

HI-P INTERNATIONAL LIMITED
Company Registration Number 198004817H
(Incorporated in Singapore)
(the “Company”)

MINUTES OF ANNUAL GENERAL MEETING

| | | |
|-----------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DATE | : | 29 April 2019 |
| TIME | : | 2.31 p.m. |
| PLACE | : | Rose Room, Level 3 The Chevrons 48 Boon Lay Way Singapore 609961 |
| DIRECTORS | : | Mr. Yao Hsiao Tung (Executive Chairman and Chief Executive Officer) Mdm. Wong Huey Fang (Executive Director and Chief Administrative Officer) Mr. Yeo Tiong Eng (Non-Executive Director) Mr. Gerald Lim Thien Su (Lead Independent Director) Mr. Chester Lin Chien (Independent Director) |
| ABSENT WITH APOLOGIES | : | Mdm. Leong Lai Peng (Independent Director) |
| CHAIRMAN | : | Mr. Yao Hsiao Tung |

The Chairman welcomed the shareholders and the invitees to the Annual General Meeting of the Company (“**AGM**”).

QUORUM

As the quorum was present, the Chairman declared the AGM open. The Chairman requested the Company Secretary to conduct the AGM on his behalf.

The Chairman reminded the shareholders to turn off their mobile phones and electronic devices, or switch them to “silent” mode, so that there would not be any interruption during the proceedings.

NOTICE

With the consent of the Meeting, the Notice convening the AGM was taken as read.

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The Chairman informed that the resolutions put forth at the AGM and the Extraordinary General Meeting (“**EGM**”) to be held immediately after the conclusion of the AGM would be voted on by way of a poll. He further informed the shareholders that TMF Singapore H Pte. Ltd. and Tricor Evatthouse Corporate Services had been appointed as Scrutineer and Polling Agent respectively for the poll. The poll voting would be conducted for AGM and EGM separately after all resolutions had been proposed and seconded.

ORDINARY BUSINESS

RESOLUTION 1: DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

The Meeting proceeded to receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2018 together with the Auditors' Report thereon.

The following motion was duly proposed and seconded:

"That the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2018 and the Auditors' Report thereon be and are hereby received and adopted."

The Chairman invited questions from the shareholders.

Shareholder A enquired whether the trade war between China and United States of America has any impact to the business of the Company. Mr. Yao Hsiao Tung (“**Mr. Yao**”), Executive Chairman and Chief Executive Officer of the Company replied that the trade war between China and United States of America would definitely impact many companies. Mr. Yao shared that the Company has aggressive plan for expansion since year 2017 and informed the shareholders that the Company would continue to fight for more business and strive for improvement in order to turnaround the situation and to minimise the impact of trade war.

Shareholder A also enquired about rumor on potential acquisition of the Company by third party. Mr. Yao replied that he has no intention to sell the Company at this juncture.

Shareholder A further enquired about the current production capacity of the Company. Mr. Yao replied that some equipment was not fully utilised and some had reached full capacity. The Company would continue to seek improvement in utilisation. Mr. Samuel Yuen, the Chief Financial Officer of the Company, added that the Company has recently expanded its manufacturing capacity in Thailand and transferred some of the existing equipment from China's site to Thailand instead of buying new equipment for the said expansion. The Company has been working hard to fight for more business to load the under-utilised equipment. While investing to grow the business, the Company is at the same time very cautious about its investment in machinery and equipment so as to improve production yield and operation efficiency.

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Shareholder A asked if the Company expects to be in a better position than the past two years and what would be the Company's prospect moving forward. Mr. Yao responded that the market situation remains challenging and efforts in transformation are ongoing. Nevertheless, the Company would continue to explore new business opportunities and work on its business strategy to stay competitive in the market.

Shareholder B enquired how does reduction by China of manufacturing value-added tax (VAT) and social security tax affect the Company's bottom line. Mr. Samuel Yuen responded that the impact of the said reduction to the business of the Company is not significant.

Shareholder B further enquired about the assumption made by the Company regarding United States of America and China trade war when the Company made its projection for the first quarter financial reports. Samuel Yuen explained that the Company prepares its group forecast and profit guidance based on customers' business forecast, be it rolling forecast, weekly or monthly forecast. According to Mr. Samuel Yuen, there was no direct impact arising from trade war given that most of the Company's customers from United States were exempted from the tariff. However, Mr. Samuel Yuen shared that an indirect impact of trade war was that some customers took the opportunity to pressure on the Company's pricing, which is why the Company has been striving to get more business allocation and new business in order to compensate the impact of such pricing pressure.

There being no further questions from the shareholders, the Chairman moved on to the next resolution.

RESOLUTION 2: FINAL DIVIDEND

The Directors had recommended the payment of a final tax exempt one-tier dividend of 4.0 Singapore cents per ordinary share for the financial year ended 31 December 2018.

The following motion was duly proposed and seconded:

"That a final tax exempt one-tier dividend of 4.0 Singapore cents per ordinary share for the financial year ended 31 December 2018 be and is hereby declared."

The Chairman invited questions from the shareholders.

Shareholder A noted that the Company has declared a special dividend of 19 Singapore cents per share in year 2017 and enquired if shareholders could expect similar dividend this year. Mr. Yao responded that it may not be a right time to do so as the Company should conserve capital and resources to grow its business organically as well as inorganically through mergers and acquisitions.

There being no further questions from the shareholders, the Chairman moved on to the next resolution.

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RESOLUTIONS 3 & 4: RE-ELECTION OF DIRECTORS

The Directors who were subject to retirement pursuant to the Company's Constitution were Madam Wong Huey Fang and Madam Leong Lai Peng. Both Madam Wong Huey Fang and Madam Leong Lai Peng had signified their consent to continue in office.

(i) Re-election of Madam Wong Huey Fang (Resolution 3)

The Meeting noted that Madam Wong Huey Fang, upon re-election as a Director of the Company, would remain as an Executive Director of the Company.

The following motion was duly proposed and seconded:

"That Madam Wong Huey Fang, who retires in accordance with the Company's Constitution and being eligible for re-election, be and is hereby re-elected as a Director of the Company."

(ii) Re-election of Madam Leong Lai Peng (Resolution 4)

The Meeting noted that Madam Leong Lai Peng, upon re-election as a Director of the Company, would continue in office as Independent Director, Chairman of the Remuneration Committee, a member of Audit Committee and a member of the Nominating Committee of the Company, and be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") and Guideline 2.3 of Principle 2 of the Code of Corporate Governance 2012.

The following motion was duly proposed and seconded:

"That Madam Leong Lai Peng, who retires in accordance with the Company's Constitution and being eligible for re-election, be and is hereby re-elected as a Director of the Company."

There being no questions from the shareholders, the Chairman moved on to the next resolution.

RESOLUTION 5: DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Directors had recommended the payment of a sum of S\$397,667 as Directors' fees for the financial year ended 31 December 2018.

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The following motion was duly proposed and seconded:

"That the Directors' fees of S\$397,667 for the financial year ended 31 December 2018 be and is hereby approved for payment."

There being no questions from the shareholders, the Chairman moved on to the next resolution.

RESOLUTION 6: RE-APPOINTMENT OF AUDITORS

Resolution 6 was to re-appoint Messrs Ernst & Young LLP as the Company's Auditors and to authorise the Directors to fix their remuneration.

Messrs Ernst & Young LLP had expressed their willingness to continue in office.

The following motion was duly proposed and seconded:

"That Messrs Ernst & Young LLP be and is hereby re-appointed as the Company's Auditors and the Directors be authorized to fix their remuneration."

There being no questions from the shareholders, the Chairman moved on to the next resolution.

SPECIAL BUSINESS

RESOLUTION 7: AUTHORITY TO ALLOT AND ISSUE SHARES (THE "SHARE ISSUE MANDATE")

Resolution 7 was to renew the share issue mandate pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806(2) of the Listing Manual.

The following motion was duly proposed and seconded:

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

(a) allot and issue shares in the Company; and

(b) 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

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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 AGM of the Company or the date by which the next AGM 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:-

- (i) new shares arising from the conversion or exercise of convertible securities;
- (ii) 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
- (iii) any subsequent bonus issue, consolidation or subdivision of shares."

Shareholder C enquired if there is any plan to issue new shares in view that there are more than 80 million treasury shares held by the Company. Mr. Samuel Yuen replied that the Company does not need to issue new shares for now as it may utilise the treasury shares first to finance future business expansion. However, when there is a good inorganic growth opportunity through merger and acquisition which requires consideration in say partial cash and partial shares, the Company may consider issuing new shares to satisfy the purchase consideration, if so required.

There being no further questions from the shareholders, the Chairman called upon the Polling Agent to explain the polling procedures. After the explanation of the polling procedures, the Chairman put all resolutions at the AGM to the vote. Shareholders were given time to complete and sign the poll voting slips for the AGM.

After the poll voting slips for the AGM had been collected, the Meeting was adjourned at 2.59 p.m. and carried on with the proceedings of the EGM.

RESULTS OF AGM

The Meeting resumed at 3.24 p.m. and the Polling Agent presented the poll results as follows:-

| Ordinary resolution number and details | Total number of shares represented by votes for and against the relevant resolution | For | | Against | |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------|
| | | Number of shares | As a percentage of total number of votes for and against the resolution (%) | Number of shares | As a percentage of total number of votes for and against the resolution (%) |
| Ordinary Business | | | | | |
| <u>Resolution 1</u> Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2018 | 634,199,821 | 633,880,621 | 99.95 | 319,200 | 0.05 |
| <u>Resolution 2</u> Declaration of a Final Dividend of 4.0 Singapore cents per ordinary share | 634,199,821 | 634,199,821 | 100 | 0 | 0 |
| <u>Resolution 3</u> Re-election of Madam Wong Huey Fang as Director | 634,199,821 | 633,021,321 | 99.81 | 1,178,500 | 0.19 |
| <u>Resolution 4</u> Re-election of Madam Leong Lai Peng as Director | 634,199,821 | 633,325,821 | 99.86 | 874,000 | 0.14 |
| <u>Resolution 5</u> Approval of Directors' fees of S\$397,667 for the financial year ended 31 December 2018 | 634,199,821 | 634,184,821 | 100 | 15,000 | 0* |
| <u>Resolution 6</u> Re-appointment of Messrs Ernst & Young LLP as Auditors and authority for the Directors to fix the Auditors' remuneration | 634,199,821 | 633,138,021 | 99.83 | 1,061,800 | 0.17 |
| Special Business | | | | | |
| <u>Resolution 7</u> Authority to allot and issue shares pursuant to Section | 634,199,821 | 618,142,721 | 97.47 | 16,057,100 | 2.53 |

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|------------------------------------------------------------------------------------------------|--|--|--|--|--|
| 161 of the Companies Act, Cap. 50 and Rule 806(2) of the Listing Manual of the SGX-ST | | | | | |
|------------------------------------------------------------------------------------------------|--|--|--|--|--|

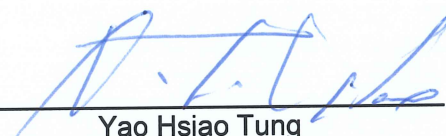
** Not meaningful.*

Based on the results of the poll, the Chairman declared that all the resolutions of the AGM were carried.

CONCLUSION

There being no other business, the Chairman declared the meeting closed at 3.28 p.m.

Approved by:



Yao Hsiao Tung
Chairman of Meeting