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

VOLUNTARY UNCONDITIONAL GENERAL OFFER FOR HI-P INTERNATIONAL LIMITED – LOSS OF PUBLIC FLOAT

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; and

(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**").

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

2. LOSS OF PUBLIC FLOAT AND SUSPENSION IN TRADING

As stated in the Offeror Shareholding Announcement, as at 6.00 p.m. Singapore time on 12 January 2021, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the "**Concert Parties**"), and (b) valid acceptances of the Offer, amount to an aggregate of 729,695,751 Shares, representing approximately 90.37%[1] of the total number of issued Shares[2].

[1] In this Announcement, all percentage figures are rounded to the nearest two (2) decimal places.
[2] Unless otherwise stated herein, references in this Announcement to the total number of Shares shall be to 807,467,735 Shares (excluding treasury shares).

The Company wishes to announce that based on the information in the Offeror Shareholding Announcement, the percentage of Shares held by the public as at the date hereof is approximately 9.63% and is therefore less than the requisite 10% of the total number of issued Shares (excluding treasury shares) (the "**Free Float Requirement**") as required under Rule 723 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

Under Rule 724(1) of the Listing Manual, if the percentage of Shares held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact, and the SGX-ST may suspend the trading of the Shares. In addition, Rule 724(2) of the Listing Manual provides that the SGX-ST may allow the Company a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be removed from the official list of the SGX-ST.

Shareholders of the Company should also note that pursuant to Rule 1303(1) of the Listing Manual, in a take-over situation, where the offeror succeeds in garnering acceptances exceeding 90% of the issuer's total number of issued shares (excluding treasury shares), thus causing the percentage of an issuer's total number of issued shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the listed securities of the issuer only at the close of the take-over offer.

The Offeror has stated in the Offer Document that in the event that, *inter alia*, the Free Float Requirement is not satisfied, the Offeror intends to delist the Company and does not intend to 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.

3. FINAL CLOSING DATE

As stated in the Offeror Shareholding Announcement, the Closing Date for the Offer is extended from 5.30 p.m. Singapore time on 4 February 2021 to 5.30 p.m. Singapore time on 18 February 2021, and the Offeror does not intend to extend the Offer beyond 5.30 p.m. Singapore time on 18 February 2021 (the "**Final Closing Date**").

4. 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

13 January 2021