

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

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**SUBSCRIPTION OF SHARES IN A COMPANY  
BECOMING AN ASSOCIATED COMPANY**

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The Board of Directors of Hi-P International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Huglomerate (Shanghai) International Trading Co., Ltd. (“**Huglomerate**”) has entered into a subscription agreement today for the subscription of 40% of the enlarged share capital of 深圳市优饮尚品食品有限公司 (“**Shenzhen U Drinks**”). The aggregate subscription price was RMB4 million, of which RMB1.8 million is to be injected as paid-up capital and RMB 2.2 million as capital reserve.

Shenzhen U Drinks is engaged principally in the business of research and development, manufacturing and sales of capsule drinks.

The aggregate subscription price is RMB4 million was arrived at on a willing buyer willing seller basis taking into account the business prospect and potential business growth of Shenzhen U Drinks. The subscription price will be funded through the Group’s internal resources. The unaudited net tangible asset value of Shenzhen U Drinks was approximately RMB318,367 as at 30 September 2017.

The above mentioned transaction 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 2017.

Following the completion of the aforesaid subscription, Shenzhen U Drinks will become an associated company of the Company.

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

By Order of the Board of Directors

Yao Hsiao Tung  
Executive Chairman and Chief Executive Officer  
20 December 2017