



Hi-P International Limited
11 International Business Park
Jurong East
Singapore 609926
Tele: (65) 6268 5459 Fax: (65) 6564 1787
www.hi-p.com

Hi-P reports 1Q2010 revenue of S\$146.9 million and net loss of S\$14.2 million

- End-of-Life (EOL) of several projects caused revenue to decrease 39.8% yoy to S\$146.9 million
- Gross profit down 87.1% due to EOL of projects, start up costs for new projects and the Flexible Printed Circuit Board (FPCB) plant, and a one-time provision for consolidation of operations
- Management expects recovery in 2H2010

Singapore – 4 May 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 solutions provider for wireless communications and consumer electronics, released its financial results for the 3 months ended 31 March 2010 (“1Q2010”). The Group registered revenue of S\$146.9 million, and a net loss of S\$14.2 million.

Financial Highlights

(S\$'000)	1Q2010	1Q2009	% Change
Revenue	146,896	244,005	(39.8)
Gross Profit	6,528	50,748	(87.1)
Gross Profit Margin (%)	4.4%	20.8%	n.m
Profit Att. to Shareholders	(14,206)	22,571	n.m
Net Profit Margin (%)	-	9.3%	-
Earnings per share (Sing Cents)	(1.63)	2.55	n.m

In comparison to 1Q2009, revenue in 1Q2010 dropped 39.8% to S\$146.9 million. This was mainly due to the EOL of several projects. This resulted in a lower volume and average selling price of these products.

Gross profit for 1Q2010 decreased 87.1% to S\$6.5 million. This was due to start up costs of new projects that have come in during the quarter, start up costs for its recently acquired FPCB plant and a one time provision for the consolidation of the Group's operations. Gross profit margin would be around 10% without the start up costs and provision for consolidation totaling S\$8.5 million.

Total selling & distribution and administrative expenses and other expenses decreased by 20.6% and 8.7% to S\$16.5 million and S\$7.0 million (including impairment loss on property, plant and equipment of S\$5.1 million due to consolidation of operations) respectively. This was in line with the lower revenue.

As a result of the preceding factors, the Group recorded a 1Q2010 loss after tax attributable to shareholders of S\$14.2 million.

Hi-P closed 1Q2010 with a net cash position of S\$235.4 million compared to S\$241.5 million in 4Q2009. Gross gearing was maintained at 0.9%.

Although our 1Q2010 financial performance was not up to expectations, our customers continue to appreciate our capabilities and performance. This is evident by the recent award of the Excellence in Mechanical Components Supplier by RIM.

In addition, I am honored to share with you my receipt of the 2010 Global 100 Chinese Enterprise Top 10 Industrial Leaders in Tooling, which also recognizes Hi-P's abilities.

Overall, I remain confident about our company's foundation and developing strategies. We will continue to enhance our capabilities and strive towards maintaining our position as a leading electro-mechanical supplier

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

Outlook

The EOL projects 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 lower revenue in 2Q2010 as compared to 2Q2009. The Group expects to break even in 2Q2010.

Global recovery is still unpredictable given the current economic turmoil in Europe. However, with the ramp up of new projects in 2H2010, we expect higher revenue but lower profit in FY2010 as compared to FY2009 due to 1Q2010 loss.

-- 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.

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

By Financial PR Pte Ltd

For more information please contact:

Kamal Ryan SAMUEL /Kathy ZHANG

Staff@financialpr.com.sg

Tel: (65) 64382990 Fax: (65) 64380064