

## **HIAP HUAT HOLDINGS BERHAD (“HHH” OR “THE COMPANY”)**

**Type** : General Announcement  
**Subject** : OTHERS  
**Description** : HIAP HUAT HOLDINGS BERHAD (“HHH” OR “THE COMPANY”)  
- PROPOSED ACQUISITION OF REMAINING 49% EQUITY INTEREST IN HIAP HUAT SERVICES SDN. BHD. BY THE COMPANY FOR A TOTAL CASH CONSIDERATION OF RM49,000.00 (“PROPOSED ACQUISITION”)

### **1. INTRODUCTION**

The Board of Directors of Hiap Huat Holdings Berhad (“HHH” or “the Company”) wishes to announce that the Company had on 10 October 2019, entered into a Sale and Purchase Shares Agreement (“SPA”) with Zhao Jicheng (“the Vendor”) for the acquisition of 49,000 ordinary shares in Hiap Huat Services Sdn. Bhd. (Company No. 815664-V) (“HHSSB”), representing the remaining 49% of the issued share capital of HHSSB for a total cash consideration of RM49,000.00 only from the Vendor (“Proposed Acquisition”).

Upon completion of the Proposed Acquisition, HHSSB will become a 100% wholly-owned subsidiary of HHH.

### **2. INFORMATION OF HHSSB**

HHSSB is a private limited company incorporated in Malaysia having its registered address at Suite 10.02, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

As at the date of the announcement, the total issued share capital of HHSSB is RM100,000 divided into 100,000 ordinary shares. The principal activity of HHSSB is manufacturing and marketing of high grade or premium grease and related products.

### **3. RATIONALE FOR THE PROPOSED ACQUISITION**

The Proposed Acquisition is able to provide the opportunity to the Company to expand its existing business.

### **4. BASIS AND JUSTIFICATION FOR ARRIVING AT THE PROPOSED ACQUISITION**

The acquisition consideration of RM49,000.00 was arrived at on a willing buyer willing seller basis after taking into consideration of the rationale of the Proposed Acquisition as stated in Item 3.

### **5. SOURCE OF FUNDS FOR THE PROPOSED ACQUISITION**

The Proposed Acquisition will be funded by internally generated funds.

### **6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

The Proposed Acquisition will not have any material effect on HHH’s net assets, gearing and net assets per share, issued share capital and substantial shareholders’ shareholdings in respect of the financial year ending 31 December 2019.

**7. PERCENTAGE RATIO**

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Rule 10.02(g) of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad is 0.148% based on the latest audited consolidated financial statements of HHH for the financial year ended 31 December 2018.

**8. APPROVAL REQUIRED**

The Proposed Acquisition is not subject to the approval of the shareholders of HHH and/or any relevant authorities.

**9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSON CONNECTED**

None of the Directors and/or major shareholders of the Company and/or any persons connected to them have any interest, direct or indirect in the Proposed Acquisition.

**10. STATEMENT BY DIRECTORS**

The Board of Directors, after due consideration of all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of HHH Group.

**11. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by end of 4<sup>th</sup> Quarter of 2019.

This announcement is dated 10 October 2019.