

HI-P INTERNATIONAL LIMITED

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

INCREASE IN INVESTMENT IN JOINT VENTURE COMPANY

The Board of Directors of Hi-P International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement dated 20 December 2017 (“**Announcement**”) in relation to the incorporation of 深圳市西啡科技有限公司 (“**JV Company**”) pursuant to the Proposed Joint Venture (as defined in the Announcement).

Further to the Announcement, the Board wishes to announce that the Company’s wholly-owned subsidiary, Huglomerate (Shanghai) International Trading Co., Ltd. (“**Huglomerate**”), has entered into a subscription agreement with the JV Company and Cino Coffee Machine Mfg Co., Ltd., for the purpose of subscription for additional 20% stake in the JV Company by Huglomerate for a consideration of RMB 20 million, of which RMB 5 million will be injected as registered capital and RMB 15 million as capital reserve.

Following the aforesaid subscription, the registered capital of JV Company will be increased from RMB 15 million to RMB 20 million and the Company’s shareholding interest in the JV Company (through Huglomerate) will be increased from 20% to 40%.

The consideration of RMB 20 million was arrived at on a willing buyer willing seller basis taking into account the business prospect and potential business growth of the JV Company. The unaudited net tangible asset value of the JV Company as at 31 December 2018 was approximately RMB35,325,792.

The sum of RMB 20 million will be funded through the Group’s internal resources and is not expected to have any material impact on the Group’s earnings per share and net tangible assets per share for the financial year ending 31 December 2019.

None of the directors or substantial shareholders of the Company have any interest, direct or indirect (other than through their shareholdings in the Company), in the above transaction.

By Order of the Board

Yao Hsiao Tung
Executive Chairman and Chief Executive Officer

1 February 2019