



Hi-P International
Limited



2Q2010 Results Briefing

3 August 2010

*The Integrated
Electro-Mechanics
Solution Provider*



2Q2010 Overview

Mr. Yao Hsiao Tung
Executive Chairman & CEO



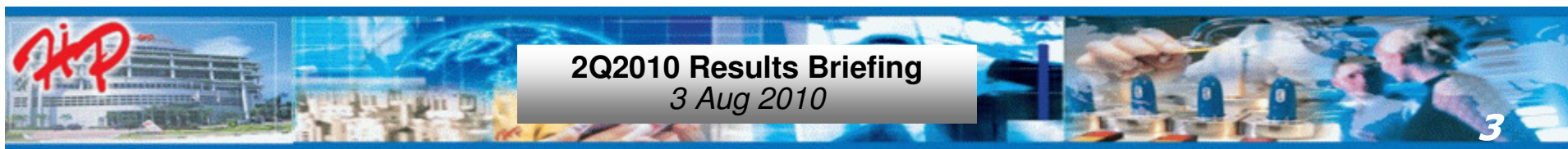


Hi-P International
Limited

Key Financial Highlights (QOQ)

(S\$m)	2Q10	1Q10	QOQ % Chg
Revenue	181.5	146.9	23.6
Gross Profit	28.4	6.5	336.9
Pretax Profit	15.3	-13.5	N.M
Tax expense	-2.9	-1.0	190.0
Net profit (PATMI)	12.4	-14.2	N.M
EPS (S cts)	1.42	-1.63	N.M
NAV/Share* (S cts)	62.72	64.51	-2.8

* Paid out dividend of 3.0 Singapore cents per share in 2Q10



2Q2010 Key Financial Highlights (QOQ)

Revenue up 23.6% vs 1Q2010

- Increased customer demand

Gross Profit increased 336.9% vs 1Q2010

- Better capacity utilization
- Improvement in productivity
- Better cost control

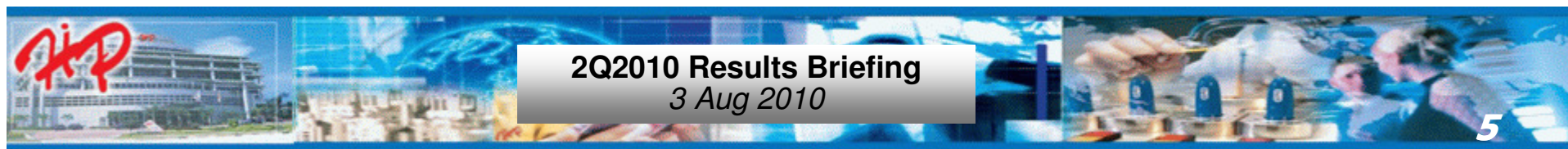
2Q2010 Key Financial Highlights (YOY)



Hi-P International
Limited

(S\$m)	2Q10	2Q09	YOY % Chg
Revenue	181.5	177.6	2.2
Gross Profit	28.4	40.5	-29.9
Pretax Profit	15.3	18.2	-16.3
Tax expense	-2.9	-2.5	14.4
Net profit (PATMI)	12.4	16.0	-22.4
EPS (S cts)	1.42	1.82	-22.0
NAV/Share* (S cts)	62.72	65.78	-4.7

* Paid out dividend of 3.0 Singapore cents per share in 2Q10



2Q2010 Results Briefing
3 Aug 2010

2Q2010 Key Financial Highlights (YOY)

Revenue up 2.2% vs 2Q2009

- ❑ New projects and offset by EOL of several projects

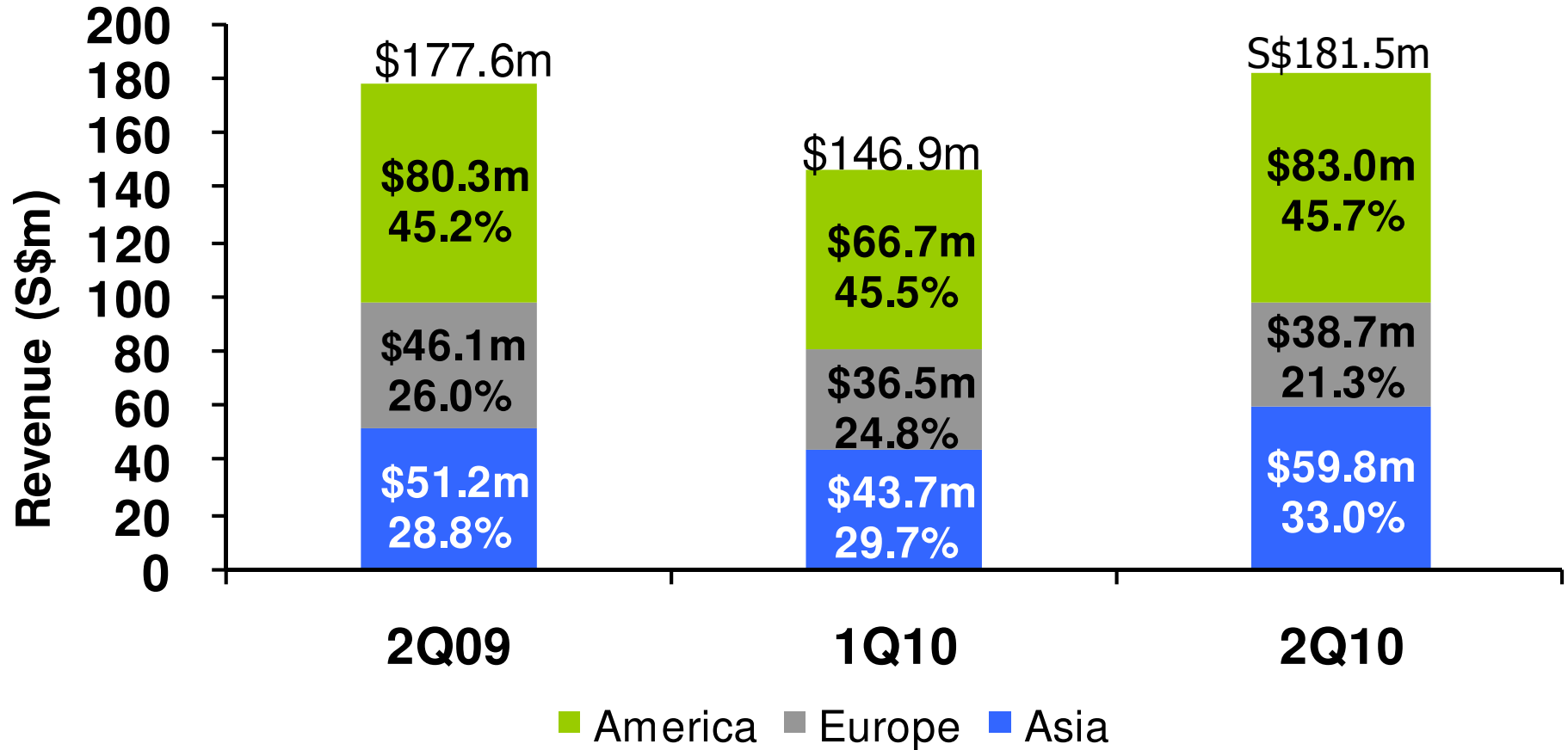
Gross Profit decreased 29.9% vs 2Q2009

- ❑ Deterioration of pricing quality
- ❑ Increased wages
- ❑ Increased headcount to prepare for strong ramp up of new projects in 2H2010

Revenue by Geographical Segmentation



Hi-P International Limited

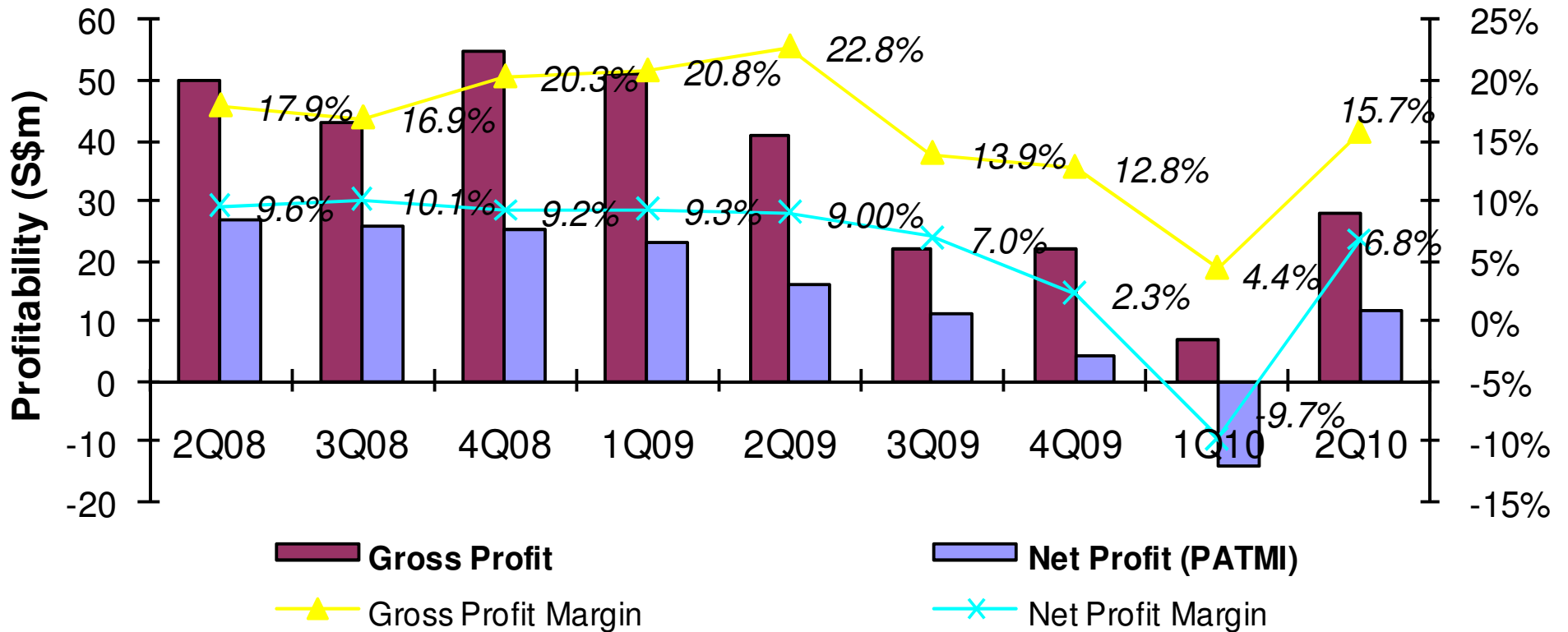


2Q2010 Results Briefing
3 Aug 2010

Profitability Status



Hi-P International Limited





Cash Flow Statement

Category	2Q10 S\$ m	2Q09 S\$ m
Net cash generated from operations ¹	1.5	75.4
Net cash used in investing activities ²	-9.0	-4.3
Net cash used in financing activities ³	-29.7	-20.9





Cash Flow Statement

- ¹ - High net cash S\$75.4m generated in 2Q09 mainly due to
 - Decrease in inventories (S\$20.0m)
 - Decrease in trade and other receivables (S\$67.1m)
 - Decrease in trade and other payables (S\$13.6m)

- ² - Net cash S\$9.0m used in investing activities in 2Q10 mainly due to
 - Capital expenditure (S\$6.5m)
 - Acquisition of minority interest (S\$5.1m)

- ³ - Net cash S\$29.7m used in financing activities in 2Q10 mainly due to
 - Dividends payment (S\$26.1m)
 - Purchase of treasury shares (S\$3.4m)



Strong Balance Sheet, Net Cash Position

Category	30 June 10 S\$ m	31 Dec 09 S\$ m
Gross Cash	201	247
Net Cash*	197	242
Gross Gearing	0.8%	0.9%





Hi-P International
Limited

Net Cash Position

* - Net cash decreased S\$45m mainly due to

Dividend payment (S\$26.1m)

Inventory built up for strong ramp up in Q3 (S\$20.4m)



2Q2010 Results Briefing
3 Aug 2010



Hi-P International
Limited

Business Updates



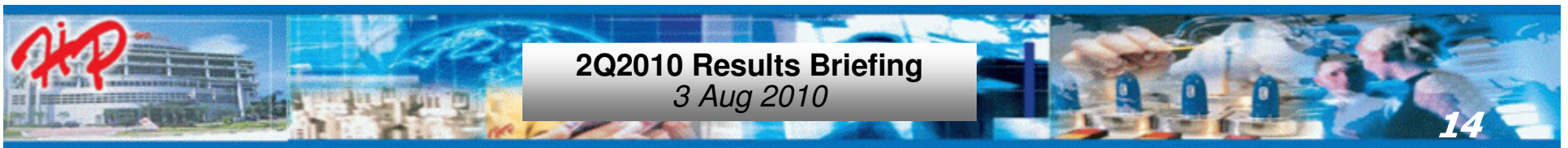
2Q2010 Results Briefing
3 Aug 2010



Hi-P International
Limited

Business Situation Update

- Business growth from previously penetrated customers
- Ramp up of new projects expected to be on schedule in 3Q2010
- Deterioration of pricing quality
- Increasing labour costs & improved productivity
- Remain strong financial position





Hi-P International
Limited

Outlook





Hi-P International
Limited

Earnings Outlook

- ❑ 3Q2010 vs 3Q2009 - Expects higher revenue and profit

- ❑ FY2010 vs FY2009 - Expects higher revenue and comparable profit



2Q2010 Results Briefing
3 Aug 2010

16



Hi-P International
Limited

Future Plans





Future Plans

- ❑ Drive vertical integration of critical processes to create more value add

- ❑ Optimise utilisation of our vertical integrated abilities through penetration of new product markets and customers

- ❑ Improve productivity to combat increasing labour costs through
 - ❑ Value stream mapping
 - ❑ Automation
 - ❑ Consolidation of operations



Thank You

Q & A

For Investor Relations Enquiries, please contact:



Tel: (65) 6438 2990

Fax: (65) 6438 0064

Email: staff@financialpr.com.sg

