



Hi-P International
Limited



2Q2009 Results Briefing

3 August 2009

*The Integrated
Electro-Mechanics
Solution Provider*





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2Q2009 Overview

Mr. Yao Hsiao Tung
Executive Chairman



YOY Key Financial Highlights



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(S\$m)	2Q09	2Q08	YOY % Chg
Revenue	177.6	281.5	-36.9%
Gross Profit	40.5	50.4	-19.6%
Pretax Profit	18.2	30.1	-39.5%
Tax expense	-2.5	-3.1	-18.0%
Net profit (PATMI)	16.0	27.1	-41.0%
EPS (S cts)	1.82	3.05	-40.3%
NAV/Share (S cts)	65.78	55.84	17.8%

YE : Dec

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QOQ Key Financial Highlights



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(S\$m)	2Q09	1Q09	QOQ % Chg
Revenue	177.6	244.0	-27.2%
Gross Profit	40.5	50.7	-20.1%
Pretax Profit	18.2	27.3	-33.2%
Tax expense	-2.5	-4.8	-47.2%
Net profit (PATMI)	16.0	22.6	-29.3%
EPS (S cts)	1.82	2.55	-28.6%
NAV/Share (S cts)	65.78	68.49	-4.0%

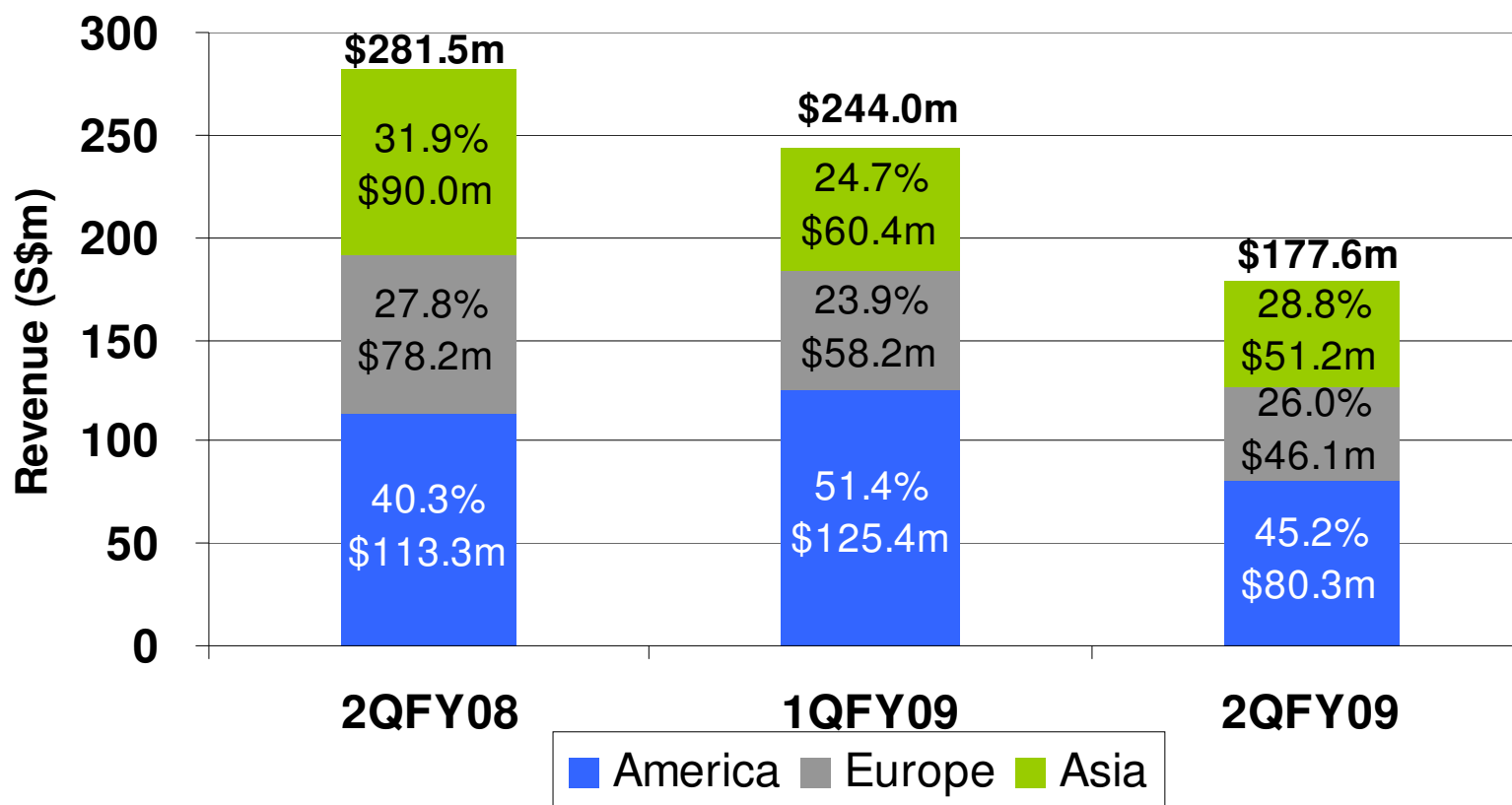
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Revenue by Geographical Segmentation



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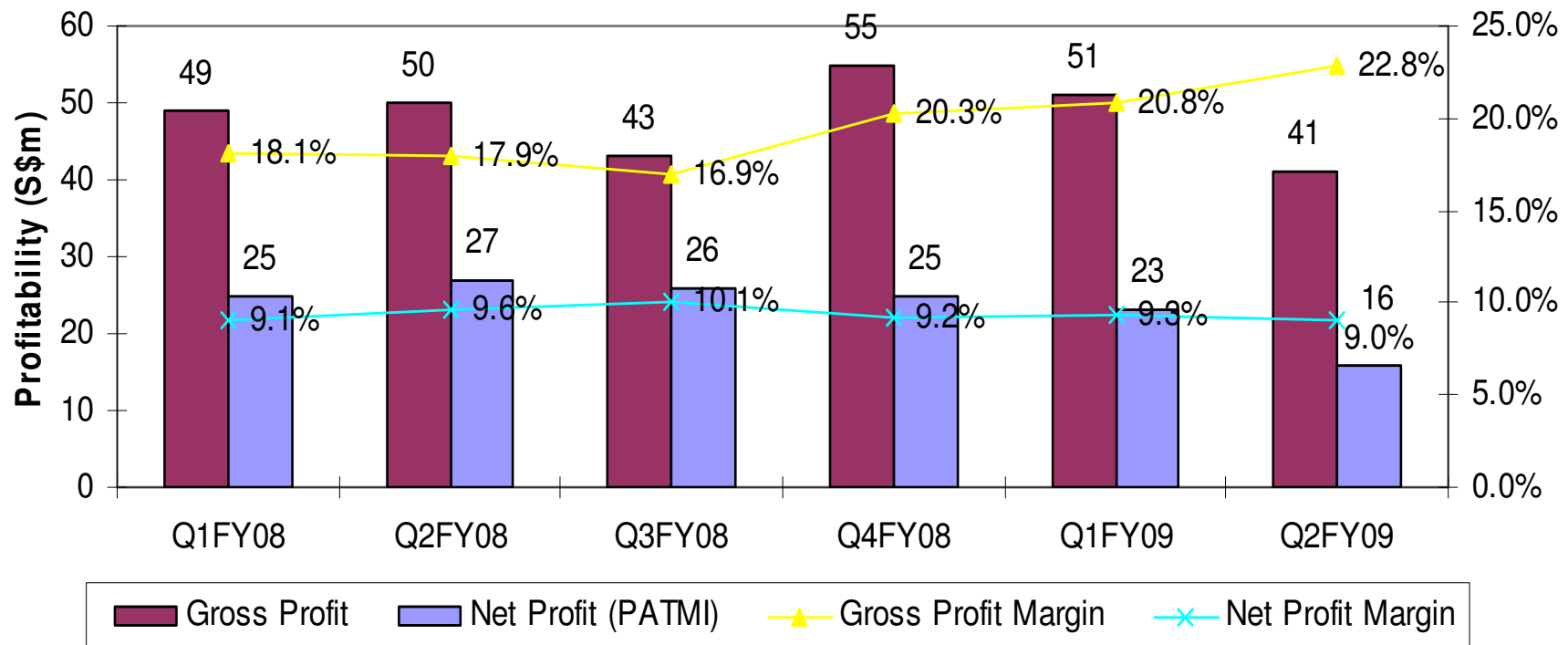
* Based on shipping destination.

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Profitability Maintained



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Positive cash-generating business



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Category	2Q2009 S\$ m	2Q2008 S\$ m
Net cash generated from operations	75	27
Net cash used in investing activities	-4	-4
Net cash used in financing activities	-21	-5

Strong Balance Sheet



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Category	30 Jun 09 S\$ m	31 Dec 08 S\$ m
Gross Cash	256	132
Net Cash	251	126
Gross Gearing	0.8%	1.0%



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Investment in FPCB and Rigid-Flex PCB Capability



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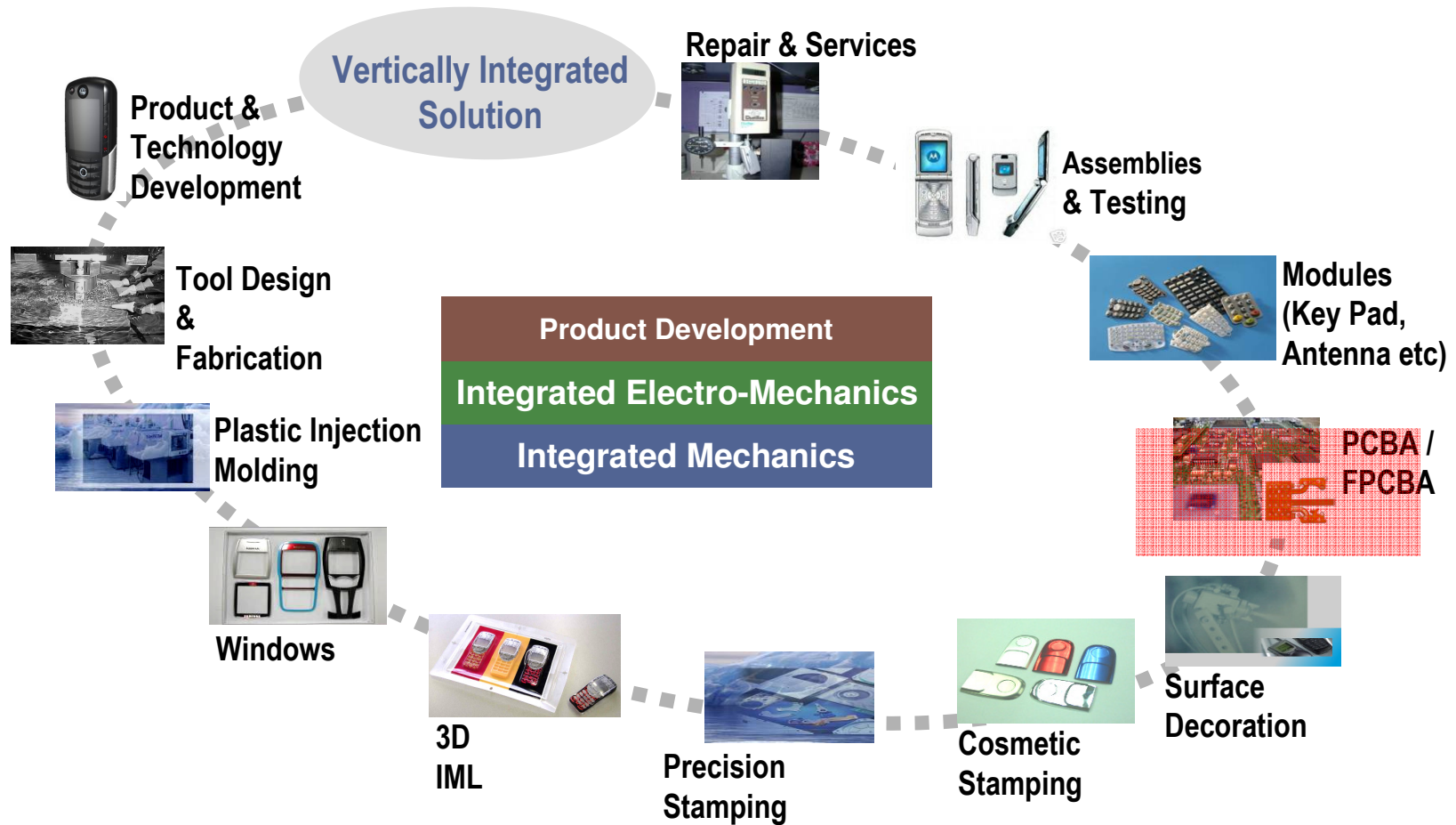
Investment Rationale

- ☐ In line with the Group's integrated electro-mechanics strategy
- ☐ Demand for FPCB and rigid-flex from key customers
- ☐ Provide the Group with a cost and time effective solution to address immediate customer demand in the wireless market
- ☐ Jia Mao has been identified to best suit our needs:
 - ☐ Certified by our key customers and has a good reputation
 - ☐ The company has leading edge technology, which improves size, weight and speed for smartphones and wireless devices

Investment Rationale: Hi-P Vision



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Transaction Structure

Hi-P will acquire:-

Jiamao

(Share Purchase Agreement – RMB 129.5m + RMB 76.4m)

- ☐ FPCB business licence; and
- ☐ Land, building & waste water treatment plant

From Jiatong

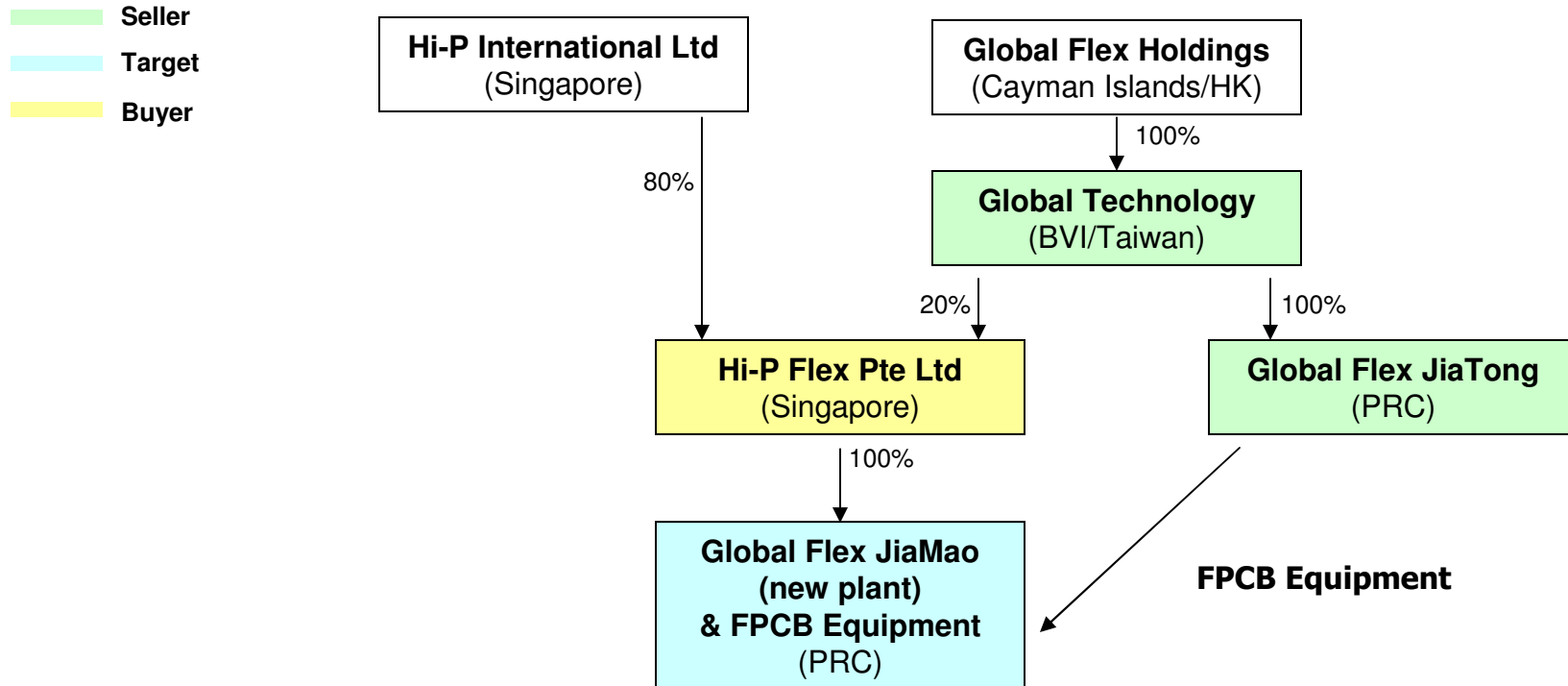
(Assets Purchase Agreement – RMB 70m)

- ☐ FPCB equipment
- ☐ Technology, Key staff, Suppliers' database, Customers' database, Drawings, Intellectual Property

Post-Transaction Structure



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- In transition period, JiaMao will use JiaTong's plant (free of charge) for manufacturing and assembly of flex and rigid PCB for up to 1 year.





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Outlook



Earnings Outlook

- ☐ 3Q-2009 vs 3Q-2008 much lower revenue and profit are expected
- ☐ Mass production for new projects will start in 4Q-2009
- ☐ Despite good cost control, outlook for FY2009 still dependent on global market conditions



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Future Plans & Summary



Future Plans

- ☐ Drive for customer-base diversification
- ☐ Further strengthen cost control
- ☐ Pursue new value-added processes
- ☐ Source for potential acquisitions

Summary

- ☐ **Profitability maintained for 2Q2009**
 - ☐ Net margin of 9.0%
- ☐ **Strong balance sheet**
 - ☐ S\$251 million net cash with low gearing of 0.8%
 - ☐ Generated S\$50 million net cash for 2Q2009
- ☐ **Outlook for 2009 uncertain**
 - ☐ Continued improvement on cost control
 - ☐ Dependent on global market conditions



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Thank You

Q & A

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