

## **Hi-P INTERNATIONAL LIMITED**

(Company Registration No.: 198004817H)  
(Incorporated in the Republic of Singapore)

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### **PROFIT GUIDANCE IN RELATION TO THE COMPANY'S FINANCIAL PERFORMANCE FOR THE PERIOD AND YEAR ENDED 31 DECEMBER 2013**

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In the Company's unaudited financial results announcement for the third quarter of the financial period ended 30 September 2013 made on 31 October 2013, the Company in paragraph 10 thereof, guided *inter alia*, as follows:

The Group expects lower revenue and profit in 4Q2013 as compared to 4Q2012.

The Group expects higher revenue but lower profit in 2H2013 as compared to 1H2013.

The Group expects higher revenue and profit in FY2013 as compared to FY2012.

Based on a preliminary review of the unaudited financial results of the Group for the period and year ended ("FY") 31 December 2013, the Board of Directors of the Company wishes to inform as follows:

#### **4Q2013 vs 4Q2012**

Revenue for 4Q2013 is lower as compared to 4Q2012 as previously guided.

As part of the Group's costs saving measures and efforts to consolidate its operations, the Group intends to relocate the production at its Tianjin plant to its plant in Suzhou in the first half of 2014. Accordingly, the Group expects to incur a provision of approximately S\$13.5 million in 4Q2013, which consist mainly of impairment loss on property, plant and equipment, refund of rental subsidy and plant restoration and relocation costs in connection with the above stated plant consolidation and relocation exercise.

The Group expects to report a loss in 4Q2013, instead of a profit as previously guided due mainly to the Tianjin plant consolidation and relocation exercise described above. The loss is also due partly to an inventory provision of approximately S\$4.7 million on slow moving projects in 4Q2013.

#### **2H2013 vs 1H2013**

Revenue for 2H2013 is higher as compared to 1H2013 as previously guided. The Group expects to report a loss in 2H2013, instead of a profit as previously guided, due to reasons stated above.

#### **FY2013 vs FY2012**

Revenue for FY2013 is higher as compared to FY2012 as previously guided. The Group expects a lower profit in FY2013 as compared to FY2012, due to reasons stated above.

Further details of the Group's financial performance will be disclosed when the Company finalises and announces its unaudited financial result for 4Q2013.

By Order of the Board

Yao Hsiao Tung  
Executive Chairman and Chief Executive Officer

26 January 2014