

CIRCULAR DATED 9 APRIL 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of Hi-P International Limited (the "**Company**"), you should immediately forward this Circular and the enclosed Proxy Form to the purchaser or the transferee, or to the stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of the statements made, opinions expressed or reports contained in this Circular.



HI-P INTERNATIONAL LIMITED

Company Registration No. 198004817H
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

IMPORTANT DATES AND TIMES

- | | | |
|--|---|--|
| Last date and time for lodgment of Proxy Form | : | Saturday, 27 April 2019 at 3.00 p.m. |
| Date and time of Extraordinary General Meeting | : | Monday, 29 April 2019 at 3.00 p.m. (or immediately after the conclusion of the Annual General Meeting to be held on the same day prior to the Extraordinary General Meeting) |
| Place of Extraordinary General Meeting | : | Rose Room, Level 3
The Chevrons
48 Boon Lay Way
Singapore 609961 |

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

- “2018 EGM”** : The extraordinary general meeting of the Company held on 20 April 2018
- “2018 Mandate”** : Has the meaning ascribed thereto in Section 2.1
- “AGM”** : The annual general meeting of the Company
- “Associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more;
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more
- “associated company”** : A company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company or the Group
- “Board”** : The board of directors of the Company
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This Circular to Shareholders dated 9 April 2019
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- “Company”** : Hi-P International Limited
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly fifteen per cent. (15%) or more of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or
 - (b) in fact exercises control over the Company

DEFINITIONS

“ Director ”	:	A person holding office as a director of the Company for the time being
“ EGM ”	:	The extraordinary general meeting of the Company to be convened on 29 April 2019, notice of which is given on pages N-1 to N-3 of this Circular
“ Group ”	:	The Company and its subsidiaries
“ immediate family ”	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent
“ Latest Practicable Date ”	:	The latest practicable date prior to the printing of this Circular, being 25 March 2019
“ Listing Manual ”	:	The listing rules of the SGX-ST, as may be amended or modified from time to time
“ Market Day ”	:	A day on which the SGX-ST is open for trading of securities
“ Registrar ”	:	Accounting and Corporate Regulatory Authority of Singapore
“ ROE ”	:	Return on equity
“ SGX-ST ”	:	Singapore Exchange Securities Trading Limited
“ Share Purchase Mandate ”	:	The general and unconditional mandate to be given by Shareholders to authorise the Directors to purchase Shares in accordance with the terms set out in this Circular, the Companies Act and the Listing Manual
“ Shareholders ”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “ Shareholders ” shall, where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register
“ Shares ”	:	Ordinary shares in the capital of the Company
“ subsidiary holdings ”	:	Ordinary shares in the capital of the Company held by a subsidiary of the Company
“ Substantial Shareholder ”	:	A Shareholder who has an interest (directly or indirectly) of not less than five per cent. (5%) of the total voting Shares
“ Take-over Code ”	:	The Singapore Code on Take-overs and Mergers, as the same may be amended or modified from time to time
“ S\$ ”, “ \$ ” and “ cents ”	:	Singapore dollars and cents, respectively
“ % ” or “ per cent. ”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

DEFINITIONS

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or such statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding.

LETTER TO SHAREHOLDERS

HI-P INTERNATIONAL LIMITED

Company Registration No. 198004817H
(Incorporated in the Republic of Singapore)

Directors:

Yao Hsiao Tung (*Executive Chairman and Chief Executive Officer*)
Wong Huey Fang (*Executive Director and Chief Administrative Officer*)
Yeo Tiong Eng (*Non-Executive Director*)
Lim Thien Su Gerald (*Lead Independent Director*)
Leong Lai Peng (*Independent Director*)
Chester Lin Chien (*Independent Director*)

Registered Office:

11 International Business Park
Singapore 609926

To: The Shareholders of Hi-P International Limited

9 April 2019

Dear Sir/Madam

1. INTRODUCTION

The Board is convening an EGM to be held on 29 April 2019 to seek the approval of Shareholders for the proposed renewal of the Share Purchase Mandate. The purpose of this Circular is to set out information pertaining to, and the reasons for, the foregoing proposal.

The SGX-ST assumes no responsibility for the accuracy of any statements made, opinions expressed or reports contained in this Circular.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

At the 2018 EGM, Shareholders had approved, *inter alia*, the renewal of a mandate empowering the Directors to exercise all the powers of the Company to purchase or otherwise acquire its issued Shares (the “**2018 Mandate**”).

The 2018 Mandate was expressed to take effect from the date of the passing of the ordinary resolution relating thereto at the 2018 EGM and will expire on the date of the forthcoming AGM to be held on 29 April 2019. Accordingly, Shareholders’ approval is being sought for the proposed renewal of the Share Purchase Mandate at the EGM to be held immediately after the AGM on 29 April 2019.

2.2 Rationale for the Proposed Renewal of the Share Purchase Mandate

The approval of the proposed renewal of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company flexibility to undertake purchases or acquisitions of Shares up to the ten per cent. (10%) limit described in Section 2.3.1 of this Circular at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) The Share Purchase Mandate will allow Directors to optimise the share capital structure of the Company by having greater flexibility in managing its dividend policy. The Company will have the flexibility to undertake share purchases and the option to cancel or hold the Shares as treasury shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

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- (b) In managing the business of the Group, management strives to increase Shareholders' value by improving, *inter alia*, the ROE of the Group. In addition to growth and expansion of the business, share purchases are one of the ways through which the ROE of the Group may be enhanced.
- (c) The Share Purchase Mandate will help to mitigate against short term market volatility and offset the effects of short term speculation and, in turn, bolster Shareholders' confidence and morale of employees.
- (d) Insofar as it is permitted by law, the Share Purchase Mandate will permit the Directors to undertake buy-backs in order to satisfy options and awards granted or to be granted under any employee share scheme of the Company.

The purchase or acquisition of Shares will only be undertaken if it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity, capital adequacy and financial position of the Group as a whole or which may affect the listing status of the Company.

2.3 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate are summarised below:

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the issued Shares as at the date of the EGM at which the proposed renewal of the Share Purchase Mandate is approved. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for the purpose of computing the 10% limit.

In exercising the Share Purchase Mandate, the Company has to ensure that it does not purchase Shares in a manner and to such an extent that would cause it to breach its obligations under any contracts, undertakings and/or lending agreements to which it is a party, or which would result in the Company not being in compliance with the Companies Act or the requirements of the Listing Manual in order for the Company to maintain its listing status. Therefore, the maximum number of Shares which the Company may purchase without breaching its obligations or to ensure its compliance with applicable law and regulation, may be less than 10% of the issued Shares.

Purely for illustration purposes, on the basis of 800,345,472 issued and paid-up Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, and assuming:

- (a) no further Shares are issued on or prior to the EGM;
- (b) none of the 86,829,528 treasury shares of the Company held as at the Latest Practicable Date are or will be transferred on or prior to the EGM to fulfill the release of any awards or exercise of any options granted or to be granted under any share scheme of the Company; and
- (c) no further Shares are purchased or acquired by the Company on or prior to the EGM,

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the proposed renewal of the Share Purchase Mandate if approved by Shareholders at the EGM, would authorise the Company to purchase or acquire a maximum limit of 80,034,547 Shares, being 10% of the resultant total number of 800,345,472 issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the EGM.

The purchase of the maximum limit of 80,034,547 Shares would result in the number of Shares held by public Shareholders falling below 10% of the total issued Shares (excluding treasury shares and subsidiary holdings) after the exercise of the Share Purchase Mandate proposed to be renewed. To maintain its listing status, the Company is required under the Listing Manual to ensure that at least 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) are at all times held by the public. Accordingly, the Company would only be able to purchase a maximum 50,247,287 Shares from public Shareholders, which represents approximately 6.28% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date. Please refer to Section 2.9 of this Circular for further details.

2.3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the EGM, at which the Share Purchase Mandate is to be approved for renewal, up to:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which the renewed Share Purchase Mandate is carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the renewed Share Purchase Mandate is revoked or varied,

whichever is the earliest.

2.3.3 Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**") transacted through the SGX-ST's trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchases**") in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An equal access scheme must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and

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- (iii) the terms of all the offers are the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances; and
- (3) the information required under rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

2.3.4 Maximum purchase price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase or acquisition (the “**Maximum Price**”).

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five Market Days on which transactions in the Shares on the SGX-ST were recorded or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and

“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Source of Funds

The Company may utilize internal sources of funds or procure bank borrowings to finance its purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that the liquidity and capital adequacy position of the Group would be materially and adversely affected.

2.5 Status of Purchased Shares

All Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

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All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically de-listed by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

2.6 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.6.1 Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

2.6.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus Shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.6.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include the following details:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;

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- (v) percentage of the number of treasury shares against the total number of issued shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.7 Financial Effects

The financial effects on the Group arising from the purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the Shares are purchased or acquired out of capital and/or retained profits of the Company, the consideration paid for such Shares and whether the Shares purchased or acquired are cancelled or held as treasury shares.

2.7.1 Purchase or acquisition out of profits and/or capital

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the capital and/or retained profits of the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will not affect the amount available for distribution in the form of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of retained profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for distribution in the form of cash dividends by the Company.

2.7.2 Number of Shares acquired or purchased

Please refer to Sections 2.3.1 and 2.9 of this Circular for more details on the maximum number of Shares that the Company may purchase or acquire pursuant to the Share Purchase Mandate.

2.7.3 Maximum Price paid for Shares acquired or purchased

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 15,000,000 Shares at the Maximum Price of S\$1.7577 per Share (being the price equivalent to 105% of the Average Closing Price of the Shares over the last five Market Days on which transactions in the Shares on the SGX-ST were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required is S\$26,365,500 excluding brokerage, commission, applicable goods and services tax and other related expenses.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 15,000,000 Shares at the Maximum Price of S\$1.8414 per Share (being the price equivalent to 110% of the Average Closing Price of the Shares over the last five Market Days on which transactions in the Shares on the SGX-ST were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required is S\$27,621,000 excluding brokerage, commission, applicable goods and services tax and other related expenses.

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2.7.4 Illustrative financial effects

For illustration purposes only, based on the assumptions set out in Section 2.7.3 above, and the audited financial statements of the Company and the Group for the financial year ended 31 December 2018, and assuming that the purchase or acquisition of Shares is made out of distributable profits of the Company and is financed solely by internal sources of funds, the financial effects arising from the purchase or acquisition of such Shares by the Company, for both Market Purchase and Off-Market Purchase, on the audited financial statements of the Group for the financial year ended 31 December 2018 would be as follows:

Market Purchases

As at 31 December 2018 (audited)	Group			
	Out of Distributable Profits and Held as Treasury Shares		Out of Distributable Profits and Cancelled	
(\$'000)	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
Shareholders' Funds	564,011	537,645	564,011	537,645
Current Assets	871,060	844,694	871,060	844,694
Current Liabilities	651,800	651,800	651,800	651,800
Total Borrowings	168,252	168,252	168,252	168,252
Cash and Cash Equivalents and Restricted Bank Deposits	288,411	262,045	288,411	262,045
Net Tangible Assets	563,999	537,633	563,999	537,633
Profit After Tax	100,922	100,922	100,922	100,922
Number of Shares ('000)	800,670	785,670	800,670	785,670
Treasury Shares ('000)	86,505	101,505	86,505	86,505
		887,175		872,175
Basic Earnings per Share (cent)	12.54	12.85	12.54	12.85
Net Asset per Share (cent)	70.44	68.43	70.44	68.43
Net Gearing (Borrowings less cash & cash equivalent and restricted bank deposits, divided by shareholders' funds)	N.A.	N.A.	N.A.	N.A.
Return on equity	17.9%	18.8%	17.9%	18.8%

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Off-Market Purchases

As at 31 December 2018 (audited)	Group			
	Out of Distributable Profits and Held as Treasury Shares		Out of Distributable Profits and Cancelled	
(\$'000)	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
Shareholders' Funds	564,011	536,390	564,011	536,390
Current Assets	871,060	843,439	871,060	843,439
Current Liabilities	651,800	651,800	651,800	651,800
Total Borrowings	168,252	168,252	168,252	168,252
Cash and Cash Equivalents and Restricted Bank Deposits	288,411	260,790	288,411	260,790
Net Tangible Assets	563,999	536,378	563,999	536,378
Profit After Tax	100,922	100,922	100,922	100,922
Number of Shares ('000)	800,670	785,670	800,670	785,670
Treasury Shares ('000)	86,505	101,505	86,505	86,505
		887,175		872,175
Basic Earnings per Share (cent)	12.54	12.85	12.54	12.85
Net Asset per Share (cent)	70.44	68.27	70.44	68.27
Net Gearing (Borrowings less cash & cash equivalent and restricted bank deposits, divided by shareholders' funds)	N.A.	N.A.	N.A.	N.A.
Return on equity	17.9%	18.8%	17.9%	18.8%

Shareholders should note that the financial effects set out above are for illustration purposes only. Although the proposed renewal of the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of its issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire the entire 10% of the issued Shares (excluding treasury shares and subsidiary holdings). The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution. In particular, the Directors do not intend to exercise the Share Purchase Mandate up to the maximum limit and to such extent if such exercise would materially and adversely affect the liquidity and capital adequacy position of the Group as a whole, or which may affect the listing status of the Company. Please see Section 2.9 of this Circular for more details. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares. Where necessary, the Company will, to ensure compliance with the Companies Act, cancel such number of Shares repurchased so that the total number of treasury shares held by the Company will not at any time exceed 10% of the total number of issued Shares.

LETTER TO SHAREHOLDERS

2.8 Listing Manual

The rules in the Listing Manual specify that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement must include, *inter alia*, details of the date of purchases, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, the total consideration (including clearing charges etc.) paid or payable for the shares, cumulative number of shares purchased, the number of issued shares (excluding treasury shares and subsidiary holdings) after purchase, the number of treasury shares held after purchase and the number of subsidiary holdings held after purchase, as set out in the form of Appendix 8.3.1 of the Listing Manual.

While the rules in the Listing Manual do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, the Company will not purchase any Shares pursuant to the Share Purchase Mandate after a price-sensitive development has occurred or has been the subject of a consideration or decision of the Directors until such time the price-sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings set out in the Listing Manual, the Company would not purchase or acquire any Shares through Market Purchases during the period of one month immediately preceding the announcement of the Company's annual results and the period of two weeks before the announcement of the Company's quarterly results. The Company's decision to purchase or acquire Shares would only be made with an arrangement that could reasonably be expected to ensure that information that is not generally available would not be communicated or informed to the person within the Company who makes the decision to transact.

2.9 Listing Status

The Listing Manual requires a listed company to ensure that at least 10% of its issued Shares (excluding treasury shares and subsidiary holdings) are held by public Shareholders. The Company will ensure that any Share purchased or acquired by the Company will not result in a fall in the percentage of Shares held by the public to below 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). "Public" means persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its subsidiaries, as well as the Associates of such persons.

As at the Latest Practicable Date, approximately 125,257,106 Shares, representing 15.65% of the issued Shares (excluding treasury shares and subsidiary holdings) are held by the public.

Purely for illustration purposes, based on the total number of issued Shares of 800,345,472 (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, and assuming that there is no change in the shareholding of the Company from the Latest Practicable Date and before the expiry of the renewed Share Purchase Mandate proposed to be renewed, the purchase or acquisition by the Company of up to 80,034,547 Shares, being the full 10% limit of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the EGM, would reduce the number of Shares in the hands of the public to 45,222,559 Shares, representing approximately 6.28% of the resultant total number of issued Shares (excluding treasury shares and subsidiary holdings). Accordingly, the Company would not be able to undertake purchases of its Shares up to the full 10% limit pursuant to the proposed renewal of the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST.

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The Company will only be able to purchase a maximum of 50,247,287 Shares, representing approximately 6.28% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the Latest Practicable Date, in order for the public to hold not less than 10% of the resultant total number of issued Shares (excluding treasury shares and subsidiary holdings) on the basis of the above stated assumptions. Therefore, as at the Latest Practicable Date, the Company would not, pursuant to the Share Purchase Mandate, purchase or acquire more than 50,247,287 Shares or exercise the full 10% limit, to ensure that the public shall hold not less than 10% of the resultant total number of issued Shares (excluding treasury shares and subsidiary holdings).

The Directors will at all times ensure that when purchasing any Shares pursuant to the proposed Share Purchase Mandate, at least 10% of its Shares will remain in the hands of the public in accordance with the Listing Manual without:

- (a) affecting the listing status of the Shares on the SGX-ST;
- (b) causing market illiquidity of the Shares; or
- (c) affecting adversely the orderly trading of the Shares.

2.10 Reporting Requirements of the Companies Act

Within 30 days of the passing of Shareholders' resolution to approve the proposed renewal of the Share Purchase Mandate, the Company shall lodge a copy of such resolution with the Registrar.

The Company shall notify the Registrar within 30 days of a purchase of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchases, the total number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the total number of issued Shares before and after the purchase of Shares, the amount of consideration paid by the Company for the purchases, whether the Shares were purchased out of profits or the capital of the Company and such other particulars as may be required in the prescribed form.

2.11 Take-over Obligations

Appendix 2 of the Take-over Code contains the share buyback guidance note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.11.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

2.11.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

LETTER TO SHAREHOLDERS

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the above persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

LETTER TO SHAREHOLDERS

2.11.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a takeover offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the proposed renewal of the Share Purchase Mandate.

To the best of their knowledge, the Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share purchases or acquisitions by the Company pursuant to the Share Purchase Mandate.

2.11.4 Illustrative impact of Share purchases on shareholding of Directors and Substantial Shareholders

Based on information recorded in the Register of Directors and Register of Substantial Shareholders as at the Latest Practicable Date and on the basis that (i) the Company purchases or acquires the maximum of 50,247,287 Shares (please see Section 2.9 for details), (ii) there is no change in the number of Shares in which the Directors and Substantial Shareholders have an interest as at the Latest Practicable Date, (iii) there is no further issue of Shares, and (iv) there is no change in the shareholding structure of the Company as at the Latest Practicable Date other than changes arising from share purchases made pursuant to the Share Purchase Mandate as set out in Sections 2.3.1 and 2.9, the interests of the Directors and Substantial Shareholders in the Shares of the Company before and after the proposed Share Purchase Mandate is implemented to the maximum extent possible in order to maintain the public float of 10% of the Shares (excluding treasury shares and subsidiary holdings), are illustrated as follows:

LETTER TO SHAREHOLDERS

	Before Share Purchase (No. of Shares)		Percentage (%) of Direct Interest	
	Direct Interest	Deemed Interest	Before Share Purchase ⁽³⁾	After Share Purchase ⁽⁴⁾
Directors				
Yao Hsiao Tung	590,118,410	87,738,116 ⁽¹⁾	73.73	78.67
Wong Huey Fang	1,386,982	858,816 ⁽²⁾	0.17	0.18
Yeo Tiong Eng	500,000	–	0.06	0.07
Chester Lin Chien	1,800,000	–	0.22	0.24
Leong Lai Peng	300,000	–	0.04	0.04
Lim Thien Su Gerald	–	–	–	–
Substantial Shareholders (who are not Directors)				
YHT Investments Pte. Ltd.	80,845,734	–	10.10	10.78

Notes:

- Mr Yao Hsiao Tung is deemed interested in 87,738,116 Shares as he (a) holds options which allow him to subscribe for an aggregate of 6,892,382 Shares, and (b) holds controlling interest in YHT Investments Pte. Ltd. (which in turn holds 80,845,734 Shares).
- Madam Wong Huey Fang's deemed interest arises by virtue of the options to subscribe for an aggregate of 858,816 Shares held by her.
- The percentage shareholdings are computed based on the Company's total issued Shares of 800,345,472 (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- The percentage shareholdings are computed based on the resultant total number of 750,098,185 issued Shares (excluding treasury shares and subsidiary holdings) assuming the Company purchases or acquires the maximum number of 50,247,287 Shares which can be purchased by the Company under the proposed Share Purchase Mandate in order to maintain the public float of 10% of the Shares (excluding treasury shares and subsidiary holdings). Please see Section 2.9 for details.

2.12 Share Purchases under the 2018 Mandate

The Company has in the last twelve months preceding the Latest Practicable Date, purchased 9,280,800 Shares by way of Market Purchases which are held as treasury shares. Details of such Market Purchases are set out below:

Date of Purchase	Number of Shares Purchased	Highest Price Paid per Share (S\$)	Lowest Price Paid per Share (S\$)	Total Consideration ⁽¹⁾ Paid (S\$)
3 May 2018	761,200	1.500	1.470	1,136,375.94
4 May 2018	400,000	1.470	1.460	587,406.40
7 May 2018	300,000	1.460	1.440	436,044.01
8 May 2018	66,800	1.380	1.380	92,405.25
9 May 2018	100,700	1.470	1.410	148,341.88
11 May 2018	200,000	1.450	1.440	289,693.61
15 May 2018	200,000	1.440	1.430	287,688.81
16 May 2018	200,000	1.410	1.400	281,674.41

LETTER TO SHAREHOLDERS

Date of Purchase	Number of Shares Purchased	Highest Price Paid per Share (S\$)	Lowest Price Paid per Share (S\$)	Total Consideration⁽¹⁾ Paid (S\$)
17 May 2018	300,000	1.400	1.360	412,987.80
22 May 2018	200,000	1.360	1.340	270,648.00
23 May 2018	400,000	1.310	1.280	519,243.20
11 June 2018	200,000	1.300	1.290	259,621.61
19 June 2018	300,000	1.160	1.140	345,828.01
3 July 2018	100,000	1.160	1.160	116,278.40
2 August 2018	100,000	1.110	1.110	111,177.60
3 August 2018	600,000	1.120	1.090	666,043.96
7 August 2018	200,300	1.050	1.020	209,648.40
10 August 2018	400,000	0.995	0.985	396,152.82
13 August 2018	90,600	0.985	0.975	89,011.73
10 September 2018	500,000	0.980	0.960	484,774.40
11 September 2018	400,000	0.955	0.910	375,119.22
13 September 2018	200,000	0.920	0.910	183,292.80
18 September 2018	100,000	0.860	0.860	86,137.60
15 October 2018	500,000	0.860	0.840	425,680.00
16 October 2018	400,000	0.835	0.830	333,532.80
17 October 2018	448,100	0.850	0.835	379,250.32
18 October 2018	300,000	0.830	0.830	249,398.40
22 October 2018	224,100	0.825	0.815	184,437.59
23 October 2018	500,000	0.820	0.800	405,197.27
3 January 2019	325,700	0.870	0.850	281,789.80
11 January 2019	263,300	0.900	0.895	237,111.79

Note:

(1) Consideration includes brokerage, commission and other related expenses.

2.13 Shareholders' Approval

For the reasons as set out above, the Company is proposing to seek the approval of Shareholders for the proposed renewal of the Share Purchase Mandate, which will be proposed as an ordinary resolution ("**Resolution 1**") at the EGM.

LETTER TO SHAREHOLDERS

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on information recorded in the Register of Directors and Register of Substantial Shareholders as at the Latest Practicable Date, the Directors' and Substantial Shareholders' interests in the Company are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽³⁾	Number of Shares	% ⁽³⁾
Directors				
Yao Hsiao Tung	590,118,410	73.73	87,738,116 ⁽¹⁾	10.96
Wong Huey Fang	1,386,982	0.17	858,816 ⁽²⁾	0.11
Yeo Tiong Eng	500,000	0.06	–	–
Chester Lin Chien	1,800,000	0.22	–	–
Leong Lai Peng	300,000	0.04	–	–
Lim Thien Su Gerald	–	–	–	–
Substantial Shareholders (who are not Directors)				
YHT Investments Pte. Ltd.	80,845,734	10.10	–	–

Notes:

- Mr Yao Hsiao Tung is deemed interested in 87,738,116 Shares as he (a) holds options which allow him to subscribe for an aggregate of 6,892,382 Shares, and (b) holds controlling interest in YHT Investments Pte. Ltd. (which in turn holds 80,845,734 Shares).
- Madam Wong Huey Fang's deemed interest arises by virtue of the options to subscribe for an aggregate of 858,816 Shares held by her.
- The percentage shareholdings are computed based on the Company's total issued Shares of 800,345,472 (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

4. DIRECTORS' RECOMMENDATIONS

The Directors, having considered the terms of, the rationale for, and the financial effects of the proposed renewal of the Share Purchase Mandate, are of the view that the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Resolution 1 to be proposed at the EGM.

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held at Rose Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961 on Monday, 29 April 2019 at 3.00 p.m. (or immediately after the conclusion of the AGM to be held on the same day prior to the EGM) for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolution set out in the Notice of EGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's share registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02 Singapore 068898 not later than 3.00 p.m. on 27 April 2019.

LETTER TO SHAREHOLDERS

The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes. In such event, the relevant Proxy Form will be deemed to be revoked.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

8. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at the registered office of the Company at 11 International Business Park, Singapore 609926 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Annual Report of the Company for the financial year ended 31 December 2018; and
- (b) the Constitution of the Company.

Yours faithfully

Yao Hsiao Tung
Executive Chairman and Chief Executive Officer
Hi-P International Limited

NOTICE OF EXTRAORDINARY GENERAL MEETING

HI-P INTERNATIONAL LIMITED

Company Registration No. 198004817H
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Hi-P International Limited (the “**Company**”) will be held at Rose Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961 on Monday, 29 April 2019 at 3.00 p.m. (or immediately after the conclusion of the Annual General Meeting to be held on the same day prior to the Extraordinary General Meeting) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution, which will be proposed as Ordinary Resolution:

*All capitalised terms in this Notice which are not defined herein shall have the same meanings ascribed to them in the Circular to Shareholders of the Company dated 9 April 2019 (the “**Circular**”).*

ORDINARY RESOLUTION

RESOLUTION 1: THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

That:

- (a) for the purposes of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and Sections 76C and 76E of the Companies Act, Chapter 50 (the “**Companies Act**”), the exercise by the directors of the Company (“**Directors**”) of all the powers of the Company to purchase or otherwise acquire fully paid issued ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) on-market purchase(s) transacted through the SGX-ST’s trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted (“**Other Exchange**”) through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,
- and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);
- (b) the authority conferred on the Directors pursuant to the proposed renewal of the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the conclusion of the next annual general meeting of the Company (“**AGM**”) or the date by which such AGM is required by law to be held;
 - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by ordinary resolution of the Company in general meeting;

NOTICE OF EXTRAORDINARY GENERAL MEETING

(c) in this Resolution:

“Maximum Percentage” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date); and

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an off-market purchase of a Share, 110% of the Average Closing Price of the Shares;

where:

“Average Closing Price” means the average of the closing market prices of the Shares over the last five market days on which transactions in the Shares on the SGX-ST or, as the case may be, Other Exchange, were recorded immediately preceding the date of the on-market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

- (d) the Directors be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Purchase Mandate, in any manner as they think fit which is allowable under the Companies Act; and
- (e) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

By Order of the Board
Hi-P International Limited

Yao Hsiao Tung
Executive Chairman and Chief Executive Officer
9 April 2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02 Singapore 068898 not less than forty-eight (48) hours before the time for holding the Extraordinary General Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

HI-P INTERNATIONAL LIMITED

Company Registration No. 198004817H
(Incorporated in the Republic of Singapore)

IMPORTANT

1. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 of Singapore, Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 9 April 2019.

PROXY FORM

I/We _____ (Name) _____ (NRIC/Passport Number)

of _____ (Address)

being a *member/members of HI-P INTERNATIONAL LIMITED (the “Company”) hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

*and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing him/her, the Chairman of the Extraordinary General Meeting of the Company (the “Meeting”), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the Meeting to be held at Rose Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961 on Monday, 29 April 2019 at 3.00 p.m. (or immediately after the conclusion of the Annual General Meeting to be held on the same day prior to the Meeting) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolution to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any matter arising at the Meeting.

All resolutions put to vote at the Meeting shall be decided by way of poll.

No.	Ordinary Resolution	Number of votes for**	Number of votes against**
1.	To approve the proposed renewal of the Share Purchase Mandate		

** If you wish to exercise all your votes “For” or “Against”, please indicate with an “X” within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2019

Total number of Shares	No. of Shares
In CDP Register	
In Register of Members	

Signature(s) of Member(s)
or, Common Seal of Corporate Member

[IMPORTANT: PLEASE READ NOTES OVERLEAF]



Notes:

1. A member (other than a Relevant Intermediary*) entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. A member of the Company having a share capital who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in this form of proxy including the number and class of shares in relation to which each proxy has been appointed, to the Company's share registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at its office at 80 Robinson Road, #11-02 Singapore 068898.

"**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.
5. The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02 Singapore 068898, not less than 48 hours before the time set for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF Investors and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

GENERAL:

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.