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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)**

### **VOLUNTARY ANNOUNCEMENT**

#### **LEGAL PROCEEDINGS**

This announcement is made by Heng Hup Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) on a voluntary basis.

On 6 April 2021, Heng Hup Metal Sdn Bhd (the “**Defendant 1**”), a wholly owned subsidiary of the Group was named as a co-defendant along with the Selangor Land and Mines Office (Pejabat Tanah dan Galian Negeri Selangor) (the “**Defendant 2**”) in a lawsuit filed jointly by two individuals namely Lim Chee Keong and Lim Chi Yin (the “**Plaintiffs**”) as plaintiffs with High Court of Malaya in Malaysia (the “**Court**”), in relation to the dealing(s) concerning two (2) parcels of vacant freehold land held under GRN 58767, Lot 72101 and GRN 58768, Lot 72102, both in Mukim Klang, District of Klang, State of Selangor, Malaysia (the “**Properties**”).

Reference is made to the announcement of the Company dated 3 December 2020 in relation to a sale and purchase agreement (the “**Sale and Purchase Agreement**”) entered into by the Defendant 1 as purchaser to acquire the Properties from the Plaintiffs as vendors. Upon signing of the Sale and Purchase Agreement, the Defendant 1 has (a) paid all requisite deposits of RM910,000 (equivalent to approximately HKD1,716,981) to the Plaintiffs’ legal representative as stakeholders; and (b) lodged a private caveat on the Properties to secure its rights pending completion of the Sale and Purchase Agreement (the “**Private Caveats**”).

The Plaintiffs are alleging their signatures on the Sale and Purchase Agreement were forged by fraudster(s) claiming as the purported vendors of the Properties and is now seeking from the Court the following orders:-

- a) the Defendant 1 to forthwith pay damages to the Plaintiffs for losses suffered by the Plaintiffs as a result of the entry of the Private Caveats, upon such damages having been assessed and granted by the Court;
- b) that the Defendant 2 to remove the Private Caveats and lodge a registrar caveat on the ground provided under Section 320(1)(a) of the Malaysian National Land Code 1965 until such time the Plaintiffs apply to remove the registrar caveat under Section 321(b) of the Malaysian National Land Code 1965; and
- c) cost of the lawsuit to be borne by the Defendant 1 or Defendant 2 or both on a full indemnity basis.

The Board believes that the Defendant 1 has entered into the Sale and Purchase Agreement with good faith and have no knowledge of the alleged fraud as claimed by the Plaintiffs. The Company is currently collecting information and seeking legal advice and will take proactive actions to safeguard the Group's interest.

The Company is of the view that the above legal proceedings currently do not affect the normal business and operations of the Group, and will not have any material and adverse impacts on the overall business, operation or financial performance of the Group. The Company will issue further announcement(s) for any material development of the above legal proceedings as and where appropriate.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 16 June 2021

*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.*