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## **HPC HOLDINGS LIMITED**

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

**(Stock Code: 1742)**

### **MAJOR TRANSACTION AWARD OF TENDER FOR LEASE OF PREMISES**

#### **AWARD OF TENDER**

The Board is pleased to announce that on 30 June 2023 (after trading hours), DHC Construction, an indirect wholly-owned subsidiary of the Company, received the Letter and the Lease Offer from JTC, a Singapore government agency, confirming that its tender for the lease of the Premises at the Tendered Premises Premium of S\$5,535,000.00 (exclusive of prevailing GST) was accepted.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Transaction exceed 25% but are all less than 100%, the Transaction constitutes a major transaction for the Company and is therefore subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Transaction and is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Transaction. The Company has obtained an irrevocable and unconditional written approval for the Transaction from a closely allied group of Shareholders, being Tower Point Global Limited and Creative Value Investments Limited which hold 660,000,000 Shares (i.e. 41.25% of the issued Shares) and 540,000,000 Shares (i.e. 33.75% of the issued Shares) respectively, representing an aggregate of 1,200,000,000 Shares (i.e. 75% of the issued Shares) as at the date of this announcement.

Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the Transaction under Chapter 14 of the Listing Rules has been satisfied in lieu of a general meeting of the Company.

## **GENERAL**

A circular containing, among others, (i) details of the Transaction; and (ii) other information as required under the Listing Rules will be dispatched to the Shareholders on or before 28 August 2023, as more time is required to prepare the information to be included in the circular.

## **INTRODUCTION**

The Board is pleased to announce that on 30 June 2023 (after trading hours), DHC Construction, an indirect wholly-owned subsidiary of the Company, received the Letter and the Lease Offer from JTC, a Singapore government agency, confirming that its tender for the lease of the Premises at the Tendered Premises Premium of S\$5,535,000.00 (exclusive of prevailing GST) was accepted.

## **AWARD OF TENDER**

### **Date**

30 June 2023

### **Parties**

- (1) JTC (as tender issuer/lessor); and
- (2) DHC Construction (as tenderer/lessee).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, JTC is a third party independent of the Company and its connected persons.

## **The Lease and Information of the Premises**

Pursuant to the terms of the Conditions of Tender and the Lease Offer, DHC Construction shall submit the Acceptance Letter to JTC by 12 July 2023 and fulfil the other requirements thereunder, including, among others, the installation of solar photovoltaic panels on the roof of the factory in the Premises, upon completion of which JTC shall issue the Confirmation of Tenure and enter into the Lease with DHC Construction.

The Premises consists of a piece of leasehold industrial land held under Private Lot No.7016738, also known as Government Survey Lot No.01942N Mukim MK07, and situated at 5 Tuas Basin Link, Singapore 638759 with a land area of approximately 4,508.20 sq. m. and a standalone factory with a gross floor area of approximately 2,144.38 sq. m. erected thereon. The Premises is leased on an "as is" basis and for the authorised use of storage of building construction materials and equipment only. The Premises under the Tender has a lease term of 20 years from the Commencement Date (subject to the Confirmation of Tenure).

## **Consideration and Payment Terms**

The Tendered Premises Premium is in the sum of S\$5,535,000.00 (exclusive of prevailing GST). The Tendered Premises Premium and other transaction costs thereon shall be settled by DHC Construction in the following manner:

- (a) a tender deposit of S\$276,750.00 (being 5% of the Tendered Premises Premium) paid by way of bank transfer at the time when the Tender was submitted has been applied in part-payment of the Tendered Premises Premium;
- (b) a further deposit of S\$276,750.00 (being 5% of the Tendered Premises Premium) and other transaction costs thereon together with the prevailing GST in the aggregate sum of S\$54,975.90 shall be paid by way of bank transfer on or before the date of the Acceptance Letter, which shall also be applied in part-payment of the Tendered Premises Premium; and
- (c) the balance of the Tendered Premises Premium of S\$4,981,500.00 and the prevailing GST shall be paid by way of bank transfer before the Commencement Date.

In addition, stamp duty shall be payable on the Acceptance Letter within 14 days therefrom.

The Tendered Premises Premium, being the bid price submitted by DHC Construction under the Tender, was determined with reference to (i) the prevailing market value of comparable properties available in the vicinity; (ii) the location, allowable use, fittings and potential development of the Premises; and (iii) the historical tender awards statistics of the comparable properties.

The Tendered Premises Premium together with other transaction costs thereon, the prevailing GST and stamp duty will be funded by the Group's internal resources.

## **Delivery of Possession of the Premises**

Vacant possession of the Premises shall be delivered to DHC Construction upon its due acceptance of the Lease Offer on 19 July 2023.

## **INFORMATION OF THE PARTIES AND THE GROUP**

### **JTC**

JTC is a statutory board under the Ministry of Trade and Industry of Singapore which is in charge of Singapore's industrial progress.

### **DHC Construction**

DHC Construction is a company incorporated in Singapore with limited liability which is an indirect wholly-owned subsidiary of the Company. DHC Construction engages in providing construction contractor services in both general building works and civil engineering works in Singapore.

### **The Group**

The Company is a company incorporated in the Cayman Islands with limited liability and an investment holding company holding the interest of other subsidiaries of the Group, which are principally engaged in the provision of general building works and civil engineering works in the construction industry in Singapore, and many of the Group's past projects were industrial developments.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

Due to the nature of its principal business, the Group requires large ground area for storage of building construction materials and equipment in its ordinary course of business.

The Group currently rents warehouses for storage of building construction materials and equipment in various locations in Singapore. Taking into account (i) the rental cost of the existing leased warehouses; (ii) the large floor area and fittings of the Premises are suitable for storage of building construction materials and equipment, which are of considerable size and weight; (iii) the risk of inability to find suitable premises for relocation upon expiration or termination of the leases as the Group may not be able to renew the leases with comparable and/or commercially acceptable terms and conditions; (iv) the renovation expenses and time costs that may be incurred by the Group for relocation; and (v) the increasing efficiency of stock management upon the Transaction as the Group can consolidate its building construction materials and equipment in the Premises, the Board considers that it is in the interests of the Group to lease the Premises as its self-owned warehouse in order to save rental and renovation expenses in the long run and improve the efficiency of the Group's management and operations, which in turn allows the Group to undertake more projects and to seize new business opportunities amid the rebound in the market demands.

The Directors (including the independent non-executive Directors) are of the view that the Transaction (including the terms of the Conditions of Tender and the Lease Offer) is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Transaction exceed 25% but are all less than 100%, the Transaction constitutes a major transaction for the Company and is therefore subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Transaction and is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Transaction. The Company has obtained an irrevocable and unconditional written approval for the Transaction from a closely allied group of Shareholders, being Tower Point Global Limited and Creative Value Investments Limited which hold 660,000,000 Shares (i.e. 41.25% of the issued Shares) and 540,000,000 Shares (i.e. 33.75% of the issued Shares) respectively, representing an aggregate of 1,200,000,000 Shares (i.e. 75% of the issued Shares) as at the date of this announcement.

Tower Point Global Limited is wholly and beneficially owned by Mr. Wang Yingde, the chairman of the Board, the chief executive officer of the Company, an executive Director and a controlling Shareholder, and Creative Value Investments Limited is wholly and beneficially owned by Mr. Shi Jianhua, the chief operations officer of the Company, an executive Director and a controlling Shareholder. Mr. Wang and Mr. Shi are the co-founders of the Group and have been the executive Directors and controlling Shareholders since the listing of the Shares in the Stock Exchange.

Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the Transaction under Chapter 14 of the Listing Rules has been satisfied in lieu of a general meeting of the Company.

## **GENERAL**

A circular containing, among others, (i) details of the Transaction; and (ii) other information as required under the Listing Rules will be dispatched to the Shareholders on or before 28 August 2023, as more time is required to prepare the information to be included in the circular.

## **DEFINITIONS**

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

|                     |  |
|---------------------|--|
| “Acceptance Letter” | the letter of acceptance of the Lease Offer (substantially in the form and on the terms and conditions set out in Appendix 4 to the Conditions of Tender) to be signed by DHC Construction |
| “Board”             | the board of the Directors   |

|                          |  |
|--------------------------|--|
| “Commencement Date”      | 19 September 2023, being the commencement date of the Lease  |
| “Company”                | HPC Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1742)  |
| “Conditions of Tender”   | the conditions of tender for the lease of the Premises set out in the Tender documents   |
| “Confirmation of Tenure” | the confirmation of tenure to be issued by JTC confirming the lease of the Premise and the term of the Lease pursuant to the Lease Offer   |
| “connected person(s)”    | has the meaning ascribed thereto in the Listing Rules  |
| “DHC Construction”       | DHC Construction Pte. Ltd., a company incorporated in Singapore with limited liability which is an indirect wholly-owned subsidiary of the Company   |
| “Director(s)”            | the director(s) of the Company   |
| “Group”                  | the Company and its subsidiaries   |
| “GST”                    | goods and services tax chargeable under the Goods and Services Tax Act, Chapter 117A Laws of Singapore   |
| “HK\$”                   | Hong Kong Dollar, the lawful currency of Hong Kong   |
| “Hong Kong”              | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “JTC”                    | JTC Corporation, a statutory board under the Ministry of Trade and Industry of Singapore which is in charge of Singapore’s industrial progress   |
| “Lease”                  | the lease to be entered into between JTC and DHC Construction in respect of the Transaction  |
| “Lease Offer”            | the letter of offer dated 30 June 2023 including all the terms and conditions for the lease of the Premises (substantially in the form and on the terms and conditions set out in Appendix 4 to the Conditions of Tender) issued by JTC pursuant to the Conditions of Tender |
| “Letter”                 | the letter of award dated 30 June 2023 issued by JTC notifying the acceptance of the Tender  |

|                             |   |
|-----------------------------|---|
| “Listing Rules”             | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Premises”                  | a piece of leasehold industrial land held under Private Lot No.7016738, also known as Government Survey Lot No.01942N Mukim MK07, and situated at 5 Tuas Basin Link, Singapore 638759 with a land area of approximately 4,508.20 sq. m. and a standalone factory with a gross floor area of approximately 2,144.38 sq. m. erected thereon |
| “Share(s)”                  | the ordinary share(s) of HK\$0.01 each in the share capital of the Company  |
| “Shareholder(s)”            | the registered holder(s) of the Share(s)  |
| “sq. m.”                    | square metres   |
| “Stock Exchange”            | The Stock Exchange of Hong Kong Limited   |
| “subsidiary(ies)”           | has the meaning ascribed thereto under the Listing Rules  |
| “S\$”                       | Singapore Dollar, the lawful currency of Singapore  |
| “Tender”                    | the form of tender submitted by DHC Construction for the lease of the Premises by JTC by way of public tender   |
| “Tendered Premises Premium” | the tendered premises premium of S\$5,535,000.00 (exclusive of prevailing GST), being the bid price submitted by DHC Construction under the Tender  |
| “Transaction”               | the lease of the Premises from JTC for a tenure of 20 years from the Commencement Date (subject to the Confirmation of Tenure) under the terms of the Conditions of Tender and the Lease Offer  |
| “%”                         | per cent  |

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

Singapore, 4 July 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.*