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Hi-P strengthens balance sheet with \$201 million net cash

- Revenue drops 9.6% yoy to S\$244 million in 1Q2009
- Gross margin improves 2.7 points yoy to 20.8%
- Net margin holds steady at 9.3%

Singapore – 5 May 2009, SGX Mainboard-listed Hi-P International Limited (Bloomberg Ticker: HIP SP, “Hi-P”, “赫比国际有限公司” or “the Group”), a global integrated electro-mechanics manufacturing solution provider for wireless communications and consumer electronics, announced a revenue of S\$244.0 million and net profit attributable to shareholders (“net profit”) of S\$22.6 million for the 3 months ended 31st March 2009 (“1Q2009”).

Financial Highlights

(S\$'000)	1Q2009	1Q2008	y-o-y% Change
Revenue	244,005	269,985	↓9.6
Gross Profit	50,748	48,764	↑4.1
Gross Margin	20.8%	18.1%	↑2.7 points
Profit Before Taxation	27,318	27,189	↑0.5
Net Profit (att. Shareholders)	22,571	24,678	↓8.5
Net Profit Margin	9.3%	9.1%	↑0.2 points
EPS [^] (SIN cents)	2.55	2.78	↓8.3
Net Cash Generated From Operations	85,203	82,867	↑2.8

[^]: Calculated based on weighted average ordinary shares of 884,439,933 in 1Q2009 and 887,175,000 ordinary shares in 1Q2008

The lower revenue figure for 1Q2009 as compared to 1Q2008, was in line with the Group's guidance in its 4Q2008 results announcement on 24th February 2009. The Group has also delivered on its resolve to maintain profitability through better cost control measures, while improving its product mix and value added processes, which saw gross profit increase 4.1% to S\$50.7 million. Accordingly, the Group's gross profit margin improved 2.7 points to 20.8%.

Net profit decreased 8.5% to S\$22.6 million in 1Q2009. However, the Group has managed to maintain its net profit margin at 9.3%.

The business continues to generate positive cash flow, with net cash from operations of S\$85.2 million in 1Q2009. Overall, the Group posted a net cash position of S\$201.4 million and a low gross gearing of 0.8%.

“I am proud to say that the Group as a whole has done well, maintaining our net margin levels in spite of the tough conditions.

We will continue to drive for customer-base diversification, expand our component module range, further strengthen cost control, pursue new value-added processes and consider potential acquisitions.”

Mr. Yao Hsiao Tung (姚晓东), Executive Chairman

Outlook

The Group expects much lower revenue and profit for 2Q2009 compared to 2Q2008 in view of the continuing global economic slowdown.

Despite good cost control, revenue and profit for FY2009 are expected to be lower due to adverse market conditions.

-- The End --

About Hi-P International Limited (Bloomberg Code: HIP.SP)

Hi-P started out in 1980 as a tooling specialist in Singapore and has since grown to become one of the region's largest and fastest-growing integrated contract manufacturers today.

Under its two Strategic Business Units – Wireless Telecommunications and Consumer Electronics, the Group provides manufacturing services and electro-mechanical modules to customers in the telecommunications, consumer electronics & electrical, computing, life sciences & medical and automotive industries.

The Group has 25 manufacturing plants globally. These are located across six sites in the People's Republic of China (Shanghai, Chengdu, Tianjin, Xiamen, Suzhou and Dongguan), and in Mexico, Poland, Singapore and Thailand. Hi-P has marketing and engineering support centres in Finland, Germany and the USA.

The Group's customers include many of the world's biggest names in mobile phones, personal digital assistants, household & personal care appliances, hard disk drives, MP3 players, PC peripherals, automotive components and medical devices.

For more information, please log on www.hi-p.com

Issued for and on behalf of Hi-P International Limited

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