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HENG HUP HOLDINGS LIMITED

興合控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1891)

CONTINUING CONNECTED TRANSACTIONS:

2022 MASTER PURCHASE AGREEMENTS

On 7 March 2022 (after trading hours), the Company entered into (a) the 2022 Long Hin Master Purchase Agreement with Long Hin, pursuant to which the Group may, but is not obliged to, purchase scrap ferrous metals and used batteries from Long Hin; (b) the 2022 Lek Seng Master Purchase Agreement with Lek Seng and Lek Seng Metal Sdn. Bhd., pursuant to which the Group may, but is not obliged to, purchase scrap ferrous metals, used batteries and waste paper from Lek Seng and/or Lek Seng Metal Sdn. Bhd.; and (c) the 2022 Chye Seng Huat Trading Master Purchase Agreement with Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and Soon Lee Metal Sdn. Bhd., pursuant to which the Group may, but is not obliged to, purchase scrap ferrous metals, used batteries and waste paper from Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and Soon Lee Metal Sdn. Bhd.

As the counterparty to the 2022 Long Hin Master Purchase Agreement, being Long Hin, the counterparty to the 2022 Lek Seng Master Purchase Agreement, being Lek Seng and Lek Seng Metal Sdn. Bhd., and the counterparty to the 2022 Chye Seng Huat Trading Master Purchase Agreement, being Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and Soon Lee Metal Sdn. Bhd., are connected with each other, the transactions contemplated under the 2022 Long Hin Master Purchase Agreement, the 2022 Lek Seng Master Purchase Agreement and the 2022 Chye Seng Huat Trading Master Purchase Agreement are aggregated pursuant to Rules 14A.81 and 14A.82 of the Listing Rules. As the counterparties to the 2022 Master Purchase Agreements are connected persons or deemed connected persons of the Company, the transactions contemplated under the 2022 Master Purchase Agreements constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules.

The EGM will be convened to consider and, if thought fit, to approve each of the 2022 Master Purchase Agreements and their respective proposed caps of the transactions thereunder. The vote of the Independent Shareholders at the EGM shall be taken by poll and the counterparties to the 2022 Master Purchase Agreements and their respective associates shall abstain from voting in respect of such ordinary resolutions.

A circular containing, among other things, information on the 2022 Master Purchase Agreements and their respective proposed caps of the transactions thereunder, the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders, the recommendation from the Independent Board Committee together with the notice of the EGM will be published and issued by the Company and despatched to the Shareholders.

Shareholders and potential investors of the Company should note that the transactions contemplated under the 2022 Master Purchase Agreements are subject to satisfaction of the conditions thereto. As the transactions may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION AND BACKGROUND OF THE TRANSACTIONS

Reference is made to the prospectus of the Company dated 27 February 2019 in relation to the listing of the Company on the Stock Exchange. As disclosed in the section headed “Connected Transactions” in the prospectus, the Company entered into (a) the 2019 Long Hin Master Purchase Agreement with Long Hin, pursuant to which the Group may, but is not obliged to, purchase scrap ferrous metals and used batteries from Long Hin; (b) the 2019 Lek Seng Master Purchase Agreement with Lek Seng and Lek Seng Metal Sdn. Bhd., pursuant to which the Group may, but is not obliged to, purchase scrap ferrous metals, used batteries and waste paper from Lek Seng and/or Lek Seng Metal Sdn. Bhd.; and (c) the 2019 Chye Seng Huat Trading Master Purchase Agreement with Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and Soon Lee Metal Sdn. Bhd., pursuant to which the Group may, but is not obliged to, purchase scrap ferrous metals, used batteries and waste paper from Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and Soon Lee Metal Sdn. Bhd. The 2019 Master Purchase Agreements are effective from the date of listing of the Company on the Stock Exchange and had expired on 31 December 2021.

In order to renew the existing continuing connected transactions contemplated under the 2019 Master Purchase Agreement, the Company entered into the 2022 Master Purchase Agreements to reflect the terms of the proposed continuing connected transactions and the caps of the transactions thereunder for the period of the three financial years ended 31 December 2022, 2023 and 2024.

As the counterparties to the 2022 Master Purchase Agreements are connected persons or deemed connected persons of the Company, the transactions contemplated under the 2022 Master Purchase Agreements constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The principal terms of the 2022 Master Purchase Agreements are set out below.

(A) THE 2022 LONG HIN MASTER PURCHASE AGREEMENT

Date:

7 March 2022 (after trading hours)

Parties:

The Company

Long Hin

Subject Matter

Pursuant to the 2022 Long Hin Master Purchase Agreement, the Group may, but is not obliged to, purchase scrap ferrous metals and used batteries from Long Hin, subject to the annual caps of RM100,000 for each of the three years ending 31 December 2022, 2023 and 2024.

The Group has from time to time purchased scrap ferrous metals and used batteries from Long Hin in the ordinary and usual course of business and it is anticipated that the Group will continue to purchase scrap ferrous metals and used batteries from Long Hin.

The prices payable by the Group under the 2022 Long Hin Master Purchase Agreement will be determined after arm's length negotiations between the parties with reference to market prices and be on normal commercial terms (or on terms better to the Group than those available to Independent Third Parties).

Conditions

The 2022 Long Hin Master Purchase Agreement is conditional upon:

- (a) if required under the Listing Rules, the passing by the Independent Shareholders at a general meeting of the Company to be convened and held of an ordinary resolution to approve the 2022 Long Hin Master Purchase Agreement and the transactions contemplated thereunder; and
- (b) all necessary consents, authorisations and approvals required to be obtained on the part of the parties hereof in respect of the 2022 Long Hin Master Purchase Agreement having been obtained.

If the conditions set out above have not been satisfied on or before 30 April 2022 (or such other date as the parties thereto may agree), the 2022 Long Hin Master Purchase Agreement shall cease and terminate and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Duration

Subject to the fulfillment of the conditions precedent of the 2022 Long Hin Master Purchase Agreement, the 2022 Long Hin Master Purchase Agreement shall be for the three financial years ended 31 December 2022, 2023 and 2024 unless terminated earlier by agreement signed between the parties thereto.

Historical transaction amounts

Set out below are the historical transaction amounts under the 2019 Long Hin Master Purchase Agreement.

For the financial year ended 31 December 2019 <i>(RM)</i> <i>(audited)</i>	For the financial year ended 31 December 2020 <i>(RM)</i> <i>(audited)</i>	For the financial year ended 31 December 2021 <i>(RM)</i> <i>(unaudited)</i>
11,802	Nil	Nil

As at the date of this announcement, the Company confirms that the total historical transaction amounts did not exceed the annual caps of RM0.4 million, RM0.5 million, RM0.6 million per annum for each of the three financial years ended 31 December 2019, 2020, 2021 under the 2019 Long Hin Master Purchase Agreement.

Proposed annual caps for the 2022 Long Hin Master Purchase Agreement

It is expected that the maximum aggregate amount payable by the Group to Long Hin for each of the three financial years ending 31 December 2022, 2023 and 2024 not exceed the following respective amounts and such amounts have been set as the proposed annual caps for the relevant continuing connected transactions contemplated under the 2022 Long Hin Master Purchase Agreement.

For the financial year ending 31 December 2022 <i>(RM)</i>	For the financial year ending 31 December 2023 <i>(RM)</i>	For the financial year ending 31 December 2024 <i>(RM)</i>
100,000	100,000	100,000

In arriving at the proposed annual caps above, the Company has taken into account: (a) the Group's aggregate costs of purchase of the materials from Long Hin during the historical period; (b) the anticipated demand of the customers of the Group for the materials for the three financial years ending 31 December 2022, 2023 and 2024; (c) the Group's expected business growth; and (d) the market overview of the scrap material trading market. The Company considers that the above proposed annual caps are on normal commercial terms, in the ordinary and usual course of business, and fair and reasonable and in the interests of the Company and its Shareholders as a whole.

(B) THE 2022 LEK SENG MASTER PURCHASE AGREEMENT

Date:

7 March 2022 (after trading hours)

Parties:

The Company

Lek Seng

Lek Seng Metal Sdn. Bhd.

Subject Matter

Pursuant to the 2022 Lek Seng Master Purchase Agreement, the Group may, but is not obliged to, purchase scrap ferrous metals, used batteries and waste paper from Lek Seng and/or Lek Seng Metal Sdn. Bhd., subject to the annual caps of RM50 million, RM50 million and RM55 million for each of the three financial years ending 31 December 2022, 2023 and 2024.

The Group has from time to time purchased scrap ferrous metals, used batteries and waste paper from Lek Seng and Lek Seng Metal Sdn. Bhd. in the ordinary and usual course of business and it is anticipated that the Group will continue to purchase scrap ferrous metals, used batteries and waste paper from Lek Seng and Lek Seng Metal Sdn. Bhd.

The prices payable by the Group under the 2022 Lek Seng Master Purchase Agreement will be determined after arm's length negotiations between the parties with reference to market prices and be on normal commercial terms (or on terms better to the Group than those available to Independent Third Parties).

Conditions

The 2022 Lek Seng Master Purchase Agreement is conditional upon:

- (a) if required under the Listing Rules, the passing by the Independent Shareholders at a general meeting of the Company to be convened and held of an ordinary resolution to approve the 2022 Lek Seng Master Purchase Agreement and the transactions contemplated thereunder; and
- (b) all necessary consents, authorisations and approvals required to be obtained on the part of the parties hereof in respect of the 2022 Lek Seng Master Purchase Agreement having been obtained.

If the conditions set out above have not been satisfied on or before 30 April 2022 (or such other date as the parties thereto may agree), the 2022 Lek Seng Master Purchase Agreement shall cease and terminate and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Duration

Subject to the fulfillment of the conditions precedent of the 2022 Lek Seng Master Purchase Agreement, the 2022 Lek Seng Master Purchase Agreement shall be for the three financial years ended 31 December 2022, 2023 and 2024 unless terminated earlier by agreement signed between the parties thereto.

Historical transaction amounts

Set out below are the historical transaction amounts under the 2019 Lek Seng Master Purchase Agreement.

For the financial year ended 31 December 2019	For the financial year ended 31 December 2020	For the financial year ended 31 December 2021
<i>(RM)</i> <i>(audited)</i>	<i>(RM)</i> <i>(audited)</i>	<i>(RM)</i> <i>(unaudited)</i>
27.513 million	24.588 million	37.039 million

As at the date of this announcement, the Company confirms that the total historical transaction amounts did not exceed the annual caps of RM40.0 million, RM45.0 million, RM50.0 million per annum for each of the three financial year ended 31 December 2019, 2020, 2021 under the 2019 Lek Seng Master Purchase Agreement.

Proposed annual caps for the 2022 Lek Seng Master Purchase Agreement

It is expected that the maximum aggregate amount payable by the Group to Lek Seng for each of the three financial years ending 31 December 2022, 2023 and 2024 shall not exceed the following respective amounts and such amounts have been set as the proposed annual caps for the relevant continuing connected transactions contemplated under the 2022 Lek Seng Master Purchase Agreement.

For the financial year ending 31 December 2022	For the financial year ending 31 December 2023	For the financial year ending 31 December 2024
<i>(RM)</i>	<i>(RM)</i>	<i>(RM)</i>
50 million	50 million	55 million

In arriving at the proposed annual caps above, the Company has taken into account: (a) the Group's aggregate costs of purchase of the materials from Lek Seng and Lek Seng Metal Sdn. Bhd., during the historical period; (b) the anticipated demand of the customers of the Group for the materials for the three financial years ending 31 December 2022, 2023 and 2024; (c) the Group's expected business growth; and (d) the market overview of the scrap material trading market. The Company considers that the above proposed annual caps are on normal commercial terms, in the ordinary and usual course of business, and fair and reasonable and in the interests of the Company and its Shareholders as a whole.

(C) THE 2022 CHYE SENG HUAT TRADING MASTER PURCHASE AGREEMENT

Date:

7 March 2022 (after trading hours)

Parties:

The Company

Chye Seng Huat Trading

Chye Seng Huat Sdn. Bhd.

Soon Lee Metal Sdn. Bhd.

Subject Matter

Pursuant to the 2022 Chye Seng Huat Trading Master Purchase Agreement, the Group may, but is not obliged to, purchase scrap ferrous metals, used batteries and waste paper from Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and/or Soon Lee Metal Sdn. Bhd., subject to the annual caps of RM50 million, RM55 million and RM60 million for each of the three financial years ending on 31 December 2022, 2023 and 2024.

The Group has from time to time purchased scrap ferrous metals, used batteries and waste paper from Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and/or Soon Lee Metal Sdn. Bhd. in the ordinary and usual course of business and it is anticipated that the Group will continue to purchase scrap ferrous metals, used batteries and waste paper from Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and/or Soon Lee Metal Sdn. Bhd..

The prices payable by the Group under the 2022 Chye Seng Huat Trading Master Purchase Agreement will be determined after arm's length negotiations between the parties with reference to market prices and be on normal commercial terms (or on terms better to the Group than those available to Independent Third Parties).

Conditions

The 2022 Chye Seng Huat Trading Master Purchase Agreement is conditional upon:

- (a) if required under the Listing Rules, the passing by the Independent Shareholders at a general meeting of the Company to be convened and held of an ordinary resolution to approve the 2022 Chye Seng Huat Trading Master Purchase Agreement and the transactions contemplated thereunder; and
- (b) all necessary consents, authorisations and approvals required to be obtained on the part of the parties hereof in respect of the 2022 Chye Seng Huat Trading Master Purchase Agreement having been obtained.

If the conditions set out above have not been satisfied on or before 30 April 2022 (or such other date as the parties thereto may agree), the 2022 Chye Seng Huat Trading Master Purchase Agreement shall cease and terminate and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Duration

Subject to the fulfillment of the conditions precedent of the 2022 Chye Seng Huat Trading Master Purchase Agreement, the 2022 Chye Seng Huat Trading Master Purchase Agreement shall be for the three financial years ended 31 December 2022, 2023 and 2024 unless terminated earlier by agreement signed between the parties thereto.

Historical transaction amounts

Set out below are the historical transaction amounts under the 2019 Chye Seng Huat Trading Master Purchase Agreement.

For the financial year ended 31 December 2019	For the financial year ended 31 December 2020	For the financial year ended 31 December 2021
<i>(RM)</i> <i>(audited)</i>	<i>(RM)</i> <i>(audited)</i>	<i>(RM)</i> <i>(unaudited)</i>
29.437 million	24.046 million	43.383 million

As at the date of this announcement, the Company confirms that the total historical transaction amounts did not exceed the annual caps of RM35.0 million, RM40.0 million, RM45.0 million per annum for each of the three financial years ended 31 December 2019, 2020, 2021 under the 2019 Chye Seng Huat Trading Master Purchase Agreement.

Proposed annual caps for the 2022 Chye Seng Huat Trading Master Purchase Agreement

It is expected that the maximum aggregate amount payable by the Group to Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and/or Soon Lee Metal Sdn. Bhd. for each of the three financial years ending 31 December 2022, 2023 and 2024 not exceed the following respective amounts and such amounts have been set as the proposed caps for the relevant continuing connected transactions contemplated under the 2022 Chye Seng Huat Trading Master Purchase Agreement.

For the financial year ending 31 December 2022	For the financial year ending 31 December 2023	For the financial year ending 31 December 2024
<i>(RM)</i>	<i>(RM)</i>	<i>(RM)</i>
50 million	55 million	60 million

In arriving at the proposed annual caps above, the Company has taken into account: (a) the Group's aggregate costs of purchase of the materials from Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and/or Soon Lee Metal Sdn. Bhd. during the historical period; (b) the anticipated demand of the customers of the Group for the materials for the three financial years ending 31 December 2022, 2023 and 2024; (c) the Group's expected business growth; and (d) the market overview of the scrap material trading market. The Company considers that the above proposed annual caps are on normal commercial terms, in the ordinary and usual course of business, and fair and reasonable and in the interests of the Company and its Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTIONS

In view of the strong demand of scrap materials of the end customers, the Company would source scrap materials from suppliers in the market so long as they are able to deliver the required scrap materials for the Group. Given that there has been no material interruption in the supply of scrap materials by the relevant counterparties of the 2022 Master Purchase Agreements, the transactions were on arm's length basis, and the purchase prices payable and the payment terms granted by the relevant counterparties of the 2022 Master Purchase Agreements to the Group were comparable to those payable and granted to independent suppliers, our Directors consider the relevant counterparties of the 2022 Master Purchase Agreements to be reliable sources of supply of scrap materials and it is in the interests of the Group and the Shareholders as a whole that the Group continues to purchase scrap materials from the relevant counterparties of the 2022 Master Purchase Agreements.

To ensure the fairness and reasonableness of the terms of the 2022 Master Purchase Agreements, the Company will from time to time contact with other independent suppliers and its customers to keep abreast of the market conditions. Further, before the Company agrees on the purchase prices with the relevant counterparties of the 2022 Master Purchase Agreements, the Group will obtain the pricing information from other independent suppliers to ensure that the Group only source scrap materials from suppliers who are willing to offer us competitive prices.

The Directors (other than the independent non-executive Directors who will express their views in the circular after considering the advice of Gram Capital) are of the view that the continuing connected transactions contemplated under the 2022 Master Purchase Agreements will be conducted on normal commercial terms (or better to the Group) and in the ordinary and usual course of business of the Group and that the terms of the 2022 Master Purchase Agreements and the proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Company and its subsidiaries

The Company is an investment holding company and its subsidiaries are principally engaged in trading of scrap ferrous metals, used batteries, waste papers and other scraps in Malaysia.

Long Hin

Long Hin is a company owned as to 50% by Mr. Sia Yin Hwee, being an uncle of the Sia Brothers, and 50% by Ms. Tan Ah Ngoo, being his spouse. As such, Long Hin is a deemed connected person of our Company pursuant to Rule 14A.21(1)(a) and (b) of the Listing Rules. As advised by Long Hin, Long Hin is engaged in trading of scrap materials.

Lek Seng

Lek Seng is a partnership owned by Mr. Lim Lai Wah and Mr. Lam Swee Seng, who are cousins of the Sia Brothers. Mr. Lim Lai Wah and Mr. Lam Swee Seng are brothers. As the Sia Brothers are our executive Directors and Controlling Shareholders, both Mr. Lim Lai Wah and Mr. Lam Swee Seng are deemed connected persons of the Company pursuant to Rule 14A.21(1)(a) of the Listing Rules. As advised by Lek Seng, Lek Seng is engaged in trading of scrap materials.

Lek Seng Metal Sdn. Bhd.

Lek Seng Metal Sdn. Bhd. is a company owned as to 22.5% by Mr. Lam Swee Seng, 22.5% by Mr. Lim Lai Wah and the remaining shares hold by three (3) sons of Mr. Lim Lai Wah, Lim Wei Jeng (18.33%), Lim Wei Sing (18.33%) and Lim Wei Shyong (18.34%). As such, Lek Seng Metal Sdn. Bhd. is a deemed connected person of the Company upon the Listing pursuant to Rules 14A.21(1) (a) and (b) of the Listing Rules. As advised by Lek Seng Metal Sdn. Bhd., Lek Seng Metal Sdn. Bhd. is engaged in trading of scrap materials.

Chye Seng Huat Trading

Chye Seng Huat Trading is a sole proprietorship owned by Mr. Lim Ching Chan, who is a cousin of the Sia Brothers. As such, Mr. Lim Ching Chan is a deemed connected person of the Company pursuant to Rule 14A.21(1)(a) of the Listing Rules. As advised by Chye Seng Huat Trading, Chye Seng Huat Trading is engaged in trading of scrap materials.

Chye Seng Huat Sdn. Bhd.

Chye Seng Huat Sdn. Bhd. is a company owned as to 50% by Mr Lim Soon Lee being the son of the late Mr. Lim Tian Fow, being a cousin of the Sia Brothers. The remaining shares hold by Lim Kim Sing (25%) and Lim Tuan Ann (25%). As such, Chye Seng Huat Sdn. Bhd. is thus a deemed connected person of the Company pursuant to Rules 14A.21(1)(a) and (b) of the Listing Rules. As advised by Chye Seng Huat Sdn. Bhd., Chye Seng Huat Sdn. Bhd. is engaged in trading of scrap materials.

Soon Lee Metal Sdn. Bhd.

Soon Lee Metal Sdn. Bhd. is a company owned as to 50% by Mr Lim Soon Lee being the son of the late Mr. Lim Tian Fow, being a cousin of the Sia Brothers. The remaining shares hold by Lim Kim Sing (25%) and Lim Tuan Ann (25%). As such, Soon Lee Metal Sdn. Bhd. has been treated as a deemed connected person of the Company pursuant to Rules 14A.21(1)(a) and (b) of the Listing Rules. As advised by Soon Lee Metal Sdn. Bhd., Soon Lee Metal Sdn. Bhd. is engaged in trading of scrap materials.

Sia Brothers

Sia Brothers are executive Directors and controlling shareholders of the Company.

LISTING RULES IMPLICATIONS

As the counterparty to the 2022 Long Hin Master Purchase Agreement, being Long Hin, the counterparty to the 2022 Lek Seng Master Purchase Agreement, being Lek Seng and Lek Seng Metal Sdn. Bhd., and the counterparty to the 2022 Chye Seng Huat Trading Master Purchase Agreement, being Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and Soon Lee Metal Sdn. Bhd., are connected with each other, the transactions contemplated under the 2022 Long Hin Master Purchase Agreement, the 2022 Lek Seng Master Purchase Agreement and the 2022 Chye Seng Huat Trading Master Purchase Agreement are aggregated pursuant to Rules 14A.81 and 14A.82 of the Listing Rules. As the counterparties to the 2022 Master Purchase Agreements are connected persons or deemed connected persons of the Company, the transactions contemplated under the 2022 Master Purchase Agreements constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the 2022 Master Purchase Agreements are more than 5%, the 2022 Master Purchase Agreements and the proposed annual caps for the transactions thereunder are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Sia Brothers are deemed to have interests in the 2022 Master Purchase Agreements, the Sia Brothers have abstained from voting on the relevant board resolutions approving the 2022 Master Purchase Agreements. Save for the Sia Brothers, none of the other Directors have a material interest in the 2022 Master Purchase Agreements. Accordingly, no other Director was required to abstain from voting on the relevant board resolutions.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee of the Company comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the 2022 Master Purchase Agreements and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

Gram Capital Limited has been appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee of the Company and the Independent Shareholders in this respect.

EGM

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve the 2022 Master Purchase Agreements and their respective proposed annual caps of the transactions thereunder. The vote of the Independent Shareholders at the EGM shall be taken by poll and the Sia Brothers, Long Hin, Lek Seng, Lek Seng Metal Sdn. Bhd., Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and Soon Lee Metal Sdn. Bhd. and their respective associates shall abstain from voting in respect of such proposed ordinary resolutions at the EGM.

DESPATCH OF CIRCULAR

A circular containing, among other things, information on the 2022 Master Purchase Agreements and their respective proposed annual caps of the transactions thereunder, the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders, the recommendation from the Independent Board Committee together with the notice of the EGM will be published and issued by the Company and despatched to the Shareholders. As additional time is required for preparation and finalising the circular, the Company proposes to despatch the circular on or before 18 March 2022.

Shareholders and potential investors of the Company should note that the transactions contemplated under the 2022 Master Purchase Agreements are subject to satisfaction of the conditions thereto. As the transactions may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“2019 Chye Seng Huat Trading Master Purchase Agreement”	the master purchase agreement dated 19 February 2019 and entered into among the Company with Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and Soon Lee Metal Sdn. Bhd
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“2019 Lek Seng Master Purchase Agreement”	the master purchase agreement dated 19 February 2019 and entered into among the Company with Lek Seng and Lek Seng Metal Sdn. Bhd.
“2019 Long Hin Master Purchase Agreement”	the master purchase agreement dated 19 February 2019 and entered into between the Company and Long Hing
“2019 Master Purchase Agreements”	together the 2019 Long Hin Master Purchase Agreement, the 2019 Lek Seng Master Purchase Agreement and the 2019 Chye Seng Huat Master Purchase Agreement and each a “2019 Master Purchase Agreement”
“2022 Chye Seng Huat Trading Master Purchase Agreement”	the conditional master purchase agreement dated 7 March 2022 and entered into among the Company with Chye Seng Huat Trading, Chye Seng Huat Sdn. Bhd. and Soon Lee Metal Sdn. Bhd.
“2022 Lek Seng Master Purchase Agreement”	the conditional master purchase agreement dated 7 March 2022 and entered into among the Company with Lek Seng and Lek Seng Metal Sdn. Bhd.
“2022 Long Hin Master Purchase Agreement”	the conditional master purchase agreement dated 7 March 2022 and entered into between the Company and Long Hing
“2022 Master Purchase Agreements”	together the 2022 Long Hin Master Purchase Agreement, the 2022 Lek Seng Master Purchase Agreement and the 2022 Chye Seng Huat Master Purchase Agreement and each a “2022 Master Purchase Agreement”
“associate”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Chye Seng Huat Trading”	a sole proprietorship owned by Mr. Lim Ching Chan, who is a cousin of the Sia Brothers
“Chye Seng Huat Sdn. Bhd.”	a company incorporated in Malaysia owned as to 50% by Mr Lim Soon Lee being the son of the late Mr. Lim Tian Fow, being a cousin of the Sia Brothers
“Company”	Heng Hup Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to this term under the Listing Rules and for the purpose of this announcement, the Sia Brothers or where the context requires, any one of them
“Directors”	the directors of the Company

“EGM”	the extraordinary general meeting of the Company to be held and convened for the Independent Shareholders to consider and, if thought fit, approve the 2022 Master Purchase Agreements and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the 2022 Master Purchase Agreements and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholder(s) who are not required to abstain from voting at the EGM to approve the 2022 Master Purchase Agreements and the transactions contemplated thereunder
“Lek Seng”	a partnership owned by Mr. Lim Lai Wah and Mr. Lam Swee Seng, who are cousins of the Sia Brothers
“Lek Seng Metal Sdn. Bhd.”	a company incorporated in Malaysia and is owned as to 22.5% by Mr. Lam Swee Seng, 22.5% by Mr. Lim Lai Wah and the remaining shares held by three (3) sons of Mr. Lim Lai Wah
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Long Hin”	Long Hin Recycle & Trading Sdn. Bhd., a company incorporated in Malaysia and owned as to 50% by Mr. Sia Yin Hwee, being an uncle of the Sia Brothers, and 50% by Ms. Tan Ah Ngoo, being his spouse
“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“Sia Brothers”	together Datuk Sia Keng Leong, Mr. Sia Kok Chong, Mr. Sia Kok Seng, Datuk Sia Kok Chin, Mr. Sia Kok Heong, who are executive Directors and controlling shareholders of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Soon Lee Metal Sdn. Bhd.”	a company incorporated in Malaysia and owned as to 50% by Mr Lim Soon Lee being the son of the late Mr. Lim Tian Fow, being a cousin of the Sia Brothers

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By order of the Board
Heng Hup Holdings Limited
Datuk Sia Kok Chin
Chairman and Chief Executive Officer

Hong Kong, 7 March 2022

As at the date of this announcement, the executive Directors are Datuk Sia Kok Chin, Datuk Sia Keng Leong, Mr. Sia Kok Chong, Mr. Sia Kok Seng and Mr. Sia Kok Heong; and the independent non-executive Directors are Ms. Sai Shiow Yin, Mr. Puar Chin Jong and Mr. Chu Kheh Wee.