

Voluntary Unconditional General Offer for Hi-P International Limited

Investor Presentation by the Offeror

18 December 2020



Disclaimer

All statements other than statements of historical facts included in this Presentation are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "shall", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor the Joint Financial Advisers undertakes any obligation to update publicly or revise any forward-looking statements

Unless otherwise defined herein, all capitalised terms which are used in this Presentation shall have the meanings ascribed to them in the offer announcement dated 18 December 2020 made by CLSA Singapore Pte Ltd (“**CLSA**”) and DBS Bank Ltd. ("**DBS Bank**") for and on behalf of YHT Venture Pte. Ltd. (the "**Offer Announcement**"). A copy of the Offer Announcement is available on http://www.sgx.com. Shareholders are advised to read this Presentation in conjunction with, and in the context of, the full text of the Offer Announcement.

Transaction Overview

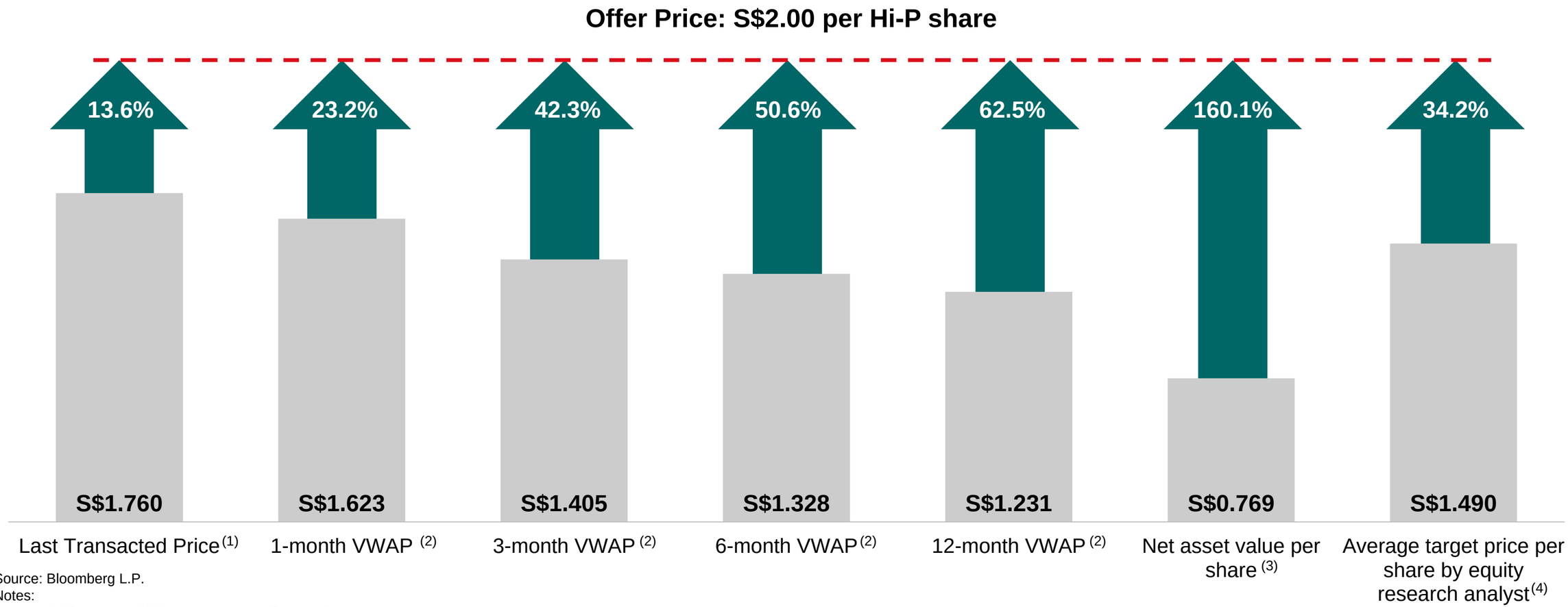
Transaction	• Voluntary Unconditional General Offer ("**Offer**") by YHT Venture Pte. Ltd. ("**Offeror**") for Hi-P International Limited ("**Hi-P**" or the "**Company**")
Offeror	• YHT Venture Pte. Ltd, a Special Purpose Vehicle ("**SPV**") currently held by Mr Yao Hsiao Tung ("**Mr Yao**") • The directors of the Offeror are Mr Yao and Madam Wong Huey Fang ("**Madam Wong**")
Offer Price	• Cash offer of S$2.00 per Hi-P share ("**Offer Price**") • **The Offer Price is final and the Offeror does not intend to revise the Offer Price**(1) • Depending on when the settlement date in respect of the Hi-P shares tendered in acceptance of the Offer by an accepting Shareholder falls, the Offer Price may be reduced by the amount of any distribution declared, paid or made by the Company in respect of the Hi-P shares on or after 18 December 2020 ("**Offer Announcement Date**")(2) • As the Offer is unconditional, Shareholders who accept the Offer will receive the Offer Price within 7 business days of receipt of their acceptances
Offeror's Intentions	• The Offeror does not intend to maintain the listing status of the Company and if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act
Options Proposal	• Offeror to pay option holders a cash amount ("**Option Price**") in consideration of each option holder agreeing to not exercise all or any of the options into new Hi-P shares and to not exercise any of their rights as option holders • Option Price will be calculated on a "see-through" basis, that is, the Option Price in relation to any option is the amount of the excess of the Offer Price over the exercise price of that option
Irrevocable Undertakings (3)	• Mr Yao and Madam Wong have each provided an irrevocable undertaking (collectively, the "**Irrevocable Undertakings**"): a. to accept the Offer in respect of all his/her Hi-P shares as at the date of the Irrevocable Undertakings (the "**Undertaking Shares**"), which represent approximately 83.41%(4) and 0.09%(4) of the total number of Hi-P shares respectively, and any Hi-P shares which he/she may, directly or indirectly, acquire on or after the date of the Irrevocable Undertakings; b. not to transfer or otherwise dispose of any Hi-P shares held by him/her during the period commencing from the date of the Irrevocable Undertakings and ending on the closing date of the Offer (as may be extended from time to time by or on behalf of the Offeror), other than in accordance with the terms of their respective Irrevocable Undertakings; c. not to exercise all or any Options held by him/her as at the date of the Irrevocable Undertakings and which may be granted to him/her after the date of the Irrevocable Undertakings (collectively, the "**Undertaking Options**"), and not to accept the Options Proposal in respect of the Undertaking Options. In the event that the Offeror does not become entitled to exercise its right of Compulsory Acquisition by the close of the Offer, the foregoing undertaking shall be in respect of the period prior to and up to the close of the Offer. In the event that the Offeror exercises its right of Compulsory Acquisition, the foregoing undertaking shall be in respect of the period prior to and up to the completion of the Compulsory Acquisition; and d. to direct that the aggregate Offer Price payable (the "**Reinvestment Amount**") to: (i) Mr Yao in respect of his Undertaking Shares; and (ii) Madam Wong in respect of her Undertaking Shares, be applied to subscribe for new shares in the capital of the Offeror (each, an "**Offeror Share**"), on the basis that the issue price per new Offeror Share will be equivalent to the Offer Price (the "**Reinvestment**")

Notes:

1) Save that the Offeror reserves the right to do so in accordance with the Code if a competitive situation arises.
2) In the event any distribution is or has been declared, paid or made by the Company in respect of the Hi-P shares on or after the Offer Announcement Date, the Offer Price payable to a shareholder of the Company ("**Shareholder**") who validly accepts or has validly accepted the Offer shall be reduced by an amount which is equal to the amount of such distribution, depending on when the settlement date in respect of the Hi-P shares tendered in acceptance of the Offer by such accepting Shareholder falls, as follows: (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the distribution (the "**Books Closure Date**"), the Offer Price for each Hi-P share shall be S$2.00, as the Offeror will receive the distribution in respect of such Offer Share from the Company; or (b) if such settlement date falls after the Books Closure Date, the Offer Price for each Hi-P share shall be reduced by an amount which is equal to the amount of the distribution in respect of each Hi-P share, as the Offeror will not receive the distribution in respect of such Hi-P share from the Company
3) Please refer to Offer Announcement for full details on the Irrevocable Undertakings
4) The percentage is based on 807,467,735 issued ordinary shares (excluding 79,707,265 treasury shares) in the share capital of the Company

Offer Price Premium

Upfront premium compared to Hi-P historical prices



Source: Bloomberg L.P.

Notes:

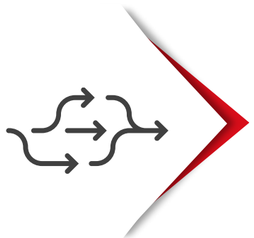
1) As at 14 December 2020, being the Last Trading Day
2) The volume-weighted average prices ("**VWAP**") of Hi-P shares are rounded to the nearest three (3) decimal places and computed on data sourced from Bloomberg L.P. up to and including the Last Trading Day. The respective premia are rounded to the nearest one (1) decimal place
3) Based on as reported NAV per Hi-P share as at 30 June 2020 disclosed in the Company's 1H2020 Financial Statements. The percentage premium is rounded to the nearest one (1) decimal place.
4) Computed based on simple average of analyst target prices extracted from Bloomberg L.P. as at 16 December 2020, including target prices issued by UOB Kay Hian, DBS Bank, Maybank Kim Eng and CGS-CIMB. In addition to the target prices extracted from Bloomberg L.P., CLSA's target price has also been included in computing the simple average

Rationale for the Offer



1. Opportunity for Shareholders to Realise their Investment at an Attractive Premium

- The prevailing economic environment is uncertain due to the ongoing COVID-19 pandemic, and the Offer represents an opportunity for Shareholders to realise their investment in the Hi-P shares at a premium to historical market prices
- The Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment at a significant premium over the prevailing benchmark prices of the Hi-P shares without incurring brokerage and other trading costs
- The Offer Price represents a premium of approximately:
    I. 160.1% over the net asset value per Share as of 30 June 2020;
    II. 13.6% over the last transacted price per Share of S$1.760 on 14 December 2020, being the last full Market Day on which the Shares were transacted prior to the Offer Announcement Date (the "Last Trading Day"); and
    III. 23.2%, 42.3%, 50.6% and 62.5% over the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods, respectively, up to and including the Last Trading Day
- The Offer presents an opportunity for Shareholders to exit their entire investment in the Hi-P shares, which may otherwise be difficult due to the low trading liquidity of the Hi-P shares



2. Greater Management Flexibility

- The successful delisting of Hi-P will give the Offeror and the management of the Company more flexibility to manage the business of the Company, optimise the use of its management and capital resources as well as facilitate the implementation of any operational changes

Rationale for the Offer (cont’d)



3. No Need for Access to Capital Markets

- Since 2004, the Company has not carried out any corporate exercise to raise funds on the SGX-ST
- The Offeror is of the view that the Company is unlikely to require access to Singapore capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain a listing on the SGX-ST



4. Compliance Costs of Maintaining Listing

- The Company incurs compliance and associated costs in maintaining its listed status. Delisting will allow the Company to save on expenses relating to the maintenance of its listed status and focus its resources on its business operations

Indicative Timeline of the Offer

18 December 2020 “A”	**Offer Announcement Date**
A + 2 to 3 weeks “B”	**Despatch of Offer Document**
B + 2 weeks	**Despatch of Offeree Circular with Independent Financial Adviser’s Opinion**
B + 4 weeks	**Earliest possible close of the Offer**

Notes: The above timeline is indicative only and may be subject to change. Please refer to future SGXNET announcement(s) by Hi-P for the exact dates of these events.

Responsibility Statement

The directors of the Offeror (including those who may have delegated detailed supervision of this Presentation) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Presentation (other than those relating to the Company) are fair and accurate and that there are no other material facts not contained in this Presentation, the omission of which would make any statement in this Presentation misleading

Where any information has been extracted or reproduced from published or publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Presentation

The directors of the Offeror jointly and severally accept responsibility accordingly

Investors’ Enquiries

Investors’ enquiries relating to the Offer should be directed to:

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Thank you