



Hi-P International
Limited



FY2011 Results Briefing

24 February 2012

*The Integrated
Electro-Mechanics
Solution Provider*



FY2011 Overview

Mr. Yao Hsiao Tung
Executive Chairman & CEO



FY2011 Key Financial Highlights (YOY)



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(S\$m)	FY11	FY10	YOY % Chg
Revenue	1,203.9	957.7	25.7
Gross Profit	130.8	181.5	-28.0
Pretax Profit (PBT)	59.4	88.3	-32.7
Tax expense	-14.4	-21.3	-32.4
Net profit (PAT)	45.0	66.9	-32.8
EPS (S cts)	5.28	7.79	-32.2
NAV/Share (S cts)	72.13	68.32	5.6

FY2011 Key Financial Highlights (YOY)



Revenue up by 25.7% but net profit down by 32.8%

- High level assembly caused lower gross margin
- Pricing pressure
- Labor cost increases
- Consolidation costs
- Higher depreciation due to change in depreciation estimate





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Key Financial Highlights (QOQ)

(S\$m)	4Q11	4Q10	YOY % Chg	3Q11	QOQ % Chg
Revenue	422.1	343.8	22.8	308.6	36.8
Gross Profit	34.1	82.0	-58.4	26.7	27.7
Pretax Profit (PBT)	11.3	47.7	-76.4	8.8	28.4
Tax expense	-1.8	-11.8	-84.5	-2.3	-21.7
Net profit (PAT)	9.4	35.9	-73.7	6.5	45.9
EPS (S cts)	1.11	4.14	-73.2	0.76	46.1
NAV/Share (S cts)	72.13	68.32	5.6	70.65	2.1



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4Q2011 Key Financial Highlights (QOQ)

Revenue up by 36.8% and net profit up by 45.9%

- ❑ Economies of scale
- ❑ Well control of selling & distribution and administrative expenses





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Cash Flow Statement

Category	FY11 S\$ m	FY10 S\$ m
Net cash generated from operations ¹	101.5	66.9
Net cash used in investing activities ²	-56.2	-35.6
Net cash generated from/ used in financing activities ³	74.1	-53.2
Cash at end of period	339.7	215.0



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Cash Flow Statement

- ¹ - Net cash from operations of S\$101.5m mainly due to
- Operating cash flow before changes in working capital (S\$124.9m)
 - Increase in inventories (S\$20.5m)
 - Increase in trade and other receivables (S\$14.7m)
 - Increase in prepaid operating expenses (S\$14.6m)
 - Increase in trade and other payables (S\$51.8m)
 - Income tax paid (S\$22.8m)



Cash Flow Statement

2 - Net cash used in investing activities of S\$56.2m mainly due to

- Purchase of Property, Plant & Equipment (S\$65.5m)
- Interest received (S\$4.1m)
- Total CAPEX of S\$86.7 million for 2011 is lower than our planned expenditure of S\$100 million as forecasted in 2Q 2011, due to the arrival of certain machinery in 2012.

3 - Net cash generated from financing activities of S\$74.0m mainly due to

- Proceeds from loans & borrowings (S\$116.1m)
- Dividends paid (S\$29.8m)
- Purchase of treasury shares (S\$11.5m)





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Strong Balance Sheet, Net Cash Position

Category	31 Dec 11 S\$ m	31 Dec 10 S\$ m
Net Cash	220.3	211.0



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Business Updates



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Business Situation Updates

- Existing and new projects will contribute to FY2012 performance
- Developing new business opportunities
- Investing new capabilities to align with market trends
- Effective in managing currency volatility
- Strong and healthy financial position



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Earnings Outlook



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Earnings Outlook

- ❑ The Group expects similar revenue in 1Q2012 compared to 1Q2011 but is expected to report a loss.
- ❑ The Group expects higher revenue and profit in 2H2012 as compared to 1H2012.
- ❑ The Group expects higher revenue and profit in FY2012 as compared to FY2011.



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Future Plans



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Opportunities

- ❑ Growing ODM & EMS businesses
 - ❑ Lifestyle products
 - ❑ Household appliances
 - ❑ Personal grooming devices
 - ❑ Industrial products
- ❑ Penetrating new market segments & customers
- ❑ Developing new processes & products
 - ❑ Further CAPEX of S\$180m to increase production capacity and capability to support potential new projects in FY2012.

Strategies

- Move into ODM & EMS business
- Diversify customer base
- Develop new process technologies
- Intensify automation implementation
- Intensify lean manufacturing implementation
- Improve economies of scale



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Thank You

Q & A

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