------------------------------------------|---------------|---------------|
| Net cash generated from operations ¹ | 49.5 | -0.3 |
| Net cash used in investing activities ² | -2.4 | -5.6 |
| Net cash used in financing activities ³ | -9.6 | -0.3 |
| Net cash | 246.9 | 235.4 |



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Cash Flow Statement

- ¹ - Net cash from operations of S\$49.5m generated mainly due to
 - Operating cash flow before changes in working capital (S\$39.0m)
 - Decrease in trade and other receivables (S\$66.4m)
 - Decrease in trade and other payables (S\$34.0m)

- ² - Net cash used in investing activities of S\$2.4m mainly due to
 - Capital expenditure (S\$7.2m)
 - Proceeds from short term investments (S\$3.9m)

- ³ - Net cash used in financing activities of S\$9.6m mainly due to
 - Purchase of treasury shares (S\$9.8m)



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Strong Balance Sheet, Net Cash Position

| Category | 31 Mar 11 S\$ m | 31 Dec 10 S\$ m |
|----------|--------------------|--------------------|
| Net Cash | 246.9 | 211.1 |
| Gearing | 0.7% | 0.7% |

Business Updates





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Business Updates

- ❑ Product mix in 2Q2011 will include more assembly
- ❑ Rapid changes in market & technology
- ❑ Price pressure with weakened US dollar
- ❑ Labour shortage with rising cost
- ❑ Concerns with electronic components supply from Japan
- ❑ Financial position remains healthy



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Earnings Outlook



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Earnings Outlook

- ❑ Expect higher revenue and profit in 2Q2011 vs 2Q2010

- ❑ Expect higher revenue and marginally higher profit in 2Q2011 vs 1Q2011 due to more assembly

- ❑ Expect higher revenue and profit for FY2011 vs FY2010



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Future Plans





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Opportunities

- ❑ Built wireless R&D through acquisition of Motorola Singapore Design Centre
- ❑ Growing electro-mechanical industries
- ❑ Growing ODM & EMS trends
- ❑ Total solution provider
- ❑ New market segments & customers





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Strategies

- Grow business with aggressive marketing
- Groom management to cope with growth needs
- Complete vertical integration
- Maximise capacity utilisation by increasing loading & cutting idle capacity
- Reduce cost through right measures





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Thank You

Q & A

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