



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 3Q2009 revenue of S\$157.8 million and net profit of S\$10.8 million

- Revenue decreases 37.8% due to End-of-Life of several projects
- Balance sheet remains strong with 0.8% gross gearing and S\$257.6 million net cash on hand

Singapore – 3 November 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\$157.8 million and net profit attributable to shareholders (“net profit”) of S\$10.8 million for the 3 months ended 30 September 2009 (“3Q2009”).

Financial Highlights

(S\$'000)	3Q2009	3Q2008	y-o-y% Change
Revenue	157,798	253,528	↓37.8
Gross Profit	22,392	42,928	↓47.8
Gross Margin	14.2%	16.9%	↓2.7 points
Profit Before Taxation	12,241	27,702	↓55.8
Net Profit (att. Shareholders)	10,785	25,526	↓57.7
Net Profit Margin	6.8%	10.1%	↓3.3 points
EPS (SIN cents)	1.23	2.88	↓57.3
Net Cash generated from Operations	8,865	10,797	↓17.9

The lower revenue and net profit figure for 3Q2009 as compared to 3Q2008, were in line with the Group’s guidance in its 2Q2009 results announcement on 3 August 2009. The lower revenue was mainly due to the End-of-Life (“EOL”) of several projects. The EOL of these projects resulted in a decrease in the average selling price and the volume of these projects. This caused a 37.8% year-on-year (“yoy”) decrease in the Group’s revenue to S\$157.8 million.

With a drop in average selling price and volume, the Group’s operations were not able to enjoy the benefits of economies of scale. Gross profit declined 47.8% yoy to S\$22.4 million, which

resulted in a lower gross margin of 14.2%. Whilst expenses were largely kept in check, net profit decreased 57.7% yoy to S\$10.8 million.

The business continues to generate positive cash flow, with the Group generating S\$8.9 million in cash from its operations. Overall, the Group strengthened its balance sheet with a net cash position of S\$257.6 million and a low gross gearing of 0.8%.

“This quarter, the Group’s results were hit by the EOL of several projects. Whilst we have made efforts to maintain margins, the drop in volume did not allow us to achieve economies of scale; and the decrease in average selling prices has adversely impacted our margins.

Looking ahead, new projects in 4Q2009 are expected to be on schedule and contribution will be in 2010.

We will continue to expand our component module range and pursue value-added processes to improve the Group’s capabilities and margins.”

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

-- 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

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