



Hi-P International
Limited



1Q2012 Results Briefing

3 May 2012

*The Integrated
Electro-Mechanics
Solution Provider*



1Q2012 Overview

Mr. Yao Hsiao Tung
Executive Chairman & CEO



1Q2012 Key Financial Highlights (YoY)



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(S\$m)	1Q12	1Q11	YoY % Chg
Revenue	278.4	243.3	14.4
Gross Profit	19.7	39.7	-50.4
Pretax Profit (PBT)	1.9	24.1	-92.1
Tax expense	-0.4	-6.2	-93.9
Net profit (PAT)	1.5	17.9	-91.5
EPS (S cts)	0.18	2.08	-91.3
NAV/Share (S cts)	71.13	69.38	2.5

1Q2012 Key Financial Highlights (YoY)



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Revenue up by 14.4% but net profit down by 91.5%

- ❑ High level assembly resulted in lower gross margin
- ❑ Additional capacity in preparation for surge in 2nd half
- ❑ Increased provision for impairment loss of fixed assets due to consolidation



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3 May 2012



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1Q2012 Key Financial Highlights (QoQ)

(S\$m)	1Q12	4Q11	QoQ % Chg
Revenue	278.4	422.1	-34.1
Gross Profit	19.7	34.1	-42.2
Pretax Profit (PBT)	1.9	11.3	-83.1
Tax expense	-0.4	-1.8	-79.2
Net profit (PAT)	1.5	9.4	-83.9
EPS (S cts)	0.18	1.11	-83.8
NAV/Share* (S cts)	71.13	72.13	-1.4



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1Q2012 Key Financial Highlights (QoQ)

Revenue down by 34.1% and net profit down by 83.9%

- Seasonal slowdown
- Lower economies of scale



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Cash Flow Statement



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Category	1Q12 S\$ m	1Q11 S\$ m
Net cash (used in)/ generated from operations ¹	-3.8	49.5
Net cash used in investing activities ²	-14.1	-2.4
Net cash generated from/ (used in) financing activities ³	11.3	-9.6
Cash at end of period	325.4	250.9

Cash Flow Statement

- ¹ - Net cash used in operations of S\$3.8m mainly due to
- Operating cash flow before changes in working capital (S\$19.9m)
 - Increase in inventories (S\$17.6m)
 - Decrease in trade and other receivables (S\$50.4m)
 - Increase in prepaid operating expenses (S\$10.0m)
 - Decrease in trade and other payables (S\$46.1m)
 - Income tax paid (S\$1.5m)



Cash Flow Statement

² - Net cash used in investing activities of S\$14.1m mainly due to

- Capital expenditure (S\$17.0m)
- Interest received (S\$2.7m)

³ - Net cash generated from financing activities of S\$11.3m mainly due to

- Interest paid (S\$1.1m)
- Proceeds from loans & borrowings (S\$13.2m)



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Strong Balance Sheet, Net Cash Position

Category	31 Mar 12 S\$ m	31 Dec 11 S\$ m
Net Cash	196.8	220.3

Business Updates & Future Plans





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 expenses and currency volatility
- ❑ Strong and healthy financial position



Strategies

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

Opportunities

- ❑ Growing ODM & EMS businesses
 - ❑ Lifestyle products
 - ❑ Household appliances
 - ❑ Personal grooming devices
 - ❑ Industrial products

- ❑ Penetrating new market segments & customers

- ❑ Developing new processes & products
 - ❑ CAPEX of S\$180m to increase production capacity and capability to support new projects in FY2012





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Earnings Outlook



1QFY12 Results Briefing
3 May 2012



Earnings Outlook

- ❑ The Group expects similar revenue but higher profit in 2Q2012 as compared to 1Q2012

- ❑ The Group expects higher revenue but lower profit in 2Q2012 as compared to 2Q2011

- ❑ 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

Thank You

Q & A

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