



PRESS RELEASE

Hi-P hits record 1 billion turnover with highest ever net profit of S\$102 million for FY2008

- Strong balance sheet with S\$131.6 million cash on hand
- Board of Directors recommends first and final cash dividend of SIN 2.2 cents per share
- Group is well positioned with a challenging but positive outlook for FY2009

Singapore – 24 February 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, today posted a record set of financial results for FY2008 ended 31 December 2008. Turnover exceeded a billion dollars for the first time since its inception in 1980, with the Group registering a revenue of S\$1,077.1 million and a record net profit of S\$102.3 million.

FINANCIAL HIGHLIGHTS

In comparison with FY2007, net profit attributable to shareholders in FY2008 increased by 70.5% on the back of a 10.3% revenue growth. Gross profit margin improved by 500 basis points to 18.3% and net profit margin improved by 340 basis points to 9.5%. Net cash generated from operations surged by a whopping 151% to S\$164.8 million.

As guided in the Q3-2008 results announcement on 4 November 2008, for the quarter ended 31 December 2008, revenue decreased 13.2% year-on-year (yoy) to S\$272.1 million while net profit dipped 19.2% to S\$25.0 million.

Hi-P closed FY2008 with a net cash position of S\$125.9 million and 1.0% gross gearing.

“We are very pleased to achieve a record performance for FY2008. It is a major milestone in the history of Hi-P to break S\$1 billion in revenue with over S\$100 million net profit. We defied the odds once again in this highly dynamic and competitive industry.

To reward loyal shareholders, the board has proposed a first and final dividend of SIN 2.2 cents per share for FY2008. Compared with dividend of SIN 1.5 cents per share paid for FY2007, it is a 47% increase. ”

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

At Hi-P's closing share price (23 February 2009) of S\$0.30, this works out to be a dividend yield of 7.3%

OUTLOOK

The Group expects lower revenue for Q1-2009 compared to Q1-2008 mainly due to the general economic slowdown. However, the Group aims to maintain similar profitability through better cost control.

The Group would also like to highlight that profitability outlook for FY2009 remains challenging but positive, notwithstanding the dynamic external environment due to the global economic slowdown.

-- 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 divisions - the Group provides manufacturing services and electro-mechanical modules to customers in the telecommunications, consumer electronics & electrical, computing, life sciences/medical & automotive industries. The Group has 25 manufacturing plants globally. These are located across seven sites in the People's Republic of China (Shanghai, Chengdu, Qingdao, 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. Hi-P was listed on the Main Board of the Singapore Exchange Securities Trading Limited on December 17, 2003.

For more information, log on to www.hi-p.com.

Issued for and on behalf of Hi-P International Limited

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