HPC HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1742)

PROFIT WARNING

This announcement is made by HPC Holdings Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform potential investors and shareholders of the Company that, based on preliminary and assessment of information currently available to the Group, the Group expects to record a significant decrease in profit attributable to owners of the Company for the year ended 31 October 2018 as compared to the audited results for the year ended 31 October 2017 by approximately 50%.

The expected significant decrease in profit was mainly due to, among other things, the following reasons:

1. with intense competition in Singapore construction market, gross profit margins for newly awarded projects were significantly dragged down coupled with the number of awarded projects during the year is significantly lower than expected; and

2. the progress of certain projects undertaken by the Group during the year were slower than expected.

Notwithstanding the above, the Board is of the view that the financial position of the Group remains sound and is pleased to inform that as to date, the Group has recently managed to clinch two additional new projects with a total contract sum of approximately S$73.0 million in late October 2018 and early November 2018, respectively. As the projects were awarded towards the financial year end date, the Group does not expect these new projects awarded would have a material financial impact on the results for the year ended 31 October 2018.

Potential investors and shareholders of the Company are advised to note that the information contained in this announcement is only based on the preliminary assessment of the Board with reference to the information currently available to the Group and the unaudited consolidated management accounts of the Group, which are still subject to review by the audit committee of the Company and audit by the auditor of the Company; thus may be subject to further adjustment. The final results of the Group for the year ended 31 October 2018 is expected to be published by end of January 2019.

Potential investors and shareholders of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
HPC Holdings Limited
Wang Yingde
Chairman & Chief Executive Officer

Singapore, 7 December 2018

As at the date of this announcement, the Board comprises Mr. Wang Yingde and Mr. Shi Jianhua as executive directors; and Mr. Zhu Dong, Mr. Leung Wai Yip, Ms. Ng King Wai Diana and Mr. Ong Toon Lian as independent non-executive directors.