

Third Quarter * Financial Statement And Dividend Announcement

Name of Announcer

HI-P INTERNATIONAL LIMITED

Company Registration No.

198004817H

Announcement submitted on behalf of

HI-P INTERNATIONAL LIMITED

Announcement is submitted with respect to

HI-P INTERNATIONAL LIMITED

Announcement is submitted by

Yao Hsiao Tung

Designation

Director

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Announcement Details

For the Financial Period Ended * 30-09-2007

Attachments:

 [HiP_Q3FY2007_Financial_Results.pdf](#)

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Financial Statement and Dividend Announcement for the period ended 30 September 2007

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

1(a) Income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	Q3-07 S\$'000	Q3-06 S\$'000	Increase/ (decrease) %	YTD Q3-07 S\$'000	YTD Q3-06 S\$'000	Increase/ (decrease) %
Revenue	262,345	220,346	19.1	663,252	581,801	14.0
Cost of sales	(242,096)	(192,342)	25.9	(583,473)	(491,497)	18.7
Gross profit	20,249	28,004	(27.7)	79,779	90,304	(11.7)
Operating expenses						
Selling expenses	(2,270)	(1,750)	29.7	(6,069)	(6,081)	(0.2)
Administrative expenses	(14,989)	(12,093)	23.9	(44,156)	(40,554)	8.9
	(17,259)	(13,843)	24.7	(50,225)	(46,635)	7.7
Other operating income	1,181	962	22.8	6,789	5,650	20.2
Profit from operations	4,172	15,123	(72.4)	36,344	49,319	(26.3)
Financial expenses	(291)	(429)	(32.2)	(744)	(944)	(21.2)
Financial income	215	110	95.4	553	679	(18.6)
Foreign exchange (loss)/gain	(3,236)	1,001	(423.3)	(5,027)	(1,859)	170.4
Profit before tax and share of results of associated company	860	15,805	(94.6)	31,125	47,195	(34.0)
Share of results of associated companies	64	92	(30.2)	67	30	n.m.
Profit before tax	924	15,897	(94.2)	31,192	47,225	(33.9)
Tax	(595)	(766)	(22.3)	(2,648)	(3,282)	(19.3)
Profit for the period	329	15,131	(97.8)	28,544	43,943	(35.0)
Attributable to:						
Equity holders of parent company	468	15,391	(97.0)	29,012	44,011	(34.1)
Minority interest	(139)	(260)	n.m.	(468)	(68)	n.m.
	329	15,131	(97.8)	28,544	43,943	(35.0)

n.m. – Not Meaningful

Other notes:

Profit from operations is arrived at after charging (crediting) the following;

	Q3-07	Q3-06	YTD	YTD
	S\$'000	S\$'000	Q3-07	Q3-06
			S\$'000	S\$'000
1. Depreciation	10,438	8,566	28,833	23,745
2. Allowance for doubtful trade debts (written back)	1,213	(820)	1,592	(570)
3. Bad debt written off / (recovered)	25	-	1	-
4. Inventories written down/ (written back)	11,096	1,128	10,616	3,058
5. Directors' remuneration	614	920	1,896	2,340
6. Directors' fees				
- current year provision	106	106	317	317
- overprovision in prior year	-	-	-	(46)
7. Operating lease expense	5,649	3,063	15,360	10,848
8. Staff costs *	37,870	31,623	109,091	94,972
9. (Gain)/Loss on disposal of fixed assets	43	(385)	(34)	(464)

* Excludes directors' remuneration, which has been disclosed separately in #5 above.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	9/30/2007	12/31/2006	9/30/2007	12/31/2006
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed assets (* Note)	282,495	276,271	25,493	29,634
Investment in subsidiaries	-	-	178,565	140,256
Investment in associated company	2,815	2,726	1,478	1,478
Other investment	12	12	12	12
Deferred tax asset	267	252	-	-
Amounts due from subsidiaries	-	-	11,736	11,251
Current assets				
Inventories (* Note)	164,011	114,774	6,786	6,971
Trade receivables	189,915	207,091	9,971	11,787
Notes receivable	1,417	673	-	-
Other receivables, deposits and prepayments	40,910	22,753	925	1,239
Due from subsidiaries (non-trade)	-	-	100,372	25,712
Due from subsidiaries (trade)	-	-	200	770
Due from related parties (trade)	403	840	-	-
Fixed deposits	88	67	67	67
Cash and bank balances	54,936	33,177	3,182	2,048
	451,680	379,376	121,504	48,595
Current liabilities				
Trade payables	207,179	168,695	7,439	5,392
Other payables and accruals	71,037	57,195	6,050	6,302
Due to subsidiaries (non-trade)	-	-	57,476	60,876
Due to subsidiaries (trade)	-	-	833	446
Amounts due to minority shareholders of subsidiaries	-	4,399	-	-
Lease obligations, current portion	62	61	55	55
Provision for income tax	2,144	1,646	333	396
Interest-bearing loans and borrowings	30,764	25,212	20,849	6,200
	311,186	257,209	93,035	79,666
Net current assets/(liabilities)	140,494	122,168	28,470	(31,070)
Non-current liabilities				
Lease obligations, non-current portion	100	158	80	114
Deferred tax liability	2,321	2,530	2,209	2,418
	423,662	398,740	243,464	149,028
Equity				
Share capital	119,725	119,725	119,725	119,725
Other reserves	12,021	6,745	2,846	2,572
Accumulated profits	290,509	269,777	120,893	26,731
	422,255	396,247	243,464	149,028
Minority interest	1,406	2,493	-	-
	423,662	398,740	243,464	149,028

*Note: The comparative figures of the production tooling molds, which were previously included in inventories, have been reclassified to fixed assets. The reclassification was made to conform to current quarter's presentation.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable within one year or less, or on demand

As at 30/09/2007		As at 31/12/2006	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
62	30,764	61	25,212

Amount repayable after one year

As at 30/09/2007		As at 31/12/2006	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
100	-	158	-

Lease obligations were secured against the respective leased assets.

Certain borrowings of the subsidiaries of the Company were secured by a corporate guarantee of the Company. These amounts have been disclosed as unsecured.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q3-07	Q3-06	YTD	YTD
	S\$'000	S\$'000	Q3-07	Q3-06
			S\$'000	S\$'000
Cash flows from operating activities				
Profit before tax and share of results of associated companies	860	15,805	31,125	47,195
Adjustments:				
Depreciation of fixed assets	10,438	8,566	28,833	23,745
(Gain)/Loss on disposal of fixed assets	43	(385)	(34)	(464)
Impairment of fixed assets	-	-	-	2
(Write back)/Provision for doubtful trade debts	1,213	(820)	1,592	(570)
Interest income	(215)	(110)	(553)	(679)
Interest expense	291	429	744	944
Translation difference	(1,875)	(1,537)	3,899	(4,303)
Equity Compensation Expenses	48	242	274	165
Operating profit before working capital changes	<u>10,803</u>	<u>22,190</u>	<u>65,879</u>	<u>66,035</u>
Decrease / (Increase) in:				
Inventories	2,306	(12,494)	(45,537)	(56,535)
Trade receivables	(27,824)	(13,912)	15,524	(20,673)
Notes receivable	1,098	572	(745)	(436)
Other receivables, deposits and prepayments	(6,407)	(2,748)	(18,157)	(17,033)
Increase / (decrease) in:				
Trade payables	9,793	15,394	38,484	44,739
Other payables and accruals	4,478	5,436	3,013	(9,233)
Due from/to related parties (trade), net	269	495	(3,851)	407
Cash generated from / (used in) operations	<u>(5,483)</u>	<u>14,933</u>	<u>54,610</u>	<u>7,271</u>
Income taxes paid	(755)	(1,958)	(2,374)	(6,606)
Net cash generated from/(used in) operating activities	<u>(6,238)</u>	<u>12,975</u>	<u>52,236</u>	<u>665</u>

1(c) Cash flow statement (cont'd)

	Q3-07	Q3-06	YTD	YTD
	S\$'000	S\$'000	Q3-07	Q3-06
			S\$'000	S\$'000
Cash flows from investing activities				
Purchase of fixed assets (Note)	(4,912)	(25,064)	(30,081)	(64,121)
Interest income received	215	110	553	679
Proceeds from disposal of fixed assets	82	1,568	381	4,800
Acquisition of a subsidiary, net of cash acquired	-	(94)	(209)	(94)
Net cash used in investing activities	<u>(4,615)</u>	<u>(23,480)</u>	<u>(29,356)</u>	<u>(58,736)</u>
Cash flows from financing activities				
Interest expense paid	(291)	(429)	(744)	(944)
(Payment of)/Proceeds from bank term loans, net	2,578	38	(1,363)	828
(Payment of)/Proceeds from short-term loans, net	18,765	19,612	6,916	31,816
Repayment of lease obligations	(21)	(59)	(57)	(335)
Proceeds from Issuance of ordinary shares	-	-	-	35
Dividends paid	-	-	(5,820)	(7,097)
Net cash (used in)/generated from financing activities	<u>21,031</u>	<u>19,162</u>	<u>(1,068)</u>	<u>24,303</u>
Net increase/(decrease) in cash and cash equivalents	10,178	8,657	21,812	(33,768)
Cash and cash equivalents at beginning of period	44,846	30,772	33,244	73,197
Effect of exchange rate changes on opening cash and cash equivalents	-	-	(32)	-
Cash and cash equivalents at end of period	<u>55,024</u>	<u>39,429</u>	<u>55,024</u>	<u>39,429</u>
Note				
Current period / year additions to fixed assets	11,055	17,421	40,910	67,516
Less : -				
Payable to creditors (Net)	(8,576)	2,244	(29,679)	(21,559)
	<u>2,479</u>	<u>19,665</u>	<u>11,230</u>	<u>45,957</u>
Payments for prior period / year purchase of fixed assets	2,434	5,399	18,851	18,164
	<u>4,912</u>	<u>25,064</u>	<u>30,081</u>	<u>64,121</u>

1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(i) Consolidated statement of changes in equity for the 9 months ended 30 September 2007

	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Reserve fund S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Minority interests S\$'000	Total S\$'000
Balance at 1 January 2007	119,725	-	2,646	21,287	(17,188)	269,777	2,493	398,740
Currency translation differences	-	-	-	-	(2,275)	-	-	(2,275)
Acquisition of subsidiary	-	-	-	-	-	-	(636)	(636)
Profit for the period	-	-	-	-	-	15,073	(276)	14,797
Equity compensation expense	-	-	(34)	-	-	-	-	(34)
Increase in reserve	-	-	-	339	66	(405)	-	-
Balance at 31 March 2007	119,725	-	2,612	21,626	(19,397)	284,445	1,581	410,592
Transfer to share capital	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	10,038	-	38	10,076
Profit for the period	-	-	-	-	-	13,472	(53)	13,419
Equity compensation expense	-	-	259	-	-	-	-	259
Increase in reserve	-	-	-	2,081	-	(2,091)	-	(10)
Final dividend paid	-	-	-	-	-	(5,820)	-	(5,820)
Balance at 30 June 2007	119,725	-	2,871	23,707	(9,359)	290,006	1,566	428,516
Currency translation differences	-	-	-	-	(5,245)	35	(21)	(5,231)
Profit for the period	-	-	-	-	-	468	(139)	329
Equity compensation expense	-	-	48	-	-	-	-	48
Balance at 30 September 2007	119,725	-	2,919	23,707	(14,604)	290,509	1,406	423,662

(ii) Consolidated statement of changes in equity for the 9 months ended 30 September 2006

	Share capital	Share premium	Capital reserve	Reserve fund	Translation reserve	Accumulated profits	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2006	44,357	75,242	2,208	17,618	(664)	223,016	2,003	363,780
Currency translation differences	-	-	-	-	(6,681)	-	(62)	(6,743)
Profit for the period	-	-	-	-	-	14,372	15	14,387
Equity compensation expense	-	-	301	-	-	-	-	301
Issuance of ordinary shares	1	34	-	-	-	-	-	35
Increase in reserve	-	-	-	34	-	-	-	34
Dividend	-	-	-	-	-	-	(91)	(91)
Balance at 31 March 2006	44,358	75,276	2,509	17,652	(7,345)	237,388	1,865	371,703
Transfer to share capital	75,367	(75,367)	-	-	-	-	-	-
Currency translation differences	-	-	(17)	-	(4,715)	-	(41)	(4,773)
Profit for the period	-	-	-	-	-	14,249	177	14,426
Equity compensation expense	-	-	(378)	-	-	-	-	(378)
Increase in reserve	-	-	-	-	-	-	229	229
Final dividend paid	-	-	-	-	-	(7,097)	-	(7,097)
Reclassification	-	91	(91)	-	-	-	-	-
Balance at 30 June 2006	119,725	-	2,023	17,652	(12,060)	244,540	2,230	374,110
Currency translation differences	-	-	54	-	2,626	-	24	2,704
Profit for the period	-	-	-	-	-	15,391	(260)	15,131
Equity compensation expense	-	-	242	-	-	-	-	242
Balance at 30 September 2006	119,725	-	2,319	17,652	(9,434)	259,931	1,994	392,187

(iii) Statement of changes in equity of the company for the 9 months ended 30 September 2007

	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
Balance at 1 January 2007	119,725	-	2,572	26,731	149,028
Profit for the period	-	-	-	(1,012)	(1,012)
Equity Compensation expense	-	-	(34)	-	(34)
Balance at 31 March 2007	119,725	-	2,538	25,719	147,982
Profit for the period	-	-	-	74,170	74,170
Equity Compensation expense	-	-	259	-	259
Final dividend paid	-	-	-	(5,820)	(5,820)
Balance at 30 June 2007	119,725	-	2,797	94,070	216,591
Profit for the period	-	-	-	26,824	26,824
Equity Compensation expense	-	-	48	-	48
Balance at 30 September 2007	119,725	-	2,846	120,893	243,464

(iv) Statement of changes in equity of the company for the 9 months ended 30 September 2006

Balance at 1 January 2006	44,357	75,242	2,171	27,148	148,918
Profit for the period	-	-	-	2,956	2,956
Issuance of ordinary shares	1	34	-	-	35
Equity Compensation expense	-	-	301	-	301
Balance at 31 March 2006	44,358	75,276	2,472	30,104	152,210
Currency translation differences	75,367	(75,367)	-	-	-
Profit for the period	-	-	-	14,216	14,216
Equity Compensation expense	-	-	(378)	-	(378)
Final dividend paid	-	-	-	(7,097)	(7,097)
Reclassification	-	91	(91)	-	-
Balance at 30 June 2006	119,725	-	2,003	37,223	158,951
Profit for the period	-	-	-	2,576	2,576
Equity Compensation expense	-	-	242	-	242
Balance at 30 September 2006	119,725	-	2,245	39,799	161,769

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of share for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the three months ended 30 September 2007, there has been no increase in the issued and paid-up share capital of the company.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been reviewed or audited by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The accounting policies have been consistently applied by the group and the company and are consistent with those used in the previous financial year.

5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2006 except for the adoption of the Financial Reporting Standards (FRS) and INT FRS that are mandatory for financial year beginning on or after 1 January 2007. The adoption of these FRS and INT FRS has no significant impact to the Group.

6. Earnings per share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Q3-07	Q3-06	YTD Q3-07	YTD Q3-06
Operating profit after exceptional items and tax before deducting minority interests as a percentage of revenue	0.1%	6.9%	4.3%	7.6%
Operating profit after tax attributable to members of the company as a percentage of issued capital and reserves at the end of the period	0.1%	3.9%	6.8%	11.3%
Earnings per ordinary share				
(a) Based on weighted average number of ordinary shares in issue (cents)	0.05	1.73	3.27	4.96
(b) On a fully diluted basis (cents)*	0.05	1.73	3.27	4.96

*It is not meaningful to calculate the diluted EPS as the stock option exercise prices are above the current market price.

Earnings per share have been computed based on the share capital of 887,175,000 ordinary share of \$0.05 each.

In arriving at the fully diluted earnings per share, only those potential ordinary shares arising from the exercise of options, which will dilute the basic earnings per share of the Group, are included in the computation. There are 4,613,000 options exercisable as at 30 September 2007.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year :

	Group		Company	
	30/9/2007	12/31/2006	30/9/2007	12/31/2006
	Cents	Cents	Cents	Cents
Net Asset Value per Ordinary Share based on issued share capital at the end of	47.60	44.66	27.44	16.55

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Overall Results

Compared to Q3 FY2006, revenue for Q3 FY2007 was up 19.1% to S\$262.3 million while net profit fell 97.8% to S\$329,000. On a quarter-on-quarter (qoq) basis, revenue rose 30.3% while net profit declined 97.5%. The performance in Q3 FY2007 was impacted mainly by (i) operating losses at its Polish plant, (ii) inventory write-offs, (iii) one-off recognition of costs previously incurred, and (iv) forex conversion losses. The Polish plant continues to suffer from production yield issues and higher-than-expected operating costs, resulting in a loss of S\$7.8 million in Q3 FY2007. As part of its review of programs and projects which had gone end-of-life or had lower-than-expected demand, along with a complete review of internal procedures and controls, the group also provided for:

- (i) Inventory write-offs comprising provision for obsolescence, write-downs on inventories and toolings for projects which had gone end-of-life earlier than forecast and failed projects. These amounted to S\$7.8 million for FY2007 and S\$3.3 million for FY2006.
- (ii) One-off recognition of costs previously incurred:- S\$4.9 million relating to the current financial year, and S\$2.1 million relating to prior years.

The group also reported a \$3.2 million forex conversion loss due to the weakening US dollar.

Revenue Analysis

By Strategic Business Units (SBU): Revenue from the Wireless Telecommunications (WL) SBU rose 45.1% qoq and 17.2% yoy to S\$141.5 million, mainly due to a rebound in sales from a key customer as well as higher sales from other existing customers. WL accounted for 53.9% of Group revenue, up from 48.4% in Q2 FY2007. Revenue from the Consumer Electronics and Electrical (CE) SBU was up 14% qoq and 24.3% yoy to S\$100.9 million, largely on the back of rising contributions from Poland. CE accounted for 38.5% of Q3 FY2007 Group revenue, down slightly from 43.9% in Q2 FY2007. Revenue from the Computing, Automotive, Medical and Others (CA) SBU rose 29.9% qoq and 8.7% yoy to S\$20 million, as sales to existing customers rebounded. CA accounted for 7.6% of Group revenue, same as in Q2 FY2007.

By Activity: Revenue from Precision Plastic Injection (PPIM) grew 41.6% qoq and 12.9% yoy to S\$106.6 million. The strong sequential improvement was due to the commencement of new projects at WL and higher sales to other customers in CE and CA. As a result too, revenue from Assembly was up 23.1% qoq and 21.3% yoy to S\$140.9 million. Revenue from Mold Design and Fabrication rose 28.4% qoq and 53.2% yoy to S\$14.9 million, mainly due to higher sales to customers in WL.

Cash Cycle Analysis

Days	Q3 FY2007	Q2 FY2007	Q3 FY2006
Average Receivables Turnover	60	72	71
Average Inventory Turnover	60	83	63
Average Payables Turnover	74	104	79
Cash Cycle*	46	51	55

* *Cash Cycle = Avg Receivables Turnover + Avg Inventory Turnover – Avg Payables Turnover*

Our cash cycle days improved by 5 days to 46 days in Q3 FY2007, from 51 days in Q2 FY2007 and 55 days in Q3 FY2006. Q-o-Q, average inventory days improved significantly by 23 days to 60 days in Q3 FY2007 due to better inventory management and higher provision for inventory write-downs. Average receivable days have been shortened to 60 days and have improved due to better collection and settlement procedures. At the same time, average payable days shortened to 74 days due to the sharp sequential rise in sales in Q3 and the slower rise in inventories qoq.

9. Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

In our Q2 FY2007 results announcement and briefing on 6 August 2007, we had guided for revenue and net profit in Q3 FY2007 to be similar to Q2 FY2007. For the full year, the guidance was for growth in revenue and net profit compared to FY2006.

In an announcement made on 2 October 2007, we had revised guidance to reflect higher revenue in Q3 FY2007 compared to Q2 FY2007. We also guided for net profit to be substantially lower due to (i) provisions for obsolescence and (ii) production yield issues and higher-than-expected operating costs in our Poland plant. Subsequent to the announcement, we also decided to make a one-time recognition of costs previously incurred, after a full review of programs and projects which had gone end-of-life or had lower-than-expected demand, along with a complete review of internal procedures and controls.

Actual revenue for Q3 FY2007 was 30.3% better than Q2 FY2007. Actual net profit for Q3 FY2007 was 97.5% lower than Q2 FY2007.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Barring unforeseen circumstances, we expect similar revenue and higher net profit for Q4 FY2007 compared to Q3 FY2007. For the full year, we expect higher revenue but lower profit for FY2007 compared to FY2006.

11. Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? **None**

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **None**

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend is recommended for the period under review.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediate preceding year.**

Segmental revenue by Activities, Industries and Geographical Markets

By Activities

	PPIM	MDF	Assembly	Eliminations	Consolidated
	S\$'M	S\$'M	S\$'M	S\$'M	S\$'M
2007 September YTD					
Segment Revenue					
Sales to external customers	259.7	40.6	363.0	-	663.3
Intersegmental sales	22.9	-	-	(22.9)	-
	<u>282.6</u>	<u>40.6</u>	<u>363.0</u>	<u>(22.9)</u>	<u>663.3</u>
Profit from operations	16.3	6.1	13.9	-	36.3
Finance expense					(0.7)
Finance income					0.6
Foreign exchange loss, net					(5.0)
Share of results of associated companies					0.1
Tax					(2.6)
Minority interest					<u>0.5</u>
Net profit attributable to shareholders of the company					<u><u>29.0</u></u>
Depreciation	12.9	4.8	11.0		28.8
Other non-cash expenses	0.8	0.2	0.6		1.6

Segmental revenue by Activities, Industries and Geographical Markets

By Activities

	PPIM S\$m	MDF S\$m	Assembly S\$m	Eliminations S\$m	Consolidated S\$m
2006 September YTD					
Segment revenue					
Sales to external customers	235.9	31.9	314.0	-	581.8
Intersegmental sales	20.6	-	-	(20.6)	-
	<u>256.5</u>	<u>31.9</u>	<u>314.0</u>	<u>(20.6)</u>	<u>581.8</u>
Profit from operations	33.0	5.1	11.2	-	49.3
Finance expense					(0.9)
Finance income					0.7
Foreign exchange loss, net					(1.9)
Share of results of associated companies					0.0
Tax					(3.3)
Minority interest					<u>0.1</u>
Net profit attributable to shareholders of the company					<u><u>44.0</u></u>
Depreciation	16.1	2.7	4.9	-	23.7
Other non-cash expenses	(0.6)	(0.0)	(0.2)	-	(0.9)

By Industries

	Segment Revenue			
	Q3-07	Q3-06	YTD	YTD
	S\$m	S\$m	Sep-07	Sep-06
			S\$m	S\$m
Telecommunications	141.5	120.7	340.5	335.4
Consumer Electronics & Electrical	100.9	81.2	270.2	195.3
Computing	20.0	18.4	52.6	51.1
	<u>262.3</u>	<u>220.3</u>	<u>663.3</u>	<u>581.8</u>

By Geographical Markets

	Segment Revenue			
	Q3-07	Q3-06	YTD	YTD
	S\$m	S\$m	Sep-07	Sep-06
			S\$m	S\$m
Asia				
PRC	81.6	106.1	216.8	294.4
Singapore	12.9	11.1	26.0	63.2
Malaysia	2.5	3.6	6.5	9.7
Others	5.5	5.3	16.0	12.1
	<u>102.5</u>	<u>126.1</u>	<u>265.3</u>	<u>379.4</u>
Europe	86.5	48.0	204.8	116.9
USA and other parts of the Americas	73.3	46.2	193.2	85.5
	<u>262.3</u>	<u>220.3</u>	<u>663.3</u>	<u>581.8</u>

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

Confirmation by the Board

We, the undersigned, do hereby confirm on behalf of the Board of Hi-P International Limited that, taking into account the matters announced and publicly disclosed by the Company prior to the date of this confirmation and the prevailing accounting policies adopted by the Company in accordance with the Singapore Financial Reporting Standards, to the best of their knowledge, nothing has come to their attention which may render the financial results for the period ended 30th September 2007 (comprising the balance sheet, consolidated income statement, statement of changes in equity and consolidated cash flows statement, together with their accompanying notes) to be false or misleading in any material aspect.

Yao Hsiao Tung
CEO

Dr Tan Khee Giap
Director

BY ORDER OF THE BOARD

Andrew Cheong Fook Onn
Tan Ping Ping

Company Secretaries