

Financial Statement and Dividend Announcement for the quarter ended 30 September 2011

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 3-11 S\$'000	Q 3-10 S\$'000	Increase/ (decrease) %	YTD Q3-11 S\$'000	YTD Q3-10 S\$'000	Increase/ (decrease) %
Revenue	308,567	285,505	8.1	781,773	613,855	27.4
Cost of sales	<u>(281,870)</u>	<u>(220,911)</u>	27.6	<u>(685,100)</u>	<u>(514,319)</u>	33.2
Gross profit	26,697	64,594	(58.7)	96,673	99,536	(2.9)
Other items of income						
Interest income	1,349	588	129.4	2,871	1,680	70.9
Other income	2,836	6,369	(55.5)	15,264	15,156	0.7
Other items of expense						
Selling and distribution expenses	(1,695)	(2,108)	(19.6)	(5,585)	(6,995)	(20.2)
Administrative expenses	(16,703)	(19,902)	(16.1)	(49,850)	(48,211)	3.4
Financial costs	(419)	(95)	341.1	(663)	(308)	115.3
Other expenses	(3,293)	(10,533)	(68.7)	(10,676)	(20,096)	(46.9)
Share of results of associates	<u>31</u>	<u>(71)</u>	n.m.	<u>90</u>	<u>(175)</u>	n.m.
Profit before tax	8,803	38,842	(77.3)	48,124	40,587	18.6
Income tax expense	<u>(2,342)</u>	<u>(5,644)</u>	(58.5)	<u>(12,591)</u>	<u>(9,522)</u>	32.2
Profit, net of tax	<u>6,461</u>	<u>33,198</u>	(80.5)	<u>35,533</u>	<u>31,065</u>	14.4
Attributable to:						
Owners of the Company	6,468	33,207	(80.5)	35,558	31,391	13.3
Non-controlling interests	<u>(7)</u>	<u>(9)</u>	(22.2)	<u>(25)</u>	<u>(326)</u>	(92.3)
	<u>6,461</u>	<u>33,198</u>	(80.5)	<u>35,533</u>	<u>31,065</u>	14.4

n.m. – Not Meaningful

Consolidated statement of comprehensive income for the quarter ended 30 September 2011

	Group			Group		
	Q3-11 S\$'000	Q3-10 S\$'000	Increase/ (decrease) %	YTD Q3-11 S\$'000	YTD Q3-10 S\$'000	Increase/ (decrease) %
Profit for the period	6,461	33,198	(80.5)	35,533	31,065	14.4
Other comprehensive income:						
Foreign currency translation	25,532	(17,222)	n.m.	15,936	(19,790)	n.m.
Share of other comprehensive income of associates	56	(18)	n.m.	68	(53)	n.m.
Other comprehensive income for the period, net of tax	<u>25,588</u>	<u>(17,240)</u>		<u>16,004</u>	<u>(19,843)</u>	
Total comprehensive income for the period	<u>32,049</u>	<u>15,958</u>	100.8	<u>51,537</u>	<u>11,222</u>	359.3
Total comprehensive income attributable to:						
Owners of the Company	31,998	16,016	99.8	51,526	11,602	344.1
Non-controlling interests	51	(58)	n.m.	11	(380)	n.m.
	<u>32,049</u>	<u>15,958</u>	100.8	<u>51,537</u>	<u>11,222</u>	359.3

n.m. – Not Meaningful

Other notes:

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

	Q3-11	Q3-10	YTD	YTD
	S\$'000	S\$'000	Q3-11	Q3-10
			S\$'000	S\$'000
1. Depreciation of property, plant and equipment	13,792	11,825	44,707	34,890
2. Impairment loss/ (reversal of impairment loss) on property, plant and equipment	28	4,418	(553)	9,896
3. Net loss/(gain) on disposal of property, plant and equipment	21	(128)	(477)	(78)
4. Property, plant and equipment written off	79	17	140	480
5. Allowance/ (reversal of allowance) for inventory obsolescence	3,217	(568)	1,005	2,932
6. Inventories written back	(596)	(346)	(1,724)	(463)
7. (Write back)/ impairment loss on doubtful receivables	(867)	691	(919)	394
8. Bad debt written off	10	17	136	27
9. Directors' fees	105	89	309	269
10. Staff costs (including directors' remuneration)	63,453	58,029	169,588	140,544
11. Operating lease expense	4,301	4,034	12,368	12,712
12. Net foreign exchange (gain)/ loss	(79)	5,355	6,226	7,004
13. Net fair value loss/(gain) on derivatives	2,870	(2,212)	(1,007)	(2,575)
14. Loss on disposal of investment in a subsidiary	108	-	108	-

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	
	30/09/2011 S\$'000	31/12/2010 S\$'000	30/09/2011 S\$'000	31/12/2010 S\$'000
Non-current assets				
Property, plant and equipment	272,087	255,549	18,354	19,194
Investment in subsidiaries	-	-	207,821	200,765
Investment in associates	2,364	2,355	1,478	1,478
Other investment	12	12	12	12
Other long term assets	131	-	-	-
Deferred tax assets	9,565	11,537	-	-
Current assets				
Inventories	165,265	100,472	4,941	5,419
Trade and other receivables	268,076	265,507	116,300	77,601
Prepaid operating expenses	24,498	1,894	535	242
Derivatives	2,398	1,481	266	550
Short term investment	-	3,906	-	-
Cash and cash equivalents	290,128	214,978	47,691	60,950
	750,365	588,238	169,733	144,762
Current liabilities				
Trade and other payables	310,444	224,504	17,704	32,270
Accrued operating expenses	31,350	35,965	9,463	10,010
Loans and borrowings	86,408	572	85,908	90
Income tax payable	10,985	19,858	357	357
Derivatives	4,356	296	3,180	-
	443,543	281,195	116,612	42,727
Net current assets	306,822	307,043	53,121	102,035
Non-current liabilities				
Loans and borrowings	3,017	3,377	-	68
Deferred tax liabilities	1,624	1,528	-	-
	4,641	4,905	-	68
Net assets	586,340	571,591	280,786	323,416
Equity attributable to owners of the Company				
Share capital	119,725	119,725	119,725	119,725
Treasury shares	(42,542)	(34,040)	(42,542)	(34,040)
Accumulated profits	469,156	463,701	198,241	233,894
Other reserves	39,048	21,263	5,362	3,837
	585,387	570,649	280,786	323,416
Non-controlling interests	953	942	-	-
Total equity	586,340	571,591	280,786	323,416

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

Amount repayable within one year or less, or on demand

As at 30/09/2011		As at 31/12/2010	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
590	85,818	572	-

Amount repayable after one year

As at 30/09/2011		As at 31/12/2010	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,017	-	3,377	-

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.

	Q3-11	Q3-10	YTD	YTD
	SS'000	SS'000	Q3-11	Q3-10
			SS'000	SS'000
Cash flows from operating activities				
Profit before tax	8,803	38,842	48,124	40,587
Adjustments for:				
Depreciation of property, plant and equipment	13,792	11,825	44,707	34,890
Impairment loss/ (reversal of impairment loss) on property, plant and equipment	28	4,418	(553)	9,896
Net loss/ (gain) on disposal of property, plant and equipment	21	(128)	(477)	(78)
Property, plant and equipment written off	79	17	140	480
Allowance/ (reversal of allowance) for inventory obsolescence	3,217	(568)	1,005	2,932
Inventories written back	(596)	(346)	(1,724)	(463)
(Write back)/ impairment loss on doubtful receivables	(867)	691	(919)	394
Bad debts written off	10	17	136	27
Equity compensation expense	583	285	1,511	763
Interest expense	419	95	663	308
Interest income	(1,349)	(588)	(2,871)	(1,680)
Net fair value loss/(gain) on derivatives - unrealised	4,771	(1,809)	3,157	(1,630)
Loss on disposal of investment in a subsidiary	108	-	108	-
Translation difference	(560)	(1,379)	(205)	(1,827)
Share of results of associates	(31)	71	(90)	175
Operating cash flows before changes in working capital	28,428	51,443	92,712	84,774
Changes in working capital				
Increase in inventories	(26,943)	(42,620)	(60,633)	(63,062)
(Increase)/decrease in trade and other receivables	(54,378)	(88,115)	7,552	(116,772)
(Increase)/ decrease in prepaid operating expenses	(9,682)	412	(22,735)	(1,761)
Increase in trade and other payables	63,000	83,591	55,257	99,419
Increase/ (decrease) in accrued operating expenses	383	2,918	(4,615)	8,503
(Increase)/ decrease in amounts due from related parties	(61)	39	(117)	35
Total changes in working capital	(27,681)	(43,775)	(25,291)	(73,638)
Cash flows generated from operations	747	7,668	67,421	11,136
Income taxes paid	(4,575)	(1,955)	(18,893)	(4,214)
Net cash flows (used in)/ generated from operating activities	(3,828)	5,713	48,528	6,922

	Q3-11	Q3-10	YTD	YTD
	SS'000	SS'000	Q3-11	Q3-10
			SS'000	SS'000
Cash flows from investing activities				
Dividends received from an associated company	-	-	150	-
Interest received	838	588	2,360	1,680
Proceeds from disposal of property, plant and equipment	179	410	925	2,714
Purchase of property, plant and equipment (Note a)	(12,061)	(5,730)	(31,126)	(18,665)
Proceeds from short term investments	16,400	-	3,906	-
Cash outflow on acquisition of remaining non-controlling interests	-	-	-	(5,130)
Net cash flows generated from/ (used in) investing activities	5,356	(4,732)	(23,785)	(19,401)
Cash flows from financing activities				
Dividends paid on ordinary shares	-	-	(29,811)	(26,062)
Purchase of treasury shares	-	(18,310)	(9,777)	(21,701)
Proceeds from re-issuance of treasury shares	24	-	1,290	-
Interest paid	(419)	(95)	(663)	(308)
Proceeds from loans and borrowings	61,138	-	85,818	-
Repayments of obligations under finance lease	(142)	(139)	(431)	(414)
Net cash flows generated from/ (used in) financing activities	60,601	(18,544)	46,426	(48,485)
Net increase/ (decrease) in cash and cash equivalents	62,129	(17,563)	71,169	(60,964)
Effect of exchange rate changes on cash and cash equivalents	6,842	(5,432)	3,981	(7,975)
Cash and cash equivalents at beginning of period	221,157	200,746	214,978	246,690
Cash and cash equivalents at end of period	290,128	177,751	290,128	177,751

Note to the Consolidated Cash Flow Statement

(a) Purchase of Property, plant and equipment

Current year additions	29,728	9,578	52,840	23,104
Less: Payable to creditors	(18,713)	(6,696)	(26,806)	(13,801)
	11,015	2,882	26,034	9,303
Payments for prior period/year purchases	1,046	2,848	5,092	9,362
Net cash outflow for purchase	12,061	5,730	31,126	18,665

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 2011

Attributable to equity holders 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
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'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
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
Transfer from retained earnings to statutory reserve fund	-	-	291	(291)	-	-	-
Total transactions with owners in their capacity as owners	-	23	874	(291)	606	-	606
Closing balance at 30 September 2011	119,725	(42,542)	39,048	469,156	585,387	953	586,340

(ii) Consolidated statement of changes in equity for the 9 months ended 30 September 2010
Attributable to equity holders 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
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
Opening balance at 1 January 2010	119,725	(7,844)	30,906	432,016	574,803	6,636	581,439
Loss for the period	-	-	-	(14,206)	(14,206)	(314)	(14,520)
Share of other comprehensive income of associates	-	-	(35)	-	(35)	-	(35)
Foreign currency translation	-	-	(331)	-	(331)	(13)	(344)
Total comprehensive income for the period	-	-	(366)	(14,206)	(14,572)	(327)	(14,899)
<u>Contributions by and distributions to owners</u>							
Employee share option scheme - Equity compensation benefits	-	-	215	-	215	-	215
Transfer from retained earnings to statutory reserve fund	-	-	2,510	(2,510)	-	-	-
Total transactions with owners in their capacity as owners	-	-	2,725	(2,510)	215	-	215
Closing balance at 31 March 2010	119,725	(7,844)	33,265	415,300	560,446	6,309	566,755
Profit for the period	-	-	-	12,390	12,390	(3)	12,387
Foreign currency translation	-	-	(2,232)	-	(2,232)	8	(2,224)
Total comprehensive income for the period	-	-	(2,232)	12,390	10,158	5	10,163
<u>Contributions by and distributions to owners</u>							
Employee share option scheme - Equity compensation benefits	-	-	263	-	263	-	263
Purchase of treasury shares	-	(3,391)	-	-	(3,391)	-	(3,391)
Dividends on ordinary shares	-	-	-	(26,062)	(26,062)	-	(26,062)
Total contributions by and distributions to owners	-	(3,391)	263	(26,062)	(29,190)	-	(29,190)
<u>Changes in ownership interests in subsidiaries that do not result in a loss of control</u>							
Acquisition of non-controlling interests	-	-	169	-	169	(5,299)	(5,130)
Closing balance at 30 June 2010	119,725	(11,235)	31,465	401,628	541,583	1,015	542,598
Profit for the period	-	-	-	33,207	33,207	(9)	33,198
Share of other comprehensive income of associates	-	-	(18)	-	(18)	-	(18)
Foreign currency translation	-	-	(17,173)	-	(17,173)	(49)	(17,222)
Total comprehensive income for the period	-	-	(17,191)	33,207	16,016	(58)	15,958
<u>Contributions by and distributions to owners</u>							
Employee share option scheme - Equity compensation benefits	-	-	285	-	285	-	285
Purchase of treasury shares	-	(21,844)	-	-	(21,844)	-	(21,844)
Transfer from retained earnings to statutory reserve fund	-	-	(55)	55	-	-	-
Total transactions with owners in their capacity as owners	-	(21,844)	230	55	(21,559)	-	(21,559)
Closing balance at 30 September 2010	119,725	(33,079)	14,504	434,890	536,040	957	536,997

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

Company	<u>Attributable to equity holders 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 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

(iv) Statement of changes in equity of the Company for the 9 months ended 30 September 2010

Company	<u>Attributable to equity holders 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 2010	119,725	(7,844)	2,869	136,639	251,389
Profit for the period	-	-	-	21,531	21,531
<u>Contributions by and distributions to owners</u>					
Employee Share Option Scheme - Equity compensation benefits	-	-	215	-	215
Total transactions with owners in their capacity as owners	-	-	215	-	215
Balance at 31 March 2010	119,725	(7,844)	3,084	158,170	273,135
Loss for the period	-	-	-	(5,298)	(5,298)
<u>Contributions by and distributions to owners</u>					
Employee Share Option Scheme - Equity compensation benefits	-	-	263	-	263
Purchase of treasury shares	-	(3,391)	-	-	(3,391)
Dividends on ordinary shares	-	-	-	(26,062)	(26,062)
Total transactions with owners in their capacity as owners	-	(3,391)	263	(26,062)	(29,190)
Balance at 30 June 2010	119,725	(11,235)	3,347	126,810	238,647
Profit for the period	-	-	-	16,633	16,633
<u>Contributions by and distributions to owners</u>					
Employee Share Option Scheme - Equity compensation benefits	-	-	285	-	285
Purchase of treasury shares	-	(21,844)	-	-	(21,844)
Total transactions with owners in their capacity as owners	-	(21,844)	285	-	(21,559)
Balance at 30 September 2010	119,725	(33,079)	3,632	143,443	233,721

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 financial period ended 30 September 2011, there has been no increase in the issued and paid-up share capital of the Company.

Share Options

During the period ended 30 September 2011, 813,000 options lapsed and 1,775,000 options were exercised.

There are 19,295,000 options outstanding as at 30 September 2011 (31 December 2010: 13,120,000).

Treasury Shares

For the third quarter ended 30 September 2011, 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 2011 is 58,646,000 (31 December 2010: 51,969,000).

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 2011 was 828,529,000 (31 December 2010: 835,206,000).

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 2011, 1,775,000 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 2010.

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 2011. 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:

INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments (w.e.f. 1 July 2010)
Amendments to FRS 24	Related Party Disclosures

Improvements to FRSs issued in 2010:

FRS 103 (Revised)	Business Combination
FRS 27	Consolidated and Separate Financial Statements
FRS 107	Financial Instruments: Disclosure
FRS 1	Presentation of Financial Statements

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).

	Q3-11	Q3-10	YTD Q3-11	YTD Q3-10
Operating profit after exceptional items and tax before deducting non-controlling interests as a percentage of revenue	2.1%	11.6%	4.5%	5.1%
Operating profit after tax attributable to owners of the company as a percentage of issued capital and reserves at the end of the period	1.1%	6.2%	6.1%	5.9%
Earnings per ordinary share				
(a) Based on weighted average number of ordinary shares in issue (cents)	0.76	3.83	4.16	3.62
(b) On a fully diluted basis (cents)*	0.76	3.82	4.16	3.61

*Nil (3Q2010: 11,719,000) 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	
	30/9/2011	31/12/2010	30/9/2011	31/12/2010
Net Asset Value per Ordinary Share based on issued share capital at the end of the period (in cents)	70.65	68.32	33.89	38.72

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

3Q2011 vs. 3Q2010

3Q2011 revenue increased by 8.1% to S\$308.6 million compared to 3Q2010 mainly due to more high level assembly in 3Q2011. Delays in the ramping of certain programs by customers in 3Q2011 contributed to a lower than expected top line growth.

Gross profit decreased by 58.7% to S\$26.7 million mainly due to pricing pressure, higher material costs due to change in product mix, increased labor costs, additional costs due to activities arising from sites' consolidation and higher depreciation of S\$2.2 million due to a change in accounting estimate pertaining to useful life of certain Property, Plant and Equipment. Labor costs increased in 3Q2011 as a result of increased revenue, headcount and wages.

Total selling & distribution and administrative expenses decreased by 16.4% yoy to S\$18.4 million mainly due to reversal of doubtful receivables of S\$0.9 million and lower bonus provision. Net interest income increased by 88.6% yoy to S\$0.9 million due to higher amount of CNY fixed deposits which earns higher interest rate and partially offset by increased USD bank borrowings. Net other expenses decreased by 89.0% yoy to S\$0.5 million mainly due to minimal provision for impairment loss of fixed assets. (3Q2010: S\$4.4 million)

Income tax expense decreased by 58.5% yoy to S\$2.3 million but effective tax rate increased to 26.6% (3Q2010: 14.5%) mainly due to lower profits and higher income tax rates for our PRC subsidiaries.

As a result of the above factors, the Group achieved net profit after tax of S\$6.5 million in 3Q2011.

Cashflow Analysis

Net cash generated from operating activities before working capital changes was S\$28.4 million in 3Q2011. Net cash flows used in operating activities in 3Q2011 amounted to S\$3.8 million.

Net cash generated from investing activities was S\$5.4 million in 3Q2011, mainly due to proceeds from short term investments of S\$16.4 million partially offset by capital expenditure amounting to S\$12.1 million.

Net cash generated from financing activities was approximately S\$60.6 million in 3Q2011, mainly due to proceeds from loans and borrowings amounting to S\$61.1 million.

Balance Sheet Analysis

Trade and other payables increased by 38.3% from S\$224.5 million as at 31 December 2010 to S\$310.4 million as at 30 September 2011 due to the increase in cost of sales by 27.6% from S\$220.9 million to S\$281.9 million from 3Q2010 to 3Q2011.

The increase in current loans and borrowings (in USD) from S\$0.6 million as at 31 December 2010 to S\$86.4 million as at 30 September 2011 is for hedging purpose and general working capital purposes of our China subsidiaries.

Cash and cash equivalents increased from S\$215.0 million as at 31 December 2010 to S\$290.1 million as at 30 September 2011. Debt was S\$89.4 million, resulting in a net cash position of S\$200.7 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 2Q2011 results announcement made on 2 Aug 2011, the Group guided for higher revenue but lower profit in 3Q2011 as compared to 3Q2010 while higher revenue and profit as compared to 2Q2011.

Subsequently in our business update on 21 October 2011, the Group guided for higher revenue and a lower net profit after tax for 3Q2011 as compared to 2Q2011.

In line with our update, we achieved higher revenue of S\$308.6 million and lower net profit of S\$6.5 million in 3Q2011 as compared to 3Q2010. (3Q2010: Revenue - S\$285.5 million; Net profit – S\$33.2 million) As compared to 2Q2011, the revenue was higher at S\$308.6 million while net profit after tax was lower at S\$6.5 million in 3Q2011. (2Q2011: Revenue - S\$229.9 million; Net profit – S\$11.2 million)

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.

In view of the volatile business environment, the Group has implemented various initiatives in the following areas:

- Development of new business opportunities for wireless, computing & peripherals, home appliances and personal grooming devices
- Lowering of operating costs via automation
- Innovative development of new processes and technologies to align with market trends and demands

With an experienced management team and strong vertically-integrated business model, which currently includes process & product development as well as EMS capabilities, the Group is cautiously optimistic of its business prospects and competitiveness even under the current tough market conditions.

As such, the Group wishes to guide its performance as follows:

The Group expects higher revenue and profit in 4Q2011 as compared to 3Q2011.

The Group expects higher revenue but lower profit in FY2011 as compared to FY2010.

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 2011

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	\$1,371,622	-

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 results for the period ended 30th September 2011 to be false or misleading in any material aspect.

Yao Hsiao Tung
Executive Chairman
Chief Executive Officer

Gerald Lim Thien Su
Director

