

DATE THE 7th DAY OF MARCH 2022

(1) HENG HUP HOLDINGS LIMITED
(興合控股有限公司)

AND

(2) LIM LAI WAH and LAM SWEE SENG
operating under the trade name of
LEK SENG
(a partnership)

AND

(3) LEK SENG METAL SDN. BHD.

MASTER PURCHASE AGREEMENT

THIS AGREEMENT is made on the 7th day of March 2022

BETWEEN:

- (1) **HENG HUP HOLDINGS LIMITED** (興合控股有限公司), a company incorporated in the Cayman Islands and having its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands (the “**Company**”);
- (2) **LIM LAI WAH** (holder of Malaysian passport no. A30074824) and **LAM SWEE SENG** (holder of Malaysian passport no. A36772460) operating under the trade name of **LEK SENG**, a partnership formed in Malaysia and having its business address at PLO 66 Jalan Kejuruteraan 4, Kawasan Perindustrian Segamat, 85000 Segamat, Johor, Malaysia (“**Lek Seng**”); and
- (3) **LEK SENG METAL SDN. BHD.**, a company incorporated in Malaysia and having its registered address at 48, Jalan Kota Laksamana 2/15, Taman Kota Laksamana, Seksyen 2, Melaka, Malaysia (“**Lek Seng Metal**”).

WHEREAS:

- (A) The Company, together with its subsidiaries (the “**Group**”), had from time to time entered into transactions to source and purchase the Materials from Lek Seng and Lek Seng Metal during the Historical Period.
- (B) The Company is a company incorporated in the Cayman Islands with limited liability and its issued Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1891).
- (C) Due to the strong demand for the Materials of the end customers of the Group, the Group would source the Materials from suppliers in the market so long as they are able to deliver the required Materials.
- (D) Given that there has been no material interruption in the supply of the Materials by Lek Seng and Lek Seng Metal during the Historical Period, the Company considers Lek Seng and Lek Seng Metal to be reliable sources of supply of the Materials and it is in the overall interests of the Company and its shareholders for the Group to continue to purchase the Materials from Lek Seng and Lek Seng Metal. For each of the three years ended 31 December 2019, 2020 and 2021, the amount paid by the Group to Lek Seng and Lek Seng Metal for the Materials amounted to approximately RM27.513 million, RM24.588 million and RM37.039 million, respectively.
- (E) As Mr. Sia Kok Chin, Datuk Sia Keng Leong, Mr. Sia Kok Chong, Mr. Sia Kok Seng and Mr. Sia Kok Heong (collectively, the “**Sia Brothers**”) are the executive directors and Controlling Shareholders of the Company, they are connected persons of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Lek Seng is a partnership owned by Mr Lim Lai Wah and Mr. Lam

Swee Seng, who are cousins of the Sia Brothers. By virtue of their relationship with the Sia Brothers who are the executive directors and Controlling Shareholders of the Company, both Mr. Lim Lai Wah and Mr. Lam Swee Seng are deemed connected persons of the Company pursuant to Rule 14.21(1)(a) of the Listing Rules. Lek Seng Metal 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%). Lek Seng Metal is a deemed connected person of the Company pursuant to Rules 14A.21(1)(a) and (b) of the Listing Rules.

- (F) Subject to the terms and conditions of this Agreement, the Company (for itself and on behalf of all other members of the Group), the partners to Lek Seng and Lek Seng Metal have agreed to entered into this Agreement to set out the principal terms and conditions governing the provision of the Materials in the future.

IT IS NOW AGREED as follows:

1. DEFINITIONS

- 1.1 In this Agreement, the words and expressions set out below shall have the meanings attributed to them unless the context otherwise requires:

“associates”	has the meaning ascribed to this term under the Listing Rules;
“Business Day”	a day (excluding a Saturday, Sunday or public holiday) on which commercial banks in Malaysia are generally open for normal banking business;
“Cap Amount(s)”	has the meaning ascribed thereto under Clause 3.5;
“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules;
“Group”	has the meaning ascribed thereto in Recital (A);
“Historical Period”	the three years ended 31 December 2021;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent party(ies)”	third individual(s) or company(ies) who is/are not connected person(s) (within the meaning of the Listing Rules) of the Company;
“Independent Shareholders”	Shareholders other than the Controlling Shareholders, Lek Seng, Lek Seng Metal and their respective associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Operational Agreements”	means any individual contracts or agreements in any form in respect of the provision of the Materials which may from time to time be entered into between members of the Group with Lek Seng or Lek Seng Metal;
“Materials”	scrap ferrous metals, used batteries and waste paper;
“MYR” or “RM”	Malaysian ringgit, the lawful currency of Malaysia;
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“this Agreement”	this agreement, as originally signed or hereafter amended or supplemented from time to time.

1.2 In this Agreement, the words and expressions hereinafter defined shall (unless the context otherwise requires) bear the same meanings here given to them and this Agreement shall be construed and interpreted accordingly.

1.3 The recitals of this Agreement shall form an integral part of this Agreement and shall construed and have the same full force and effect as if expressly set out in the body of this Agreement.

- 1.4 Unless the context otherwise requires, words importing the singular only shall include the plural and vice versa and words importing natural persons shall include corporations and unincorporated associations and vice versa. The headings contained in this Agreement are for the purpose of convenience only and do not form part of and shall not affect the construction of this Agreement or any part thereof.

2. DURATION AND CONDITIONS

- 2.1 Subject to the fulfillment of the conditions precedent of this Agreement, this Agreement shall be for a term commencing from 1 January 2022 and expiring on 31 December 2024 (both days inclusive) unless terminated earlier by agreement signed between the parties hereto. Upon the expiry of this Agreement, the parties hereto may renew this Agreement subject to compliance with the Listing Rules and all applicable laws, rules and regulations.
- 2.2 This 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 this Agreement and the transactions contemplated hereunder; and
 - (b) all necessary consents, authorisations and approvals required to be obtained on the part of the parties hereof in respect of this Agreement having been obtained.
- 2.3 Each party to this Agreement shall use its reasonable endeavours to procure the satisfaction of the conditions set out in Clause 2.2 and in particular, shall procure that all information and documents required pursuant to the Listing Rules and other applicable rules, codes and regulations whether in connection with the preparation of all circulars, reports, documents, independent advice or otherwise are duly given to the Company, the Stock Exchange, the Securities and Futures Commission and/or other relevant regulatory authorities.
- 2.4 If the conditions set out in Clause 2.2 have not been satisfied on or before 30 April 2022 (or such other date as the parties hereto may agree), this Agreement shall cease and terminate and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

3. PROVISION OF THE SERVICES

- 3.1 Pursuant to the terms of this Agreement, Lek Seng and Lek Seng Metal shall provide the Materials to the Group and the Group agrees to purchase the Materials from Lek Seng and Lek Seng Metal.

- 3.2 The price for the Materials shall be determined with reference to, among others, selling prices of the Materials with the customers of the Group, the expected profit margin of the Group, the prevailing market prices of the Materials at the relevant times and any other factors which may affect the prices for the Materials at the material times.
- 3.3 The prices for the Materials shall be on normal commercial terms (or on terms better to the Group than those available to Independent Third Parties).
- 3.4 Pursuant to the engagement referred to in Clause 3.1, members of the Group may, from time to time during the term of this Agreement, enter into separate Operational Agreement(s) in respect of the provision of the Materials provided that such separate Operational Agreement(s) shall always be subject to the terms and conditions of this Agreement.
- 3.5 The maximum aggregate amount payable by the Group to Lek Seng and Lek Seng Metal pursuant to this Agreement for each of the three years ending 31 December 2022, 2023 and 2024 shall not exceed the amount of RM50 million, RM50 million and RM55 million, respectively (collectively the "Cap Amounts", and each a "Cap Amount"). It is acknowledged that the Cap Amounts are arrived at after taking into account (a) the Group's aggregate costs of purchase of the Materials from Lek Seng and Lek Seng Metal during the Historical Period; (b) the anticipated demand of the customers of the Group for the Materials for the three 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.
- 3.6 It is acknowledged that performance of the duties and obligations under this Agreement by the Company shall be subject to compliance with the relevant requirements by the Group for continuing connected transactions under the Listing Rules.
- 3.7 Each of the partners to Lek Seng and Lek Seng Metal hereby acknowledges and agrees that if the Group is unable to comply with such requirements of the Listing Rules or if the prices for the Materials received by them during the relevant financial year would result in the cumulative actual value of the Materials exceeding the respective Cap Amount for each of the three year ending 31 December 2022, 2023 and 2024, then such further purchase of the Materials shall, notwithstanding its satisfaction of the contractual formation and other legal formalities in the respective places of jurisdictions in which the Group and Lek Seng and/or Lek Seng Metal are incorporated/established, be deemed not to be valid and binding upon the Group unless and until compliance by the Company with the relevant requirements under the Listing Rules. Each of the partners to Lek Seng and Lek Seng Metal undertakes and warrants to the Company (for itself and on behalf of all other members of the Group) that it shall have no claim against the Group under this Agreement in the event that the above circumstances occur.

- 3.8 Each of the partners to Lek Seng and Lek Seng Metal undertakes to the Company that he/it would use his/its best endeavours to assist the Group in complying with the relevant requirements under the Listing Rules, in particular, Chapter 14A of the Listing Rules in relation to connected transactions (including but not limited to providing or procuring to provide the Company's independent non-executive directors and auditors with sufficient access to the relevant accounting records of Lek Seng and Lek Seng Metal for the purpose of facilitating the Group to report on the connected transactions contemplated under this Agreement as and when required).

4. TERMINATION

Either party may terminate this Agreement by giving the other party at least one month's written notice of termination. Without prejudice to any rights and obligations to which any of the parties to this Agreement may be entitled to before its termination, the rights and obligations of the parties under this Agreement shall terminate and be of no further effect upon the termination of this Agreement. Termination of this Agreement shall not prejudice the rights and obligations of the parties to the Agreement entered into prior to the termination of this Agreement.

5. ENTIRE AGREEMENT AND PARTIAL INVALIDITY

- 5.1 This Agreement sets out the entire agreement and understanding between the parties hereto for the transactions contemplated herein.
- 5.2 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect, the remaining provisions hereof shall in no way be affected or impaired thereby.
- 5.3 In case of discrepancy between this Agreement and the subsidiary agreements, this Agreement shall prevail.

6. SUCCESSORS AND ASSIGNS

This Agreement shall ensure to the benefit of the successors and assigns of the respective parties hereto but shall not be assignable unless with the written consent of the other party.

7. NOTICES

- 7.1 Any notice, demand or other communication to be given to a party hereto pursuant to this Agreement shall be in writing and delivered or sent to the relevant party at its address or fax number set out below:

The Company:	264, Jalan Satu A, Kampung Baru Subang, 40150 Selangor, Malaysia Fax No.: (603) 7845 8937 For the attention of the board of directors
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Lek Seng and its partners: PLO 66 Jalan Kejuruteraan 4, Kawasan Perindustrian Segamat, 85000 Segamat Johor, Malaysia
Fax No.: (607) 943 3096
For the attention of Mr. Lim Lai Wah and Mr. Lam Swee Seng

Lek Seng Metal: 48, Jalan Kota Laksamana 2/15, Taman Kota Laksamana, Seksyen 2, Melaka, Malaysia
Fax No.: (607) 943 3096
For the attention of the board of directors

or such other address or facsimile number as may be notified by such party to the other by at least three Business Days' prior notice in writing.

7.2 Any notice or other communication shall be deemed to have been received when left at the addresses mentioned in Clause 7.1 or if sent by fax, at the time of receipt (if during office hours) or on the next working day (if outside office hours) or if sent by pre-paid post to the said address, on the expiry of 48 hours after posting.

7.3 Reference in Clause 7.1 to writing shall include a notice or communication by facsimile.

8. COSTS

Each party hereto shall bear its own legal, accountancy and other costs and expenses incurred in connection with the preparation, negotiation, settlement and performance of this Agreement.

9. COUNTERPARTS

This Agreement may be signed in any number of copies or counterparts, each of which when so signed and delivered shall be deemed an original, but all the counterparts shall together constitute one and the same instrument.

10. ANNOUNCEMENT

No party hereto shall authorise or make any announcement or release any information or statement regarding the subject matter of this Agreement or any transaction associated therewith without the prior approval in writing of the same by the other party except where such announcement, information or statement is required by law or any regulations of any stock exchange (including without limitation the Listing Rules) or any other authorities. For the avoidance of doubt, the disclosure by the Group of the particulars of this Agreement to any regulatory authority (including but not limited to the Stock Exchange and the Securities and Futures Commission of Hong Kong) and the issue by the Group of any prospectus(es), announcement(s),

circular(s) or any other publications disclosing particulars of this Agreement in compliance with the Listing Rules or other requirements of the Stock Exchange or the Securities and Futures Commission of Hong Kong shall not be prohibited under this Clause 10 and shall not be regarded as a breach of this Clause 10 by the Company.

11. GOVERNING LAW AND JURISDICTION

- 11.1 This Agreement shall be governed by and construed in all respects in accordance with the laws of Malaysia and is executed pursuant to the laws of Malaysia.
- 11.2 Each party hereto irrevocably agrees that the courts of Malaysia shall have non-exclusive jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes which may arise out of or in connection with this Agreement and for such purposes irrevocably submits to the jurisdiction of such courts.
- 11.3 The Company irrevocably appoints Datuk Sia Kok Chin whose address is at No. 12A Jalan Polo 10/5, 47810 Kota Damansara Petaling Jaya, Selangor, Malaysia as its agent to accept service of legal process out of the courts of Malaysia in connection with this Agreement. The Company further agrees to appoint a new agent in Malaysia to accept service of process out of the courts of Malaysia if Datuk Sia Kok Chin ceases to act as its process agent and to keep the Company informed of the name and address of such agent. Service on Datuk Sia Kok Chin (or such new agent referred to above) shall be deemed to be service on the Company.

AS WITNESS whereof this Agreement has been duly executed on the date first above written.

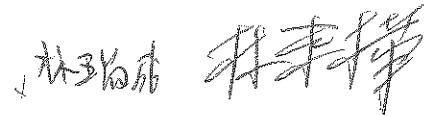
SIGNED by Datuk Sia Kok Chin
for and on behalf of
HENG HUP HOLDINGS LIMITED
in the presence of:

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SIGNED by Lim Lai Wah and Lam Swee Seng,
being all the partners to and for and on behalf of
LEK SENG
in the presence of:

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SIGNED by Lim Lai Wah
for and on behalf of
LEK SENG METAL SDN. BHD.
in the presence of:

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