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## **HPC HOLDINGS LIMITED**

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

**(Stock Code: 1742)**

### **INSIDE INFORMATION UPDATE OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 OCTOBER 2022**

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, pursuant to the annual result announcement made on 31 January 2023 for the Year Ended 31 October 2022 (the “**Annual Results**”), due to an event brought to the attention of the Board and external auditor on 5th February 2023 and after in due examinations of the facts and circumstances with applicable accounting and financial reporting implications, the Board and external auditor Ernst & Young LLP come to a common view that the event constitute an “Adjusting event after reporting period”. Accordingly, the Annual Results will be amended.

#### **EVENT AFTER REPORTING PERIOD – AAG WAS UNDER JUDICIAL MANAGEMENT**

There was a news published in Business Times Singapore on 5th February 2023 that Apollo Aquaculture group (the “**AAG**”) was placed under Judicial Management from 4 May 2022. The Judicial Manager of AAG said “they are in talks with some investors to rehabilitate the group, and its operating subsidiary, Apollo Aquarium (the “**APAQ**”), is not under any form of administration.”

#### **RELATIONSHIP WITH THE GROUP**

AAG and its subsidiaries were understood to be in the business of operating fish farm and whole sale trading. APAQ proposed to build a vertical fish farm in year 2019. Another operating subsidiary of AAG, C, was awarded the contract as main contractor. One of the Group’s wholly owned subsidiary, HPC Builders Pte Ltd (the “**HPCB**”), was contracted with C as subcontractor for the proposed fish farm project.

The fish farm project was completed on time in the end of year 2020, and in the end of year 2021, AAG disposed its equity interest in its subsidiary C. However, despite no dispute of the liabilities, C was unable to fully pay the construction payment to HPCB and till the date of the Annual Result, there was an outstanding receivable of approximately S\$4.7m and project retention sum of S\$437,500. During the period of negotiation to collect the outstanding receivables, it was made known to the Group that the repayment of C to HPCB were conditional on C's collection of monies from APAQ. As a result of the event, the recoverability of the outstanding balance owed by APAQ to C is in doubt.

Correspondingly, the event placed collection uncertainty to the receivables and retention owing from C to HPCB.

## **IMPACT OF THE EVENT TO THE ANNUAL RESULTS**

With application of the relevant accounting and financial reporting standards, the receipt of the information indicates that the outstanding receivables of approximately S\$4.7m and project retention sum of S\$437,500 will have to be impaired at 31 October 2022. Accordingly, the Group will adjust the amounts recognized in its annual report to reflect this adjusting event after the reporting period.

The Board is of the view that the financial position of the Group remains sound as sufficient reserve and liquidity are maintained.

Potential investors and shareholders of the Company are advised to note that the information contained in this announcement is only based on the assessment of the Board with reference to the information currently available to the Group and the auditor of the Company; thus, may be subject to further adjustment. The final results of the Group for the year ended 31 October 2022 is expected to be published by end of February 2023 with annual report.

**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, 15 February 2023

*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.*