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HPC HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1742)

DISCLOSEABLE TRANSACTION DISPOSAL OF AN INVESTMENT PROPERTY

THE DISPOSAL

The board (the “**Board**”) of directors (the “**Directors**”) of HPC Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”), is pleased to announce that on 18 July 2022, the Vendor, an indirect wholly-owned subsidiary of the Company has offered an Option To Purchase to the Purchaser, pursuant to which the Vendor has agreed to sell, an Investment Property owned by the Vendor, with its registered address at 211 Henderson Road #02-01 Singapore 159552, at a cash consideration of approximately S\$3.92 million to the Purchaser only, and the Purchaser has the right to exercise the Option To Purchase by 29 July 2022.

LISTING RULES IMPLICATIONS

Rule 14.73 states that the grant, acquisition, transfer or exercise of an option by a listed issuer will be treated as a transaction and classified by reference to the percentage ratios. Rule 14.74 states that on the grant of the option (the exercise of which is not at the listed issuer’s discretion), the transaction will be classified as if the option had been exercised.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal, is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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The principal terms of the Option To Purchase are set out as follows:

Date:	18 July 2022
Vendor:	HPC Builders Pte. Ltd., an indirect wholly-owned subsidiary of the Company
Purchaser:	Mr. Wong Mun Summ
The Investment Property:	the property locates at 211 Henderson Road #02-01 Singapore 159552, owned by the Vendor
Option Expiry Date:	shall be accepted by Purchaser until 4.00 p.m. on the 29 July 2022.
Consideration:	S\$3,920,106 (equivalent approximately HK\$21,900,000) in total, or S\$790 per square feet. The Consideration was determined after arm's length negotiations based on normal commercial terms among the parties.
Payment terms:	S\$39,201, represents 1% of the Consideration, being the option fee was paid on 18 July 2022. S\$156,804, represents 4% of the Consideration will be paid upon exercising of the option. balance S\$3,724,101, subject to prevailing Goods & Services Tax and a deduction of S\$50,000 agent fee will be disbursed upon completion date.
Completion:	the sale and purchase shall be completed at the office of Vendor's solicitor, namely William Poh & Louis Lim or at such other place as the Vendor's solicitor may direct, on 10 weeks from the date that the Purchaser exercise the option, or such earlier date that the Vendor and the Purchaser may agree.

INFORMATION OF THE INVESTMENT PROPERTY

The property is a freehold unit in a light industrial building located at the south central of Singapore, the Vendor acquired the property on 2017, with a consideration of S\$2,980,000. Due to the location and design, this property was not suitable for the Company's own usage and therefore, it was intended to be used as investment property since the completion of the acquisition.

Rental incomes from leasing of the Investment Property for the two financial years ended 31 October 2020 and 31 October 2021 were remained at approximately S\$86,388.

The net profit before tax attributable to the Investment Property for the two financial years ended 31 October 2020 and 31 October 2021 was approximately S\$78,180 each. The unaudited carrying value of the property as at the date of this announcement was approximately S\$2.78 million.

INFORMATION ON THE VENDOR & THE PURCHASER

The Vendor, HPC Builders Pte Ltd, is a private limited company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company that providing construction contractor services in both general building works and civil engineering works.

The Purchaser, Mr. Wong Mun Summ is the joint founding director of WOHA, one of Southeast Asia's best known and most awarded architectural practices based in Singapore.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries and verification, the Purchaser is Independent Third Parties of the Vendor, he has no relationship with the Company, its connected persons and their respective associates.

FINANCIAL IMPACT OF THE DISPOSAL

Based on (i) the carrying value of Investment Property in the Vendor's management accounts as at 30 June 2022 of approximately S\$2.78 million and (ii) the Consideration under the Option To Purchase, it is expected that the Company will record a gain in respect of the Disposal. The net proceeds from the Disposal are expected to be approximately S\$3.85 million, which are expected to be applied towards funding the Group's operating activities in its ordinary course of business.

REASONS FOR THE DISPOSAL

The Group is principally engaged in provision of general building and civil engineering works in the construction industry in Singapore, and many of the Group's past projects were industrial developments. Therefore, the directors consistently follow the property market of Singapore and undertake strategic reviews of the Group's asset from time to time with a view to maximize returns or minimise losses to the Shareholders in responding on-going market situation. The directors have taken into consideration of the below factors:

- i) The Group was recently just awarded a new project with large contracts sum which require additional working capital.
- ii) The price of completed transactions in the past two years of the same industrial building ranged from S\$678 to S\$685 per square feet.
- iii) The Group has been marketing this property since May 2022, a few other offers ranged from S\$690 to S\$720 per square feet.
- iv) The total return of the current & future lease income if the company choose to hold the property.

Based on the above factors, the Directors consider that the Option To Purchase is entered into on good commercial terms which are fair and reasonable and in the interests of the Company and the shareholders as a whole.

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DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors
“Company”	HPC Holdings Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Disposal pursuant to the terms and conditions of the Option To Purchase
“Consideration”	the consideration for the Disposal of the Investment Property pursuant to the terms of the Option To Purchase
“Directors”	the directors of the Company
“Disposal”	the disposal of the Investment Property
“Group”	the Company and its subsidiaries
“HK\$”	the Hong Kong Dollar
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any director, chief executive or substantial shareholders (within the meaning of the Listing Rules) of our Company, its subsidiaries or any of their respective associates

“Investment Property”	the property with its registered address at 211 Henderson Road #02-01 Singapore 159552, owned by the Vendor
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Option To Purchase”	the option with terms set up and offered by the Vendor to the Purchaser on 18 July 2022, pursue to which the Purchaser has right to acquire the Investment Property by 29 July 2022
“Purchaser”	Mr. Wong Mun Summ
“Vendor”	HPC Builders Pte Ltd., a private limited company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“%”	percent
“S\$”	Singapore Dollar

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

Singapore, 18 July 2022

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 and Mr. Gng Hoon Liang as independent non-executive directors.