

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **Heng Hup Holdings Limited**

**興合控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1891)**

### **PROFIT WARNING ANNOUNCEMENT**

The announcement is made by Heng Hup Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in accordance with the Inside Information Provision (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) and Rule 13.09 (2)(a) of the Listing Rules.

The board of directors (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that based on its preliminary assessment of the information currently available, the Company expects a significant decline in the profit attributable to owners of the Company for the year ended 31 December 2019 by not less than 50% as compared to the profit for the corresponding period in 2018, mainly due to (i) the tightening in the gross margin for the scrap ferrous metal trading business as experienced from July 2019 onwards, resulted from the declining procurement price offered by our customers in response to the general price decrease in steel products, together with higher buying prices in sourcing supplies driven by the growing competition amongst scrap metal traders; (ii) the increase in transportation costs for engaging external logistics companies to cope with the growing demands of scrap ferrous metal from a new customer located in the state of Pahang, the east coast of Peninsular Malaysia for the purpose of expanding the customer base; and (iii) the absence of one-off gain of RM9.3 million on the disposal of assets classified as held for sale recognised in the year ended 31 December 2018.

The Board wishes to emphasise that the Company is still in the process of finalising its consolidated annual results for the year ended 31 December 2019. The information in this announcement are based on the Board’s preliminary assessment of current information available to the Company which have not been audited or reviewed by the auditors of the Company and may be subject to adjustments. Shareholders and potential investors are advised to refer to the Group’s annual results for the year ended 31 December 2019 which is expected to be released in March 2020 for full details of the Group’s financial performance.

This announcement is also available for viewing on the designated website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.henghup.com](http://www.henghup.com).

By order of the Board  
**Heng Hup Holdings Limited**  
**Sia Kok Chin**  
*Chairman*

Hong Kong, 23 January 2020

*As at the date of this announcement, the executive Directors are Mr. 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 Shioh Yin, Mr. Puar Chin Jong and Mr. Chu Kheh Wee.*