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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**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definition" in this circular.

A letter from the Board is set out on pages 5 to 12 of this circular.

The Company has obtained an irrevocable and unconditional written Shareholders' approval for the Transaction in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders which together hold more than 50% of the issued Shares. Accordingly, no extraordinary general meeting will be convened to approve the Transaction as permitted under Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

22 September 2023

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions 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) 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
“controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Creative Value”	Creative Value Investments Limited, a company incorporated in the British Virgin Islands with limited liability which is owned as to 100% by Mr. Shi and is a controlling Shareholder
“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

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HPC Builders”	HPC Builders Pte. Ltd., a company incorporated in Singapore with limited liability which is an indirect wholly-owned subsidiary of the Company
“IFRS”	International Financial Reporting Standard issued by the International Accounting Standards Board
“Independent Valuer”	Robert Khan & Co Pte Ltd, an independent qualified valuer engaged by the Company to appraise the value of the Premises
“JTC”	JTC Corporation, a statutory board under the Ministry of Trade and Industry of Singapore which is in charge of Singapore’s industrial progress
“Latest Practicable Date”	19 September 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“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
“Model Code”	Model Code of Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“Mr. Shi”	Mr. Shi Jianhua, the chief operations officer of the Company, an executive Director and a controlling Shareholder

DEFINITIONS

“Mr. Wang”	Mr. Wang Yingde, the chairman of the Board, the chief executive officer of the Company, an executive Director and a controlling Shareholder
“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
“Regal Haus”	Regal Haus Pte. Ltd., a company incorporated in Singapore with limited liability which is owned as to 51.00% by HPC Builders, 26.95% by Mr. Wang and 22.05% by Mr. Shi, respectively
“S\$”	Singapore Dollar, the lawful currency of Singapore
“SFO”	Securities and Futures Ordinance, Chapter 571 Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“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
“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

DEFINITIONS

“Tower Point”	Tower Point Global Limited, a company incorporated in the British Virgin Islands with limited liability which is owned as to 100% by Mr. Wang and is a controlling Shareholder
“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

LETTER FROM THE BOARD

HPC Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1742)

Executive Directors:

Mr. Wang Yingde (*Chairman &
Chief Executive Officer*)

Mr. Shi Jianhua

Independent Non-executive Directors:

Mr. Zhu Dong

Mr. Leung Wai Yip

Mr. Gng Hoon Liang

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Headquarters and Principal Place of
Business in Singapore:*

7 Kung Chong Road

HPC Building

Singapore 159144

Principal Place of Business

in Hong Kong:

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

22 September 2023

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION AWARD OF TENDER FOR LEASE OF PREMISES

INTRODUCTION

Reference is made to the announcement of the Company dated 4 July 2023 in relation to the Transaction.

The purpose of this circular is to provide you with information with, among others, (i) details of the Transaction; and (ii) other information as required under the Listing Rules.

LETTER FROM THE BOARD

AWARD OF TENDER

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.

Pursuant to the terms of the Conditions of Tender and the Lease Offer, DHC Construction submitted the Acceptance Letter to JTC on 5 July 2023 and vacant possession of the Premises was delivered to DHC Construction on 19 July 2023. The principle terms of the Lease Offer are set out below:

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

On 5 July 2023, upon DHC Construction's submission of the Acceptance Letter and payment of the further deposit of S\$276,750.00, there is a binding agreement between JTC and DHC Construction for the lease of the Premises under the terms of the Conditions of Tender and the Lease Offer.

According to the terms thereunder, apart from the payments of the stamp duty payable on the Acceptance Letter and the balance of the Tendered Premises Premium, details of which are set out in the section headed "Consideration and Payment Terms", DHC Construction is required to instal solar photovoltaic panels on the roof of the factory in the Premises. Such requirement is under the solar deployment programme launched by JTC and applies to all JTC's leases of the building which has an available contiguous roof area of at least 800 sq. m. with a tenure of more than 15 years as a suitable green building measure for the leased premises.

DHC Construction shall fulfil the aforesaid requirements pursuant to the terms of the Conditions of Tender and the Lease Offer, upon which JTC shall issue the Confirmation of Tenure to DHC Construction. If any requirement is not fulfilled and hence, the Confirmation of Tenure is not received by DHC Construction, any payment paid to JTC will not be refunded.

LETTER FROM THE BOARD

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 paid by way of bank transfer on 5 July 2023 has 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 of S\$246,350.00 payable on the Acceptance Letter was paid on 14 July 2023.

The Tendered Premises Premium, being the bid price submitted by DHC Construction under the Tender, was determined with reference to the followings:

(a) the prevailing market value of comparable properties in the vicinity

The industrial property market in Singapore has continued growth momentum since the last quarter of 2020. Based on the statistics released by JTC, in the first quarter of 2023, despite the prolonged uptrend and multiple macroeconomic headwinds, the industrial property price and rental indices rose by 6.9% and 8.8% year-on-year respectively. For single-user factory (i.e. the same type of property as the Premises), both price and rental indices recorded a year-on year increase of 4.8% and 6.9% respectively in the first quarter of 2023.

LETTER FROM THE BOARD

Prior to the submission of the bid price of the Premises in or about April 2023, the Group had selected single-user landed factories at the same district of the Premises with similar land area and a lease tenure of not less than 20 years as the comparable properties in the vicinity and considered the prevailing market value of such properties with reference to their resale prices for the period between January 2022 and March 2023 as obtained from the information of the caveats lodged on industrial properties with the Singapore Land Authority.

(b) the location, allowable use, fittings and potential development of the Premises

The Premises, being a landed factory for the authorised use of storage of building construction materials and equipment, is situated at Tuas district, which is located in the west of Singapore and concentrated with factories and industrial plants with close proximity to transport links. There is also driveway access to the Premises which allows easy transportation of building construction materials and equipment. Coupled with the long lease term of 20 years, and the large floor area and fittings which are designed for businesses in the heavy industries, the Premises suits the Group's purpose to consolidate its building construction materials and equipment in the Premises, instead of storing the same in various rented warehouses in Singapore, which helps the Group to save rental and renovation expenses in the long run and improve the efficiency of its management and operations and is beneficial to the Group's future development.

(c) the historical tender awards statistics of the comparable properties

The Group also considered the historical information for landed factory on price tender as released by JTC with reference to the unit rate (being the tendered price per gross floor area per month) therein. For the period between January 2022 and April 2023, JTC mostly awarded tenders for the lease of landed factory with a short lease term of 6 years or less at an average unit rate of approximately S\$22.5/sq. m./month, and only awarded two tenders for the lease of landed factory with a lease term of 17 years at the unit rate of approximately S\$11.99/sq. m./month and 20 years at the unit rate of approximately S\$10.75/sq. m./month respectively. The unit rate of the lease of the Premises under the Tender is approximately S\$10.75/sq. m./month.

The Tendered Premises Premium of S\$5,535,000.00 together with other transaction costs thereon of approximately S\$12,404.00, the prevailing GST of approximately S\$45,072.00 and stamp duty of S\$246,350.00 shall be funded by the Group's internal resources.

The valuation of the Premises as at 19 July 2023 as appraised by the Independent Valuer was S\$5,600,000.00. A valuation report of the Premises as prepared by the Independent Value is set out in Appendix II to this circular.

LETTER FROM THE BOARD

The Company has reviewed the valuation report and understands that it was prepared based on market approach which provides an indication of value by comparing the Premises with identical or comparable (that is similar) assets for which price information is available and has considered the key assumptions adopted by the Independent Valuer, which are standard general assumptions. The Board also understands that the Independent Valuer has considered various valuation approaches, including market approach, income approach and cost approach, and taking into account (i) there are readily identifiable market comparables; (ii) the availability of reliable, verifiable and relevant recent market information; (iii) as the Premises is a property renovated and leased by JTC by way of public tender, there is limited information to adopt the income approach and cost approach; and (iv) the market approach is universally considered as the most accepted valuation approach for valuing most forms of property, the market approach is adopted for valuation for the Premises rather than the alternative valuation approaches.

The valuation of the Premises is based on the JTC lease term of 20 years with vacant possession and free from encumbrances and has been made on the assumptions that there is no adverse restrictive covenant, easement, right of way or other factors which could serve to affect the value of the property and that the property is not used in contravention of any planning or other regulations. Also, no allowance has been made for any mortgage, charge or amount owing on the property or for any taxation or other expenses, which would be incurred in effecting a sale. The Board understands from the Independent Valuer that these assumptions are commonly adopted when determining the fair value of similar types of properties and the Board considers it is appropriate to appraise the Premise in the same way as other similar properties on an open market.

In consideration of the abovementioned, the Board considers that valuation methodology and the key assumptions adopted in the valuation of the Premises are fair and reasonable.

Taking into account (i) the Transaction is based on the award of a public tender from JTC, being a Singapore government agency which is in charge of Singapore's industrial progress; (ii) the terms and conditions of the Conditions of Tender and the Lease Offer, including the payment terms of the Tendered Premises Premium, are standard and usual terms and conditions under the JTC's tenders for the lease of landed factory with a long lease term; and (iii) having considered the historical information for landed factory on price tender for the period between January 2022 and April 2023 as disclosed hereinabove, the only two tenders awarded by JTC for the lease of landed factory with a long lease term of 17 years and 20 years respectively are at a significantly lower unit rate than the JTC's leases of landed factory with a short lease term and the payment terms thereunder also involve advance full payment of the tendered premium, instead of by way of monthly rentals, the Directors are of the view that the Tendered Premises Premium and its payment terms are in accordance with the industry norm, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

ACCOUNTING TREATMENT AND FINANCIAL EFFECTS OF THE TRANSACTION

In accordance with IFRS 16 “Leases”, the Group is required to recognise a right-of-use asset representing its right to use the Premises under the Leases. The value (unaudited) of the right-of-use asset recognised by the Company under the Lease amounted to approximately S\$5,793,754.00, which is the sum of the Tendered Premises Premium of S\$5,535,000.00 plus other transaction costs thereon of approximately S\$12,404.00 and stamp duty of S\$246,350.00.

Earnings

As disclosed in the section headed “Reasons for and Benefits of the Transaction”, the Group currently rents warehouses for storage of building construction materials in various locations in Singapore and leases the Premises as its self-owned warehouse. The Group expects that there will be an increase in the annual depreciation expenses by approximately S\$287,294.00 relating to the Premises and an annual rental saving of approximately S\$410,000.00 with respect to the Group’s existing leased warehouses upon completion of the Transaction. Therefore, it is expected that the earnings of the Group will increase.

Assets and Liabilities

Based on the audited financial position of the Group as at 31 October 2022, it is expected that upon completion of the Transaction, the Group’s property, plant and equipment will be increased by approximately S\$5,793,754.00 and the Group’s bank balances and cash will be decreased by approximately S\$5,793,754.00, which would be used for settlement of the total consideration for the Transaction. As a result, there will be no material change in the Group’s net assets upon the completion of the Transaction.

Save as disclosed above, the Directors consider that the Transaction will not have any other material effect on the earnings and the assets and liabilities of the Group.

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

LETTER FROM THE BOARD

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.

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.

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.

LETTER FROM THE BOARD

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 and Creative Value which held 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 Latest Practicable Date.

Tower Point is wholly and beneficially owned by Mr. Wang, and Creative Value is wholly and beneficially owned by Mr. Shi. 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.

RECOMMENDATION

Having considered the abovementioned benefits to the Group, the Directors (including the independent non-executive Directors) consider that the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Although no extraordinary general meeting will be convened by the Company to approve the Transaction, if such an extraordinary general meeting were to be convened by the Company, the Board would recommend the Shareholders to vote in favour of the resolution to approve the Transaction.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
HPC Holdings Limited
Mr. Wang Yingde
Chairman & Chief Executive Officer

1. FINANCIAL INFORMATION

The financial information of the Group for each of the years ended 31 October 2020, 2021 and 2022 and for the six months ended 30 April 2023 are disclosed in the following documents which have been published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.hpc.sg>):

- Annual Report of the Group for the financial year ended 31 October 2020 at pages 69 to 127:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0301/2021030101516.pdf>
- Annual Report of the Group for the financial year ended 31 October 2021 at pages 40 to 95:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0221/2022022100399.pdf>
- Annual Report of the Group for the financial year ended 31 October 2022 at pages 76 to 131:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0220/2023022000689.pdf>
- Interim Report of the Group for the six months ended 30 April 2023 at pages 20 to 62:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0719/2023071900318.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 August 2023, being the most recent practicable date for the purpose of indebtedness statement of the Group prior to the printing of this circular, the Group had the following outstanding indebtedness:

	<i>S\$'000</i>
Bank borrowings	
– secured and guaranteed	15,931
Lease liabilities	
– secured and guaranteed	262
Amount due to non-controlling Shareholders	
– unsecured and unguaranteed	2,524

Mortgage and Charges

As at 31 August 2023, the Group's acquired land was mortgaged to secure the Group's bank loan. Besides, HPC Builders was also charged to the same bank for the same project as additional security. Other than that, only motor vehicles of the Group were acquired via finance leases.

Contingent Liabilities and Financial Guarantees

As at 31 August 2023, the Group was involved in a few litigation cases related to workplace injuries which were normally insured with insurance; therefore, the Group does not expect any contingent liabilities in the foreseeable future.

Save as disclosed in the section headed "Mortgage and Charges", there was no financial guarantee granted in favour of the third party of the Group.

Save as aforesaid and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, as at the close of business on 31 August 2023, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, term loans, bank overdrafts, liabilities under acceptances or acceptance credits, loans or other similar indebtedness, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

After taking into account the Group's internal resources, cash flows from operations and available banking facilities and the effect of the Transaction, and in the absence of unforeseeable circumstances, the Directors are of the opinion that the working capital available to the Group is sufficient for the Group's requirements for at least twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 October 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

General Building Works Prospect

The Group is maintaining a healthy order book for general building works at approximately S\$350 million as at the Latest Practicable Date. Following more capital investment from private sector recently, it is expected that more private industrial project will be secured in the coming year with improved profit margin. As at 30 April 2023, due to some low price projects awarded before Covid-19 pandemic, the overall gross profit margin of this segment resting low on 2.3% only. This situation has seen gradually recovery from recent awarded projects.

Civil Engineering Works Prospect

DHC Construction has established itself as a reliable structural subcontractor in the civil engineering projects of Singapore. As at the Latest Practicable Date, DHC Construction obtained two civil engineering projects to build Mass Rapid Transit and Expressway in Singapore in June 2023 amounted to approximately S\$47.6 million, which added its order book close to S\$60 million. Traditionally, civil engineering projects carry high profit margin due to its complexity nature.

Financial Prospect

The Group achieved an approximately 120% increment in revenue in the first half year of 2023 compared to the first half year of 2022. Despite huge production increment, with prudent treasury policy, and careful working capital management, the Group has accumulated sufficient reserve to support its productivity expansion. With improving credit risk management, the Group expects to have a better management of its collection of the newly-created trade receivables of the Group's ongoing projects. With the new acquisition of the new property, should there be any extra vacant land or space, the Group can lease out and generate additional income.



261 Waterloo Street,
#04-24 Waterloo Centre,
Singapore 180261

22 September 2023

The Board of Directors
HPC Holdings Limited (the “Company”)
No. 7 Kung Chong Road
Level 6 HPC Building
Singapore 159144

Dear Sirs

PROPERTY VALUATION OF NO. 5 TUAS BASIN LINK, SINGAPORE 638759

1. INSTRUCTION & PURPOSE OF VALUATION

In accordance with your instruction to carry out a valuation of the above property, we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of its Fair Value for disclosure purpose pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) as at 19 July 2023.

2. DATE OF VALUATION, INSPECTION & REPORT

We have inspected the property on 19 July 2023 and adopted the date of valuation to be 19 July 2023. We are pleased to submit the valuation report on 22 September 2023.

3. INTEREST TO BE VALUED

The valuation is to express an opinion of the Fair Value of the property interest based on the JTC lease term of 20 years as at the date of valuation.

4. PROPERTY TYPE

A 2-storey JTC Type C8 standard detached factory.

5. PROPERTY DETAILS

Address: No. 5 Tuas Basin Link, Singapore 638759

Legal Description: Lot No. 1942N, Mukim 7

Private Lot No.: Lot No. 7016738, Mukim 7

Land Area:	4,508.20 square metres approximately (48,525.8 square feet approximately)
Gross Floor Area:	2,144.38 square metres approximately (23,081.9 square feet approximately)
Tenure:	JTC lease of 20 years commencing from 19 September 2023
Authorised Use:	Storage of building construction materials and equipment only
Registered Lessor:	JTC Corporation
Registered Lessee:	DHC Construction Pte. Ltd.
Encumbrances:	No encumbrances

Note: The above information is provided by the client

6. OCCUPANCY

The property was vacant as at the date of inspection. However, we understand that the property will be for the lessee's own occupation.

7. MASTER PLAN ZONING (2019)

"Business 2" with a Gross Plot Ratio of 1.4

Note: According to The Planning Act Master Plan Written Statement 2019, "Business 2" are areas used or intended to be used for clean industry, light industry, general industry, warehouse, public utilities and telecommunication uses and other public installations. Special industries such as manufacture of industrial machinery, shipbuilding and repairing, may be allowed in selected areas subject to evaluation by the relevant authority and the competent authority.

8. LOCATION

The property is located along Tuas Basin Link, near its traffic intersection with Tuas Crescent and approximately 23 kilometres from the city centre at Collyer Quay.

The immediate vicinity comprises mainly purpose-built and JTC standard factories. Prominent developments in the proximity include WYN2000 Logistics Centre, Toll Automotive Building, Hup Hin Building, Mapletree Pioneer Logistic Hub, Westlite Tuas Avenue 2 (QBD) and Tuas Amenity Centre.

It is conveniently sited with easy road access to the Ayer Rajah Expressway (AYE) and Pan-Island Expressway (PIE) which facilitate access to other commercial, industrial and residential areas of the island. The property is well served by public transport network along Tuas Basin Link and Tuas Crescent. The Tuas Crescent MRT station (EW31) is located nearby.



9. SITE

The property is erected on a rectangular-shaped plot with a frontage of approximately 50 metres onto Tuas Basin Link and a depth of approximately 90 metres. The land is generally flat in contour and lies at the public road level. The site is enclosed by plastered brick boundary wall, chain-link fencing and a pair of metal gate.

Site improvements include a guard house, bin centre, driveway and vehicle parking lots.

10. BUILDING

The building is generally of reinforced concrete/steel frames construction with plastered brick in-fill walls, aluminium wall claddings, aluminium-framed tinted glass curtain wallings, aluminium louvres, reinforced concrete floors, reinforced concrete flat roof, and metal roofing sheets on steel roof trusses/purlins. There is a jack roof with fixed louvres running along the roof ridge to provide natural ventilation and lighting.

The 2nd storey is accessible via two reinforced concrete staircases.

11. ACCOMMODATION, FINISHES & FITTINGS

The accommodation within the building is generally as follows:

Level	Accommodation	Floor Loading (kN/m ²)	Ceiling Height (metres)	Current Maximum Electrical Load without provision for a new substation
1st Storey	Reception area, production area, store, training room, lunch room, rooms for installation of electrical equipment, male/female toilets	5-15	8	280 kVA/400 Amperes
2nd Storey	Production areas, office area, male/female toilets			

The finishes and fittings of the building are generally as follows:

Finishes & Fittings

Floors:	Ceramic tiles, cement sand screed
Walls:	Ceramic tiles, plastered and painted
Ceilings:	Suspended ceilings, plastered and painted
Windows:	Aluminium framed with tinted glass
Doors:	Glass, aluminium & timber framed glass, timber, aluminium louvre, electrically operated two-leaf bi-folding steel doors
Fittings:	Metal changing room lockers, fire hose reels, break-the-glass fire alarm system

12. PROPERTY CONDITION

The property was in a fairly good state of repair and maintenance as at the date of inspection. However, it should be noted that our inspection was not a structural survey of the building nor a testing of its service installations.

13. TITLE INVESTIGATION

We have carried out title search at the Singapore Land Authority. However, we have not scrutinised the original documents nor have we verified the existence of any amendments which do not appear in the documents available to us.

14. SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Company and have accepted advice given to us on such matters as the tenure, identification of property, occupancy, land/gross floor areas, encumbrances and all other relevant matters which can affect the value of the property. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and have no reason to suspect that any material information has been withheld.

15. OTHER INFORMATION

We understand that the property was acquired through a JTC tender at the Tender Land and Building Premium of S\$5,535,000. We further understand that the tender closed on 2 May 2023 and the Letter of Award was issued to the client on 30 June 2023.

16. VALUER

The property has been inspected and the valuation has been prepared by Mr. William Ng Hock Heng. Mr. William Ng is a Singapore Licensed Appraiser, Member of the Singapore Institute of Surveyors & Valuers and Member of the Royal Institution of Chartered Surveyors. He has more than 30 years' experience in the valuation of properties in Singapore.

17. BASIS OF VALUATION

“Fair Value” is defined under International Financial Reporting Standards 13 (IFRS 13) as follows:

“Fair Value” is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Our valuation has been undertaken in accordance with Chapter 5 of the Listing Rules and the International Valuation Standards (“IVS”) published by the International Valuation Standards Council (“IVSC”), where appropriate, and under generally accepted valuation procedures and practices.

18. METHOD OF VALUATION

The principal valuation approaches are the Market Approach, Income Approach and Cost Approach.

In arriving at the Fair Value as at 19 July 2023, we have adopted the Market Approach rather than the alternative valuation approaches, having considered (i) there are readily identifiable market comparables; (ii) the availability of reliable, verifiable and relevant recent market information; and (iii) as the Premises is a property renovated and leased by JTC by way of public tender, there is limited information to adopt the income approach and cost approach.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as size, time, tenure, location and so on.

The “Market Approach” is defined in 20.1 of IVS 105 Valuation Approaches and Methods, International Valuation Standards 2022 Edition, published by IVSC as follows:

“The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.”

In arriving at our valuation figure, our valuation is based on the recent sale transactions of comparable industrial properties in the vicinity as follows:-

Property Address	No. 18 Tuas Crescent Singapore 638712 ¹	No. 9 Tuas South Street 11 Singapore 636897 ²	No. 9 Tuas South Street 8 Singapore 636931 ³
Property Type	Factory	Factory	Factory
Land Area (sq.m./sq.ft.)	4,639.90/49,943.42 approximately	7,432.10/79,998.38 approximately	3,035.80/32,677.05 approximately
Approximate Gross Floor Area (sq.m./sq.ft.)	2,760.26/29,711.20	5,570.75/59,963.00	2,535.89/27,296.10
Tenure	Leasehold 20 years	Leasehold 21.42 years from 11/07/2014	Leasehold 23 years from 26/12/2012
Tender Land & Building Premium/ Transacted Price	S\$6,402,888	S\$9,000,000	S\$4,850,000
Unit Rate based on Gross Floor Area (S\$psf)	215.50	150.09	177.68
Date of Award/Date of Contract	31 May 2023	9 Jun 2023	13 Jul 2022
Adjustment Factors			
Size	Gross Floor Area larger than the property	Gross Floor Area larger than the property	Gross Floor Area larger than the property
Time	Same period	Same period	Upward adjustment due to rising market
Tenure	Similar with the property	Shorter tenure than the property	Shorter tenure than the property
Location	Slightly inferior than the property	Inferior than the property	Inferior than the property
Total Adjustments	+7.87%	+55.22%	+45.45%
Adjusted Unit Rate based on Gross Floor Area (S\$psf)	232.46	232.97	258.44
Average Unit Rate (S\$psf)	Weighted Average = S\$(232.46 + 232.97 + 258.44) / 3 = S\$241.29		
Fair Value	Fair Value = Average Unit Rate x Gross Floor Area of the property =S\$(241.29 x 23,081.90 square feet) = S\$5,569,432, approximately S\$5,600,000		

¹ Source: JTC Corporation

² Source: SISV-REALink CaveatPlus Professional

³ Source: SISV-REALink CaveatPlus Professional

In arriving at our valuation figure, we have identified and analysed various relevant sales evidence in the locality which have similar characteristic as the property on an exhaustive basis. The above adopted comparables are leasehold industrial factories located in Tuas district which are transacted in the years of 2022 and 2023. The unit rates of the adopted comparables range from S\$150.09 to S\$215.50 per square foot (“psf”) on the basis of Gross Floor Area (“GFA”). We have taken into consideration the prevailing market conditions and have made due adjustments for differences between the property and the comparables in terms of size, dates of transactions, tenure and location. After making the due adjustments, the adjusted unit rates of the comparables range from S\$232.46 to S\$258.44 psf on the basis of GFA. The three adjusted unit rates are assigned with the same weightage and represent a weighted average of S\$241.29 psf on the basis of GFA. We multiply the adjusted unit rate (S\$241.29) by the GFA of the property (23,081.90 sq.ft.) to arrive at the Fair Value of the property (approximately S\$5,600,000).

19. OPINION OF VALUE

Taking into consideration the relevant factors and the prevailing market conditions as at the date of valuation, we are of the opinion that the Fair Value of No. 5 Tuas Basin Link, Singapore 638759 based on the JTC lease term of 20 years with vacant possession and free from encumbrances as at 19 July 2023 is S\$5,600,000 (Singapore Dollars Five Million and Six Hundred Thousand Only).

Our report is subject to the attached Limiting Conditions.

We hereby certify that we have neither present nor prospective interest in the Company or the value reported.

Our Property Valuation of No. 5 Tuas Basin Link, Singapore 638759 is enclosed herewith.

Yours faithfully

On behalf of **ROBERT KHAN & CO PTE LTD**

William Ng Hock Heng

MRICS, MSISV

(Appraiser Licence No: AD041-2006500F)

PROPERTY VALUATION OF NO. 5 TUAS BASIN LINK SINGAPORE 638759

SUMMARY OF SALIENT FACTS AND OPINION

Date of Valuation:	19 July 2023
Date of Inspection:	19 July 2023
Purpose of Valuation:	Listing Rules disclosure
Property Type:	A 2-storey JTC Type C8 standard detached factory
Property Details:	Address: No. 5 Tuas Basin Link, Singapore 638759
	Legal Description: Lot No. 1942N, Mukim 7
	Private Lot No.: Lot No. 7016738, Mukim 7
	Land Area: 4,508.20 square metres approximately (48,525.8 square feet approximately)
	Gross Floor Area: 2,144.38 square metres approximately (23,081.9 square feet approximately)
	Tenure: JTC lease of 20 years commencing from 19 September 2023
	Authorised Use: Storage of building construction materials and equipment only
	Registered Lessor: JTC Corporation
	Registered Lessee: DHC Construction Pte. Ltd.
	Encumbrances: No encumbrances

Note: The above information is provided by the client

Occupancy: The property was vacant as at the date of inspection. However, we understand that the property will be for the lessee's own occupation.

Interest to be Valued: The valuation is to express an opinion of the Fair Value of the property interest based on the JTC lease term of 20 years as at the date of valuation.

Opinion of Value, based on the JTC lease term of 20 years with vacant possession and free from encumbrances as at 19 July 2023:

Fair Value: S\$5,600,000 (Singapore Dollars Five Million and Six Hundred Thousand Only)

LIMITING CONDITIONS

Conflict of Interest

We have done a conflict-of-interest check and to our best knowledge, we are not conflicted to undertake the assignment for the Company.

Valuation

The opinion expressed in this report applies strictly on the terms of and for the purpose expressed in this valuation. Hence, the value shall never be quoted out of context in connection with any other assessment.

The Valuer accepts no liability if his opinion is quoted without regard to the full background of the reason why this report is written.

No allowance has been made in our valuation for any mortgages, charges or amounts owing on the property or for any taxation or other expenses, which would be incurred in effecting a sale.

As we have not had an opportunity of inspecting the Title Deeds of the property, our valuation assumes that there are no adverse restrictive covenants, easements, rights of way or other factors which could serve to affect the value of the property and of which we have not been informed. It is recommended that the title details are verified by the Company's solicitors.

Values are reported in Singapore currency unless otherwise specified.

Goods and Services Tax have not been taken into account.

It is assumed that the property is not used in contravention of any planning or other regulations.

For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.

No requisition on road, MRT, LRT, drainage and other government proposals has been made. Such information will not be tendered unless specifically requested for and we be properly reimbursed.

Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions, and the services, for any new development. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

Valuation Data

Where it is stated in this report that information or data has been made known to the Valuer by another party, this information is believed to be reliable and he disclaims all responsibility if this should later prove not to be so.

Where information is given without reference to another party in this report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge.

Processed data inferences therefrom shall be taken as the Valuer's opinion and shall not be freely quoted without acknowledgement.

We reserve the right to review all calculations, recommendations and valuations in the light of any information which subsequently becomes known to us during the tenure of our appointment.

Structural Defects

While due care is taken to note defects in the course of inspection, no structural survey or engineering tests were made. No responsibility is assumed for the soundness of the structure or of the services.

Public Schemes and Services

Unless otherwise mentioned specifically in the report,

1. We have not carried out any requisitions and as such, we are not able to advise whether the property will be affected by any proposed public schemes. We suggest that requisitions be made to the relevant authorities. Public schemes include road widening, drainage reserves, MRT projects, conservation, etc.
2. Further, services such as water, electricity, telephone and modern water-borne sanitation are made available to the property.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

A. Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions which he was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Aggregate Long Positions in the Shares

Name of the Director	Capacity/Nature of interest	Number of Shares	Approximate percentage of issued Shares (Note 3)
Mr. Wang	Interest of controlled corporation ^(Note 1)	660,000,000	41.25%
Mr. Shi	Interest of controlled corporation ^(Note 2)	540,000,000	33.75%

Notes:

- These 660,000,000 Shares were held by Tower Point, which is wholly and beneficially owned by Mr. Wang. Accordingly, Mr. Wang is deemed to be interested in the Shares held by Tower Point by virtue of SFO.
- These 540,000,000 shares were held by Creative Value, which is wholly and beneficially owned by Mr. Shi. Accordingly, Mr. Shi is deemed to be interested in the Shares held by Creative Value by virtue of SFO.

3. The approximate percentage of issued Shares is based on a total of 1,600,000,000 Shares as at the Latest Practicable Date.

Aggregate Long Positions in the Shares of the Company's Associated Corporation

Name of the associated corporation	Name of the Director	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of issued shares of the associated corporation <small>(Note 2)</small>
Regal Haus <small>(Note 1)</small>	Mr. Wang	Beneficial Owner	269,500	26.95%
	Mr. Shi	Beneficial Owner	220,500	22.05%

Notes:

1. Regal Haus is a 51%-owned subsidiary of the Company and an associated corporation (within the meaning of Part XV of the SFO).
2. The approximate percentage of issued shares of Regal Haus is based on a total of 1,000,000 shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executives of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions which he was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

B. Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at the Latest Practicable Date, so far as it is known to the Directors and the chief executives of the Company, the interests and short positions of the persons, other than the Directors and the chief executives of the Company, and corporations in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Aggregate Long Positions in the Shares

Name of the substantial Shareholder	Capacity/Nature of interest	Number of Shares	Approximate percentage of issued Shares <i>(Note 3)</i>
Tower Point	Beneficial owner <i>(Note 1)</i>	660,000,000	41.25%
Creative Value	Beneficial owner <i>(Note 2)</i>	540,000,000	33.75%

Notes:

1. Tower Point is wholly and beneficially owned by Mr. Wang. Accordingly, Mr. Wang is deemed to be interested in the Shares held by Tower Point by virtue of SFO.
2. Creative Value is wholly and beneficially owned by Mr. Shi. Accordingly, Mr. Shi is deemed to be interested in the Shares held by Creative Value by virtue of SFO.
3. The approximate percentage of issued Shares is based on a total of 1,600,000,000 Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as it is known to the Directors and the chief executives of the Company, no person, other than the Directors and the chief executives of the Company, or corporation had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

3. DIRECTORS' POSITIONS HELD IN COMPANIES HAVING DISCLOSEABLE INTERESTS

Mr. Wang is the sole director of Tower Point and Mr. Shi is the sole director of Creative Value.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the Group's business.

6. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND ARRANGEMENTS

On 1 February 2023, Regal Haus (as landlord) and HPC Builders (as tenant) entered into a tenancy agreement, pursuant to which Regal Haus leased to HPC Builders a premise located at Level 4 to Level 7, 7 Kung Chong Road, HPC Building, Singapore 159144 to be used as the Group's office for a term of 14 months commencing from 1 February 2023 to 30 April 2024 (both days inclusive) with the monthly rental of S\$110,000.00. For further details, please refer to the announcement of the Company dated 1 February 2023.

Regal Haus is owned as to 51% by HPC Builders, 26.95% by Mr. Wang and 22.05% by Mr. Shi, respectively.

Saved as disclosed above, as at the Latest Practicable Date:

- (a) none of the Directors had any interest, direct or indirect, in any asset which had been acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group since 31 October 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up; and
- (b) none of the Directors was materially interested in any contract or arrangement subsisting as at the date of this circular and which was significant in relation to the business of the Group.

7. EXPERT'S QUALIFICATIONS AND CONSENTS

The following is the name and qualification of the expert who has given its opinions and advices which are included in this circular:

Name	Qualification
Robert Khan & Co Pte Ltd	Independent Valuer

The expert above has given and has not withdrawn its written consent to the issue of this circular, with the inclusion herein of its report and the references to its name in the form and context in which they are respectively included.

As at the Latest Practicable Date, the expert above did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the expert above did not have any interest, direct or indirect, in any asset which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 October 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 October 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

9. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claim of material importance, and so far as the Directors were aware of, no litigation or claim of material importance was pending or threatened against any member of the Group.

10. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) were entered into by the members of the Group within the two years immediately preceding the issue of this circular and are or may be material:

- (a) the option to purchase dated 25 April 2022 with terms set up and offered by HPC Builders (as vendor) to Hup Leong Hardware Industry Co. (as purchaser), which accepted the said option on 9 May 2022, in respect of the sale and purchase of the property located at 56 Loyang Way, #01-08 Loyang Enterprise Building, Singapore 508775 at the total cash consideration of S\$1,850,000.00, details of which are disclosed in the announcement of the Company dated 10 May 2022 and the supplemental announcement of the Company dated 1 June 2022;
- (b) the option to purchase dated 18 July 2022 with terms set up and offered by HPC Builders (as vendor) to Mr. Wong Mum Summ (as purchaser), who accepted the said option on 18 July 2022, in respect of the sale and purchase of the property located at 211 Henderson Road #02-01 Singapore 159552 at the total cash consideration of S\$3,920,106.00, details of which are disclosed in the announcement of the Company dated 18 July 2022; and
- (c) the Acceptance Letter, details of which are contained in this circular.

11. MISCELLANEOUS

- (a) The registered office of the Company in the Cayman Islands is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

- (b) The headquarter and the principal place of business of the Company in Singapore is situated at 7 Kung Chong Road, HPC Building, Singapore 159144.
- (c) The principal place of business of the Company in Hong Kong is situated at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) Ms. Chan Yin Wah, the company secretary of the Company, is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute and also a fellow member of the Association of Chartered Certified Accountants.
- (f) In the case of inconsistency, the English text of this circular shall prevail over its Chinese text.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and on the website of the Company (<http://www.hpc.sg>) for a period of 14 days from the date of this circular:

1. the Lease Offer;
2. the Acceptance Letter;
3. the valuation report prepared by Robert Khan & Co Pte Ltd, the text of which is set out in Appendix II to this circular;
4. the written consents referred to in the section headed "Expert's Qualifications and Consents" of this appendix;
5. the material contracts referred to in the section headed "Material Contracts" of this appendix;
6. the memorandum and articles of association of the Company;
7. the annual reports of the Group for the financial years ended 31 October 2020, 2021 and 2022; and
8. this circular.