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Hi-P reports FY2009 revenue of S\$749.9 million and net profit of S\$53.7 million

Singapore – 23 February 2010, 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, released its financial results for the 12 months ended 31 December 2009 (“FY2009”). The Group registered revenue of S\$749.9 million, and a net profit of S\$53.7 million.

Financial Highlights

(S\$'000)	4Q2009	4Q2008	% Change	FY2009	FY2008	% Change
Revenue	170,480	272,081	(37.3)	749,887	1,077,102	(30.4)
Gross Profit	21,695	55,284	(60.8)	135,369	197,414	(31.4)
Gross Profit Margin (%)	12.7%	20.3%	-	18.1%	18.3%	-
Profit Att. to Shareholders	4,403	25,039	(82.4)	53,721	102,321	(47.5)
Net Profit Margin (%)	2.6%	9.2%	-	7.2%	9.5%	-
Earnings per share (Sing Cents)	0.50	2.82	(82.3)	6.15	11.53	(46.7)

FY2009 revenue decreased by 30.4% to S\$749.9 million compared to FY2008, mainly due to the End-of-Life (EOL) of several projects during 2H2009. This resulted in a lower volume and average selling price of these products.

Gross profit decreased by 31.4% to S\$135.4 million and was in line with the decreased revenue. Gross profit margin remained constant at around 18.1% due to a better product mix in 1H2009 and improved cost efficiency. Consequently, net profit decreased by 47.5% to S\$53.7 million.

Hi-P closed FY2009 with a net cash position of S\$241.5 million compared to S\$125.9 million in FY2008. Gross gearing remained low at 0.9% in FY2009.

“As we predicted, FY2009 was a challenging year for us. Considering the circumstances, we performed admirably and we have become a far more efficient outfit.

More importantly, we have laid the ground work for continued growth in the future. With the acquisition of the FPCB plant, we have added another crucial service that we can provide our customers. This brings us further up the value chain and inevitably increases our stickiness with the customer – a key advantage in our competitive industry.

On the customer front, we have started to have some success with customer diversification. Some of our newer customers have indicated that they will ramp up their projects gradually in 2010.

To reward our shareholders, the Board of Directors has proposed a first and final dividend of SIN 3.0 cents per share in FY2009.”

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

Outlook

The End-of-Life and costs incurred for the new startup projects will continue to have significant impact in the first half of the fiscal year. The Group therefore expects much lower revenue in 1Q2010 as compared to 1Q2009, and expects a loss in 1Q2010.

Global recovery is still unpredictable given the current economic turmoil in Europe and the US. However, we expect comparable revenue and profit in FY2010 as compared to FY2009.

-- 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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