



Hi-P International  
Limited



# FY2013 Results Briefing

21 Feb 2014

*The Integrated  
Electro-Mechanics  
Solution Provider*



# FY2013 Overview

**Mr. Yao Hsiao Tung**  
**Executive Chairman & CEO**





# FY2013 Key Financial Highlights

(S\$m)	FY13	FY12	% Chg
Revenue	1,262.5	1,116.7	8.2
Gross profit	97.6	97.9	(0.3)
Pretax profit (PBT)	11.2	22.6	(50.4)
Tax expense	(4.8)	(4.6)	4.0
Net profit (PAT)	6.4	18.0	(64.3)
EPS (S cts)	0.78	2.12	(63.2)
NAV/Share (S cts)	73.09	70.10	4.3

*Note: YOY change is calculated based on figures in thousands*



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# FY2013 Key Financial Highlights

## FY2013 vs FY2012

**Revenue increased by 8.2%** mainly due to change in product mix and increase in high component content assembly projects.

### **Lower net profit mainly due to:**

- Provisions for TJ plant relocation & consolidation
- Increased inventory provisions
- Increased depreciation
- Increased labor cost
- Change in product mix



# Key Financial Highlights



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(S\$m)	4Q13	4Q12	YOY % Chg	3Q13	QOQ % Chg
Revenue	344.5	365.0	(5.6)	365.2	(5.7)
Gross profit	15.1	39.1	(61.3)	23.8	(36.6)
Pretax (loss)/ profit (PBT)	(13.5)	19.3	n.m.	3.8	n.m.
Tax expense	(1.0)	(3.7)	(73.7)	(0.7)	50.6
Net (loss)/ profit (PAT)	(14.5)	15.6	n.m.	3.1	n.m.
EPS (S cts)	(1.77)	1.84	n.m.	0.38	n.m.
NAV/Share (S cts)	73.09	70.10	4.3	73.86	(1.0)

# 4Q2013 Key Financial Highlights

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## 4Q2013 vs 4Q2012

### Revenue down by 5.6% due to:

- Decreased orders from existing customers due to volatile market situation

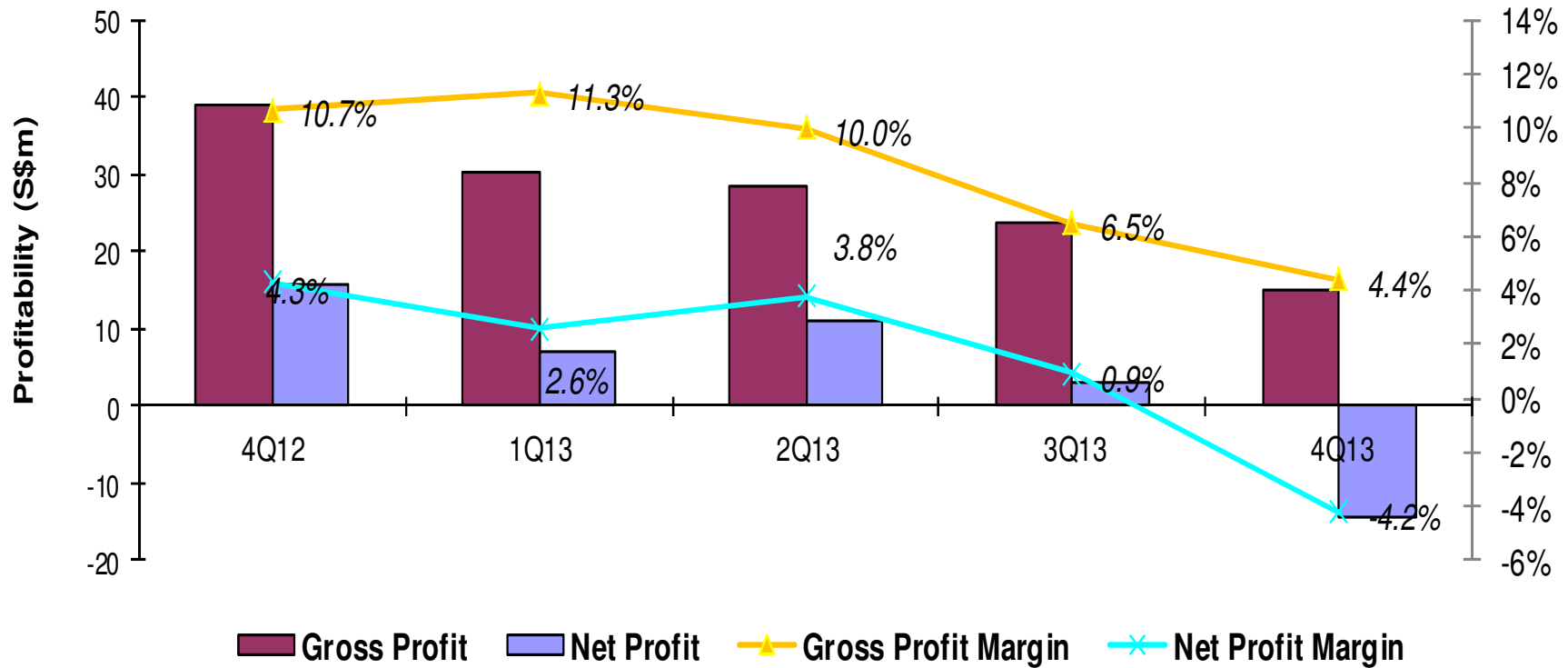
### Net loss mainly due to:

- Provisions for TJ plant relocation & consolidation
- Increased inventory provisions
- Increased depreciation
- Low manufacturing yield and efficiency during initial and ramp up stages of new products for new customers

# Profitability Status



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# Cash Flow Statement

Category	FY13 S\$ m	FY12 S\$ m
Net cash generated from/ (used in) operations <sup>1</sup>	82.0	(13.3)
Net cash used in investing activities <sup>2</sup>	(67.8)	(142.7)
Net cash (used in)/ generated from financing activities <sup>3</sup>	(58.0)	71.0
Cash at end of year	131.9	167.1







# Cash Flow Statement

1 - Net cash generated from operations of S\$82.0m is mainly due to

- Operating cash flow before changes in working capital S\$127.2m
- Increase in accrued operating expenses S\$26.3m
- Decrease in trade and other receivables S\$14.8m
- Decrease in prepaid operating expenses and other long term assets S\$6.0m
- Decrease in trade and other payables (S\$64.6m)
- Increase in inventories (S\$20.0m)
- Income tax paid (S\$7.6m)



# Cash Flow Statement

2 - Net cash used in investing activities of S\$67.8m is mainly due to

- Purchase of PPE (S\$66.2m)

3 - Net cash used in financing activities of S\$58.0m is mainly due to

- Repayment of loans & borrowings (S\$110.9m)
- Proceeds from loans & borrowings S\$66.9m
- Dividends paid on ordinary shares (S\$9.9m)
- Purchase of treasury shares (S\$6.1m)



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# CAPEX Update

For FY2013, CAPEX amounted to S\$77.3m, mainly for:

- S\$41.8m on Nantong PPE & Land Use Rights
- S\$6.6m on Licensed Rights

For FY2014, CAPEX is estimated to be around S\$63m





# Net Cash Position

Category	31 Dec 13 S\$ m	31 Dec 12 S\$ m
Net Cash	35.7	34.3

# Business Updates





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# Business Situation Updates

- ❑ Volatile market situation and pricing pressure
- ❑ Diversification of product markets and customer base
- ❑ Consolidate operations for better cost management
  - ❑ Relocation of Tianjin plant to Suzhou in 1H2014
- ❑ Slow down Nantong construction due to current uncertain market situation
- ❑ Ongoing efforts on Forex management



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# Earnings Outlook

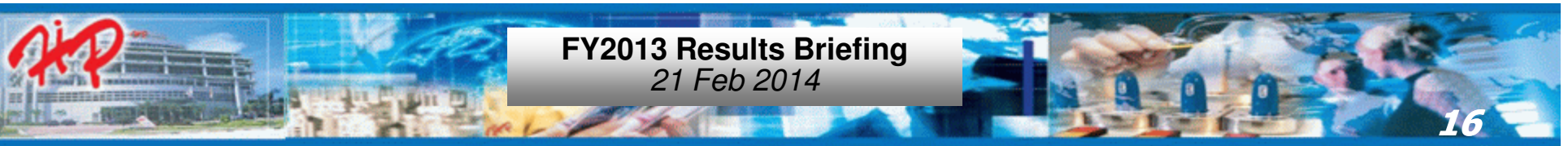




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# Earnings Outlook

- ❑ For 1Q2014, the Group expects lower revenue as compared to 1Q2013, and expects to record a loss.
- ❑ For FY2014, the Group expects lower revenue but higher profit as compared to FY2013.



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# Thank You

## Q & A

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