



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

## Hi-P records 3Q2010 net profit of S\$33.2 million

- 3Q2010 revenue up 57.3% QOQ to S\$285.5 million due to ramp up of new projects
- Economies of scale, improved productivity, product mix and effective overall cost control boost gross profit up 127.5% QOQ to S\$64.6 million
- Revenue in 4Q2010 is expected to be comparable to 3Q2010, partly contributed by new projects.

**Singapore – 1 November 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, has reported a revenue of S\$285.5 million and net profit attributable to shareholders of S\$33.2 million for the 3 months ended 30 September 2010 (“3Q2010”). The Group announced an improved set of numbers compared with 2Q2010 with its 3Q2010 net profit increasing 167.7% Quarter-on-Quarter (“QOQ”) to S\$33.2million.

The Group’s 3Q2010 revenue grew 57.3% QOQ to S\$285.5 million due to ramp up of new projects. With economies of scale, improved productivity, product mix and effective overall cost control, Hi-P’s gross profit increased 127.5% QOQ to S\$64.6 million.

### Financial Highlights

(S\$'million)	3Q2010	2Q2010	% Change	3Q2010	3Q2009	% Change
Revenue	285.5	181.5	57.3	285.5	157.8	80.9
Gross Profit	64.6	28.4	127.5	64.6	22.4	188.5
Gross Profit Margin (%)	22.6	15.7	NA	22.6	14.2	NA
Profit Att. to Shareholders	33.2	12.4	167.7	33.2	10.8	207.9
Net Profit Margin (%)	11.6	6.8	NA	11.6	6.8	NA
Earnings per share (Sing Cents)	3.83	1.42	169.7	3.83	1.23	211.4

## **Year-On-Year (“YOY”) Comparison**

3Q2010 revenue increased by 80.9% to S\$285.5 million compared to 3Q2009 due to ramp up of new projects.

Gross profit increased 188.5% to S\$64.6 million mainly due to economies of scale, improved productivity, product mix and effective overall cost control.

Total selling & distribution and administrative expenses increased by 71.7% yoy to S\$22.0 million. This was in line with the increase in revenue. Other income increased 27.5% yoy to S\$6.4 million mainly due to gain on derivatives (used to hedge currency risk) totaling S\$2.2 million. (3Q2009: S\$0.4 million) Other expenses increased 317.5% yoy to S\$10.5 million mainly due to foreign exchange loss totaling S\$5.4 million arising mainly from depreciation of the USD against SGD and RMB (3Q2009: S\$1.4 million) and provision for impairment of fixed assets totaling S\$4.4 million arising mainly from ongoing consolidation exercise. (3Q2009: reversal of impairment provision S\$2.9 million)

Overall, effective tax rate increased from 11.9% in 3Q2009 to 14.5% in 3Q2010 due to higher income tax rates and partially offset by recognition of deferred tax assets for our profitable PRC subsidiaries.

As a result of the above factors, the Group achieved net profit after tax of S\$33.2 million in 3Q2010.

**“The economy has been tough for all of us but Hi-P has managed to overcome these situations with our dedicated and dynamic team.**

**Over the past several years, we have put in tremendous effort to improve our execution foundation. Concurrently, we also worked hard to penetrate new customers. Our performance for 3Q2010 proves these efforts have paid off.**

**To fuel continuous business growth, we will pursue a vertically integrated strategy and new customer penetration. To cope with the demands of future business growth, we will further strengthen our management team and infrastructure.”**

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

## **Outlook**

Revenue in 4Q2010 is expected to be comparable to 3Q2010, partly contributed by new projects.

For the full year ending 31 December 2010, the Group expects higher revenue and profit 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.

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](http://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](mailto:Staff@financialpr.com.sg)**

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