



HI-P INTERNATIONAL LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Hi-P International Limited (the "Company") will be held at Ficus 3 Room, Level 2, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on Tuesday, 28 April 2015 at 2.30 p.m. for the following purposes:

ORDINARY BUSINESS

- To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31 December 2014 together with the Auditors' Report thereon. **(Resolution 1)**
- To declare a first and final tax exempt one-tier dividend of 1.0 cents per ordinary share for the year ended 31 December 2014. [2013: 0.6 cents per ordinary share] **(Resolution 2)**
- To re-elect Mr Yeo Tiong Eng retiring pursuant to Article 91 of the Company's Articles of Association. [See Explanatory Note (i)] **(Resolution 3)**
- To re-elect Mr Gerald Lim Thien Su retiring pursuant to Article 91 of the Company's Articles of Association. [See Explanatory Note (ii)] **(Resolution 4)**
- To pass the following Ordinary Resolutions pursuant to Section 153(6) of the Companies Act, Cap. 50:-

"That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Yeo Hsiao Tung be re-appointed a Director of the Company to hold office until the next Annual General Meeting." [See Explanatory Note (iii)] **(Resolution 5)**

"That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Chester Lin Chien be re-appointed a Director of the Company to hold office until the next Annual General Meeting." [See Explanatory Note (iv)] **(Resolution 6)**

- To approve the payment of Directors' fees of S\$358,000.00 for the year ended 31 December 2014. (2013: S\$358,000.00) **(Resolution 7)**
- To re-appoint Messrs Ernst & Young LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**
- To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

- Authority to allot and issue shares up to fifty per cent. (50%) of the total number of issued shares excluding treasury shares

"That, pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"), authority be and is hereby given to the Directors to:-

- allot and issue shares in the Company; and
- issue convertible securities and any shares in the Company pursuant to convertible securities

(whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors shall in their absolute discretion deem fit, provided that the aggregate number of shares (including any shares to be issued pursuant to the convertible securities) in the Company to be issued pursuant to such authority shall not exceed fifty per cent. (50%) of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed twenty per cent. (20%) of the total number of issued shares excluding treasury shares. Unless revoked or varied by the Company in general meeting, such authority shall continue in full force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier, except that the Directors shall be authorised to allot and issue new shares pursuant to the convertible securities notwithstanding that such authority has ceased.

For the purposes of this Resolution and Rule 806(3) of the Listing Manual, the total number of issued shares excluding treasury shares is based on the Company's total number of issued shares excluding treasury shares at the time this Resolution is passed after adjusting for:-

- new shares arising from the conversion or exercise of convertible securities;
- new shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the rules of the Listing Manual; and
- any subsequent bonus issue, consolidation or subdivision of shares."

[See Explanatory Note (v)] **(Resolution 9)**

- Authority to grant options and issue shares under the Hi-P Employee Share Option Scheme 2014

"That, pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the Hi-P Employee Share Option Scheme 2014 (the "2014 ESOS") and to allot and issue such number of fully paid up shares as may be required to be issued pursuant to the exercise of options granted under the 2014 ESOS provided always that the aggregate number of shares issued or issuable pursuant to the 2014 ESOS, which together with the aggregate number of shares issued or issuable pursuant to the Hi-P Employee Share Award Scheme and any other share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued shares excluding treasury shares of the Company on the day preceding the date of grant of any option." [See Explanatory Note (vi)] **(Resolution 10)**

- Authority to grant awards and issue shares under the Hi-P Employee Share Award Scheme

"That, pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to offer and grant awards in accordance with the Hi-P Employee Share Award Scheme (the "ESAS") and to allot and issue such number of fully paid shares as may be required to be issued pursuant to the vesting of the awards under the ESAS provided always that the aggregate number of shares issued or issuable pursuant to the ESAS, which together with the aggregate number of shares issued or issuable pursuant to the Hi-P Employee Share Option Scheme 2014 and any other share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued shares excluding treasury shares of the Company on the day preceding the date of grant of any award." [See Explanatory Note (vii)] **(Resolution 11)**

By Order of the Board

Yao Hsiao Tung
Executive Chairman and Chief Executive Officer
Singapore, 10 April 2015

Notes:

- If re-elected under Resolution 3, Mr Yeo Tiong Eng, retiring pursuant to Article 91 of the Company's Articles of Association, will continue in office as Independent Director, a member of the Audit Committee and a member of Nominating Committee, and be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.
- If re-elected under Resolution 4, Mr Gerald Lim Thien Su, retiring pursuant to Article 91 of the Company's Articles of Association, will continue in office as Independent Director, Chairman of the Audit Committee and a member of Remuneration Committee, and be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.
- If re-appointed under Resolution 5, Mr Yao Hsiao Tung who is over the age of 70, will continue in office as Executive Chairman of the Board of Directors of the Company until the next Annual General Meeting. Mr Yao Hsiao Tung is the spouse of Mdm Wong Huey Fang.
- If re-appointed under Resolution 6, Mr Chester Lin Chien who is over the age of 70, will continue in office as Independent Director of the Board of Directors of the Company until the next Annual General Meeting.
- The Ordinary Resolution 9 proposed in item 9 above, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company. The aggregate number of shares (including any shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed fifty per cent. (50%) of the total number of issued shares excluding treasury shares (as defined in Resolution 9) of the Company. For issues of shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of shares to be issued shall not exceed twenty per cent. (20%) of the total number of issued shares excluding treasury shares (as defined in Resolution 9) of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue shares pursuant to any convertible securities issued under this authority.
- The Ordinary Resolution 10 proposed in item 10 above, if passed, will empower the Directors of the Company, to grant options and to allot and issue shares pursuant to the exercise of options under the Hi-P Employee Share Option Scheme 2014, which together with the allotment and issue of shares pursuant to the Hi-P Employee Share Award Scheme and any other share schemes of the Company, do not exceed in total fifteen per cent. (15%) of the total number of issued shares excluding treasury shares of the Company on the day preceding the date of grant of any option.
- The Ordinary Resolution 11 proposed in item 11 above, if passed, will empower the Directors of the Company, to grant awards and to allot and issue shares pursuant to the vesting of awards under the Hi-P Employee Share Award Scheme, which together with the allotment and issue of shares pursuant to the Hi-P Employee Share Option Scheme 2014 and any other share schemes of the Company, do not exceed in total fifteen per cent. (15%) of the total number of issued shares excluding treasury shares of the Company on the day preceding the date of grant of any award.

- Notes:**
- Detailed information of Mr Yeo Tiong Eng, Mr Gerald Lim Thien Su, Mr Yao Hsiao Tung and Mr Chester Lin Chien can be found under the "Board of Directors" section in the Company's Annual Report 2014.
 - A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
 - If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
 - The instrument appointing a proxy must be deposited at the registered office of the Company at 11 International Business Park, Singapore 609926 not less than forty-eight (48) hours before the time for holding the Meeting.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual 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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Hi-P International Limited (the "Company") will be held at Ficus 3 Room, Level 2, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on Tuesday, 28 April 2015 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 resolutions, which will be proposed as Ordinary Resolutions:

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 10 April 2015 (the "Circular").

ORDINARY RESOLUTIONS

RESOLUTION 1: THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

That:

- 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 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:
 - on-market purchase(s) transacted through the SGX-ST's Central Limit Order Book trading system and/or any other securities 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
 - 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");

- the authority conferred on the Directors of the Company 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:
 - 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;
 - 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
 - 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;

- 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 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:

 - in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and
 - 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;

- the Directors of the Company 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

- the Directors of the Company 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.

RESOLUTION 2: THE PROPOSED GRANT OF AN OPTION TO MR YAO HSIAO TUNG, A CONTROLLING SHAREHOLDER, TO SUBSCRIBE FOR 447,073 SHARES UNDER THE HI-P EMPLOYEE SHARE OPTION SCHEME 2014

That the proposed grant to Mr Yao Hsiao Tung, a Controlling Shareholder, of an option under the Hi-P Employee Share Option Scheme 2014, on the following terms:

- Date of Grant: Any time within two (2) weeks from the date of the EGM;
- Number of Shares issuable or transferable upon the exercise of the option: 447,073 Shares;
- Exercise Price per Share: the Market Price; and
- Exercise Period: 50 per cent. of the Option is exercisable at any time after the expiry of 12 months from the date of grant and the remaining 50 per cent. of the Option is exercisable at any time 24 months after the Date of Grant, such options to expire at the end of 10 years from the Date of Grant,

be and is hereby approved.

"Market Price" for the purpose of this Resolution 2 and Resolution 3 below, shall mean an amount equal to the average of the last dealt prices for the Shares, as determined by reference to the daily official list published by the SGX-ST over the five consecutive market days immediately preceding the date of grant of the relevant Option, rounded to the nearest whole cent in the event of fractional prices provided that in the case of a market day on which the Shares were not traded on the SGX-ST, the last dealt price for Shares on such market day shall be deemed to be the last dealt price of the Shares on the immediately preceding market day on which the Shares were traded. A market day shall mean a day on which the SGX-ST is open for trading of securities.

RESOLUTION 3: THE PROPOSED GRANT OF AN OPTION TO MADAM WONG HUEY FANG, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, TO SUBSCRIBE FOR 24,725 SHARES UNDER THE HI-P EMPLOYEE SHARE OPTION SCHEME 2014

That the proposed grant to Madam Wong Huey Fang, an Associate of a Controlling Shareholder, of an option under the Hi-P Employee Share Option Scheme 2014, on the following terms:

- Date of Grant: Any time within two (2) weeks from the date of the EGM;
- Number of Shares issuable or transferable upon the exercise of the option: 24,725 Shares;
- Exercise Price per Share: Market Price; and
- Exercise Period: 50 per cent. of the Option is exercisable at any time after the expiry of 12 months from the date of grant and the remaining 50 per cent. of the Option is exercisable at any time 24 months after the Date of Grant, such options to expire at the end of 10 years from the Date of Grant,

be and is hereby approved.

RESOLUTION 4: THE PROPOSED GRANT OF AN AWARD OF 8,494 SHARES TO MADAM WONG HUEY FANG UNDER THE HI-P EMPLOYEE SHARE AWARD SCHEME

That the proposed grant of an award to Madam Wong Huey Fang in accordance with the provisions of the Hi-P Employee Share Award Scheme, on the following terms:

- Date of Grant: Any time within two (2) weeks from the date of the EGM;
- Number of Shares issuable or transferable upon the vesting of Awards: 8,494 Shares; and
- Vesting Period: 50 per cent. of the Award will vest upon the expiry of 12 months from the Date of Grant and the remaining 50 per cent. of the Award will vest upon the expiry of 24 months from the Date of Grant,

be and is hereby approved.

RESOLUTION 5: THE PROPOSED GRANT OF AN AWARD OF 4,258 SHARES TO MR YAO HSIAO KUANG UNDER THE HI-P EMPLOYEE SHARE AWARD SCHEME

That the proposed grant of an award to Mr Yao Hsiao Kuang in accordance with the provisions of the Hi-P Employee Share Award Scheme, on the following terms:

- Date of Grant: Any time within two (2) weeks from the date of the EGM;
- Number of Shares issuable or transferable upon the vesting of Awards: 4,258 Shares; and
- Vesting Period: 50 per cent. of the Award will vest upon the expiry of 12 months from the Date of Grant and the remaining 50 per cent. of the Award will vest upon the expiry of 24 months from the Date of Grant,

be and is hereby approved.

RESOLUTION 6: THE PROPOSED ADOPTION OF THE INTERESTED PERSON TRANSACTIONS MANDATE

That:

- approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in Appendix I to the Company's Circular to Shareholders dated 10 April 2015 (the "Circular"), with any party who is of the class of interested persons described in Appendix I to the Circular, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the "Proposed IPT Mandate");
- the Proposed IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed IPT Mandate and/or this Resolution.

By Order of the Board

Hi-P International Limited
Yao Hsiao Tung
Executive Chairman and Chief Executive Officer
10 April 2015

Notes:

- 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.
- The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 11 International Business Park, Singapore 609926 not less than 48 hours before the time appointed for 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.