

**HI-P INTERNATIONAL LIMITED**  
Company Registration Number 198004817H  
(Incorporated in the Republic of Singapore)

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**PROPOSED JOINT VENTURE**

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The Board of Directors of Hi-P International Limited (the “**Company**”) wishes to announce that the Company’s wholly-owned subsidiary, Huglomerate (Shanghai) International Trading Co., Ltd. (previously known as Hi-P (Shanghai) International Trading Co., Ltd.) (“**Huglomerate**”), has entered into a joint venture agreement (“**JV Agreement**”) today with Cino Coffee Machine Mfg Co., Ltd. (“**Cino**”) (a company incorporated under the laws of the People’s Republic of China) for the purpose of undertaking a joint venture in the business of production of coffee machines, packaging for coffee and beverages, and products related to the foregoing (“**Proposed Joint Venture**”).

In connection with the Proposed Joint Venture, Cino and Huglomerate shall incorporate a joint venture company (“**JV Company**”) in Shenzhen with an initial paid-up capital of RMB15,000,000 and initial shareholding proportion of 80% (Cino) and 20% (Huglomerate) respectively. The principal activities of the JV Company shall include production of coffee machines, packaging for coffee and beverages, and products related to the foregoing.

In accordance with the terms of the JV Agreement, Huglomerate will invest an aggregate of RMB22.8 million into the JV Company, of which RMB3 million is to be injected as paid-up capital and RMB19.8 million as shareholder’s loan.

The Proposed Joint Venture is not expected to have any material effect on the net tangible assets per share and earnings per share of the Company for the current financial year ending 31 December 2017.

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Joint Venture other than through their shareholdings in the Company.

By Order of the Board of Directors

Yao Hsiao Tung  
Executive Chairman and Chief Executive Officer  
16 June 2017