

HI-P INTERNATIONAL LIMITED
(Company Registration No.: 198004817H)
(Incorporated in the Republic of Singapore)

**VOLUNTARY UNCONDITIONAL GENERAL OFFER FOR HI-P INTERNATIONAL LIMITED
– SGX-ST'S APPROVAL FOR (I) DELISTING AND (II) WAIVER FROM COMPLIANCE WITH
RULES 705(1), 706A, 707(1) and 707(2) OF THE LISTING MANUAL**

1. INTRODUCTION

The board of directors (the "**Board**") of Hi-P International Limited (the "**Company**") refers to:

- (a) the announcement dated 18 December 2020 (the "**Offer Announcement**") made by CLSA Singapore Pte Ltd and DBS Bank Ltd. (collectively, the "**Joint Financial Advisers**"), for and on behalf of YHT Venture Pte. Ltd. (the "**Offeror**"), in relation to the voluntary unconditional general offer (the "**Offer**") for all the issued and paid-up ordinary shares ("**Shares**") in the capital of the Company, other than those Shares held, directly or indirectly, by the Offeror as at the date of the Offer;
- (b) the offer document dated 7 January 2021 which contains, *inter alia*, the details of the Offer (the "**Offer Document**");
- (c) the letter dated 7 January 2021 (the "**Options Proposal Letter**") to all holders ("**Option Holders**") of outstanding share options ("**Options**") granted under the Hi-P Employee Share Option Scheme 2003 (which was approved by the Shareholders on 7 October 2003) and the Hi-P Employee Share Option Scheme 2014 (which was approved by the Shareholders on 29 April 2014) which contains, *inter alia*, details of the proposal made to the Option Holders in relation to the Options;
- (d) the announcement dated 13 January 2021 released by the Joint Financial Advisers, for and on behalf of the Offeror, in relation to, *inter alia*, the level of acceptances of the Offer, the final closing date and the Offeror's intentions in relation to the compulsory acquisition of the Shares and the listing status of the Company (the "**Offeror Shareholding Announcement**");
- (e) the announcement dated 13 January 2021 (the "**Loss of Public Float Announcement**") issued by the Company in respect of the loss of the public float of the Company; and
- (f) the offeree circular dated 21 January 2021 (the "**Offeree Circular**") issued by the Company in connection with the Offer and the Options Proposal.

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Offeree Circular.

2. APPLICATION FOR DELISTING

- 2.1. Further to the Offeror Shareholding Announcement and Loss of Public Float Announcement, the Company had on 22 January 2021 made an application to the SGX-ST to seek approval for, *inter alia*, the Company to be delisted from the SGX-ST (the "**Delisting**") in accordance with Rule 1308

of the Listing Manual upon the completion of the Compulsory Acquisition, subject to finalisation of logistical arrangements with SGX-ST's securities market control department.

- 2.2. The approval for the Delisting was sought on the basis that the Offeror had announced on 13 January 2021 that it had become entitled, and intends to exercise its statutory right of compulsory acquisition under Section 215(1) of the Companies Act ("**Compulsory Acquisition**") such that upon completion of the Compulsory Acquisition, the Company would be a wholly-owned subsidiary of the Offeror.

3. **WAIVERS OF RULES 705(1), 706A, 707(1) AND 707(2) OF THE LISTING MANUAL**

- 3.1. Pursuant to Rule 705(1) of the Listing Manual, the Company is required to announce its financial statements in respect of the full financial year ended 31 December 2020 ("**FY2020**") immediately after the figures are available, but in any event not later than 60 days after the relevant financial period. The Company would therefore be required to announce its financial statements in respect of FY2020 by 1 March 2021.
- 3.2. Pursuant to Rule 706A of the Listing Manual, the Company is required to make a periodic announcement, in accordance with the timelines prescribed in Rule 705 of the Listing Manual on the announcement of its financial statements, on any acquisition and/or sale of shares in FY2020 resulting in (A) a company becoming or ceasing to be a subsidiary or associated company of the Company, or (B) the Company increasing or reducing its shareholding percentage in a subsidiary or associated company. The Company would therefore be required to make such a periodic announcement by 1 March 2021.
- 3.3. Pursuant to Rules 707(1) and 707(2) of the Listing Manual, the Company is required to hold its 2021 annual general meeting ("**AGM**") within four months from the end of its financial year and issue its annual report to its Shareholders and the SGX-ST at least 14 days before the date of its AGM. The Company would therefore be required to hold its 2021 AGM by 30 April 2021, and issue its annual report for FY2020 by 16 April 2021.
- 3.4. However, in view of the Offeror's intention to effect the Compulsory Acquisition and the intention to carry out the Delisting, the Company had on 22 January 2021 applied to the SGX-ST for approval to waive compliance with Rules 705(1), 706A, 707(1) and 707(2) of the Listing Manual (collectively, the "**Waivers**").
- 3.5. The Waivers were sought for the following reasons:
 - (a) the requirement under Rule 723 of the Listing Manual for the percentage of Shares held by the public to not be less than the requisite 10% of the total number of issued Shares (excluding treasury shares) is no longer satisfied and as announced by the Offeror in the Announcement, the Offeror does not intend to maintain the listing status of the Company or take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted. On this basis, pursuant to Rule 1303 of the Listing Manual, trading in the Company's securities will be suspended with effect from 9.00 a.m. on 19 February 2021 (being the day immediately following the closing date of the Offer) and Shareholders and investors will not be able to deal in the Shares on the SGX-ST until the completion of the Delisting.

Further, and as stated above, the Offeror is entitled, and has stated that it intends, to exercise its rights of Compulsory Acquisition following which the Offeror will become the sole shareholder of the Company after the Compulsory Acquisition exercise is completed. The

Offeror will thereafter take steps to delist the Company from the SGX-ST, following which, the Company will no longer be required to comply with the listing rules under the Listing Manual.

In view of the above, the financial statements for FY2020, and the periodic announcement in relation to the acquisitions and/or sales of shares by Company in FY2020 relating to subsidiaries and/or associated companies, which will otherwise be required to be released by 1 March 2021, will therefore not be of much benefit to the current minority Shareholders, whose Shares will be compulsorily acquired by the Offeror as part of the Compulsory Acquisition exercise. It is accordingly submitted that the interests of the Shareholders in respect of having access to updated financial information of the Company will not be prejudiced by the grant of the waivers of Rules 705(1) and 706A of the Listing Manual.

It will also not be meaningful to require the Company to incur additional costs in connection with the preparation and release of the FY2020 financial statements under Rule 705(1) of the Listing Manual and the periodic announcement in relation to acquisitions and/or sales of shares by Company in FY2020 relating to subsidiaries and/or associated companies under Rule 706A of the Listing Manual, in light of the anticipated Delisting and Compulsory Acquisition.

- (b) In addition, in relation to the waivers of Rules 707(1) and 707(2) of the Listing Manual, given the Offeror's intentions to exercise its right of Compulsory Acquisition and delist the Company, which will result in the Offeror becoming the sole shareholder of the Company, the annual report in respect of FY2020 and the 2021 AGM will not be of much benefit to the current minority Shareholders and will instead result in the Company having to incur unnecessary costs that would not serve much meaningful purpose.

4. CONFIRMATIONS FROM THE SGX-ST

- 4.1. The Board wishes to announce that SGX-ST in its letter dated 11 February 2021 informed the Company that based on the submissions and representations to the SGX-ST, the SGX-ST advised that:
 - (a) as the Offeror and its concert parties hold, in aggregate, more than 90% of all the issued and paid-up ordinary shares in the capital of the Company (excluding treasury shares), and taking into consideration the Offeror's intention to exercise its right to Compulsory Acquisition, the SGX-ST has no objection to the Delisting of the Company from the Official List of the SGX-ST, following the completion of the Compulsory Acquisition, subject to an announcement via SGXNet of the SGX-ST's decision; and
 - (b) taking into consideration that the Company will be wholly-owned by the Offeror and be delisted, the SGX-ST has no objection to the Waivers, subject to:
 - (i) an announcement via SGXNET of the Waivers granted, the reasons for seeking the Waivers and the conditions as required under Rule 107 of the Listing Manual; and
 - (ii) submission of a written confirmation ("**Written Confirmation**") from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.
- 4.2. The SGX-ST's decision is not an indication of the merits of the Delisting.
- 4.3. The Company will submit the Written Confirmation to the SGX-ST and announce the date and time of the Delisting in due course.

5. REQUIREMENTS UNDER COMPANIES ACT RELATING TO ANNUAL GENERAL MEETING AND FILING OF ANNUAL RETURNS

- 5.1. The Company wishes to inform Shareholders that it has not made an application to ACRA to seek a waiver similar to the Waivers, in respect of its obligations to hold its 2021 AGM and file its FY2020 annual returns under Section 175 and 197 of the Companies Act respectively.
- 5.2. The Company nevertheless still intends to convene and hold its 2021 AGM by 30 June 2021 and file its FY2020 annual returns by 31 July 2021 in compliance with the requirements under the Companies Act, at which point however the Company is expected to have been delisted from the Official List of the SGX-ST and therefore no longer subject to compliance with the listing rules under the Listing Manual.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement (other than those relating to the Offeror, the Offer and the Options Proposal) are fair and accurate, no material facts have been omitted from this Announcement, and that they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or otherwise publicly available sources (including, without limitation, the Offer Announcement, Offer Document, Options Proposal Letter, Offeror Shareholding Announcement and any other announcements made by or on behalf of the Offeror), the sole responsibility of the directors of the Company has been to ensure that such information has been accurately and correctly extracted from such sources and/or reproduced in this Announcement in its proper form and context.

BY ORDER OF THE BOARD

Gerald Lim Thien Su
Lead Independent Director

12 February 2021