

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the **HPC Holdings Limited**, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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HPC Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1742)

CONNECTED TRANSACTION AWARD OF PROJECT BY REGAL HAUS TO DHC CONSTRUCTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Advisor to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 4 to 15 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on page 16 of this circular. A letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 26 of this circular.

A notice convening the EGM of the Company to be held at Block 165, Bukit Merah Central, #08-3687 Singapore 150165 on Thursday, July 18, 2019 at 10:00 a.m. is set out on pages 32 to 33 of this circular.

A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you are intending to attend and vote at the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the EGM or any adjournment thereof if they so wish and in such event, the proxy form shall be deemed to be revoked.

June 28, 2019

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	16
LETTER FROM GRAM CAPITAL	17
APPENDIX – GENERAL INFORMATION	27
NOTICE OF EXTRAORDINARY GENERAL MEETING	32

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise.

“2018 Announcement”	the announcement of the Company dated July 13, 2018
“2019 Announcement”	the announcement of the Company dated May 7, 2019
“Agreement”	the share acquisition and shareholders agreement dated July 12, 2018 entered into between HPC Builders, Mr. Wang and Mr. Shi
“Announcements”	the 2019 Announcement and the Supplemental Announcement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	HPC Holdings Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“DHC Construction”	DHC Construction Pte. Ltd., a private limited company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Block 165, Bukit Merah Central, #08-3687 Singapore 150165 on Thursday, July 18, 2019 at 10:00 a.m., or any adjournment thereof
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Letter of Award and the transaction contemplated thereunder, details of which are set out in the letter from the Board on pages 17 to 26 of this circular

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HPC Builders”	HPC Builders Pte. Ltd., a private limited company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the transaction contemplated under the Letter of Award
“Independent Shareholder(s)”	shareholder(s), other than Mr. Wang and Mr. Shi, and their respective associates and any shareholder with a material interest in the Letter of Award
“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
“JTC Corporation”	JTC Corporation, a government agency under the Singapore Ministry of Trade and Industry, which is responsible for the development of industrial infrastructure to support and catalyse the growth of industries and enterprises in Singapore
“Latest Practicable Date”	June 27, 2019 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Letter of Award”	the letter of award dated May 7, 2019 entered into between Regal Haus and DHC Construction
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Mr. Shi”	Mr. Shi Jianhua, the chief operations officer, executive Director and a controlling shareholder of the Company
“Mr. Wang”	Mr. Wang Yingde, the chairman, chief executive officer, executive Director and a controlling shareholder of the Company
“Project”	the erection of a six storey single user industrial building with one level of mezzanine office and one level of basement carpark comprising of ancillary office and display area on the Property
“Property”	a property located at lots 00271M & 00272W of Mukim 1 at 7 Kung Chong Road Singapore 159144
“Regal Haus”	Regal Haus Pte. Ltd., a private limited company incorporated in Singapore which is owned as to 51.00% by the Company, 26.95% by Mr. Wang and 22.05% by Mr. Shi, respectively
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of HK\$0.01 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Announcement”	the announcement of the Company dated May 17, 2019
“S\$”	Singapore dollars, the lawful currency of the Republic of Singapore
“%”	percent

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

Ms. Ng King Wai Diana

Mr. Ong Toon Lian

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

40th Floor, Sunlight Tower

No. 248 Queen's Road East

Wanchai

Hong Kong

June 28, 2019

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION AWARD OF PROJECT BY REGAL HAUS TO DHC CONSTRUCTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcements. As disclosed in the 2019 Announcement, after going through the open tender process, Regal Haus, an indirect non-wholly-owned subsidiary of the Company, and DHC Construction, an indirectly wholly-owned subsidiary of the Company, entered into the Letter of Award on May 7, 2019 (after trading hours), pursuant to which Regal Haus agreed to award the Project to DHC Construction for a total contract sum of S\$6,806,725 (excluding goods and services tax).

The purpose of this circular is to provide you with, among others, (a) further details of the Letter of Award and the transaction contemplated thereunder; (b) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders on the terms of the Letter of Award and a letter from the Independent Board Committee to the Independent Shareholders on the same and its recommendation on voting, together with (c) the notice of EGM.

LETTER FROM THE BOARD

THE LETTER OF AWARD

The principal terms of the Letter of Award are based on standard terms of contracts used in the construction industry in Singapore and in line with other construction contracts entered into by the Company and the Independent Third Parties, and other key information related to the Letter of Award are summarized below:

Date	:	May 7, 2019 (after trading hours)
Parties	:	(i) Regal Haus (ii) DHC Construction
Subject matter	:	Pursuant to the Letter of Award, Regal Haus agreed to award the Project to DHC Construction for a term of 15 months commencing from the date of letter of approval for structural design and permit application from Singapore Building Construction Authority (the "BCA"). It is currently planned that the structural design and permit application will be submitted to the BCA for structural plan approval and permission to commence structural works by July 2019 after the clearance from JTC Corporation is issued, and the approval is expected to be granted by August 2019.
Total contract Sum	:	The total contract sum is fixed at S\$6,806,725 (excluding goods and services tax), out of which S\$5,445,380 (being 80% of the contract sum) will be financed by external bank loan obtained by Regal Haus and the remaining portion to be financed by HPC Builders, Mr. Wang and Mr. Shi, being shareholders of Regal Haus, in proportion to their respective shareholdings in Regal Haus by way of capital contribution/shareholders loan, in the amounts of S\$694,286, S\$366,882 and S\$300,177, respectively, which is expected to be made in September 2019 when the piling work starts.

LETTER FROM THE BOARD

No adjustment on the contract sum will be allowed for fluctuation in the costs of labour (including overtime work), materials, equipment and/or services that may occur during the contract period under the Letter of Award. To the best knowledge of the Directors, it is commonplace arrangement in the Singapore construction market for projects entered into between owners and contractors not to allow adjustments of contract sum due to fluctuations in the costs of labour, materials, equipment and/or services during the contract period. For instance, for other construction contracts entered into between the Group and its customers in which the Group act as contractor, the contract sum are typically a fixed amount and no adjustments will be allowed for fluctuations in the costs without the specific consent of the customers.

To the best knowledge of the Directors, no material fluctuation in the costs is expected given that (i) the contract sum was determined based on DHC Construction's assessment of the costs with reference to the existing market price and quotations from the suppliers and subcontractors; and (ii) DHC Construction will control its costs by fixing the price with major suppliers and subcontractors throughout the contract period of the Project in the subcontracts. However, any material changes regarding the timing on the entering into the subcontracts may affect the material costs which may result in the fluctuation in the costs to be borne by DHC Construction and/or its subcontractors.

**Payment
schedule**

- : Payment of contract sum shall be made according to the actual progress of the Project by reference to a master program list, which will set out a detailed timetable for different types of works under the Project. To the best knowledge of the Directors, monitoring progress of a construction project by reference to a master program list is a typical measure and prevalent practice for construction projects in Singapore.

Progress claim should be submitted on a monthly basis. Period of honouring certificate shall be 35 days from receipt of interim certificate of payment by Regal Haus.

The final payment claim shall be served within 14 days of the latter of (a) the occurrence of either the issuance of the maintenance certificate or (b) the receipt of the statement of the final account by DHC Construction.

LETTER FROM THE BOARD

Basis of contract sum : The contract sum was determined by DHC Construction based on the budget of the Project prepared by its in-house qualified quantity surveyor, its own assessment of the costs with reference to the existing market price and quotations from the suppliers and subcontractors and an expected reasonable gross profit margin of the Project which is comparable to and within the range of gross profit margin of other comparable construction projects undertaken by the Group in the year of 2018 and as of March 2019.

The contract sum tendered by DHC Construction was the lowest among all three tenders received by Regal Haus under the open tender process under which Regal Haus can pay the lowest contract sum and DHC Construction can generate revenue from the Project. In contrast, if Regal Haus was to award the Project to the other bidders, not only would Regal Haus need to pay a higher contract sum, the Group would also not be able to generate any revenue from the Project. To the best knowledge of the Directors, the two other bidders who submitted tenders were Independent Third Parties.

The Directors, after considering the aforementioned factors and taking into account that (i) the gross profit margin of the construction projects undertaken by the Group as of May 2019 (being the time of the Letter of Award was entered) is lower than that of the construction projects undertaken by the Group in the year of 2018 (except for one construction project which incurred gross loss); (ii) the Group's operations were greatly affected with declining gross profit margins during the financial year ended October 31, 2018; and (iii) for the purpose of making gross profit, it is justifiable for DHC Construction to undertake the Project with an expected reasonable gross profit margin slightly lower than another construction project undertaken by it in March 2019, are of the opinion that the contract sum is on normal commercial terms and fair and reasonable despite the contract sum tendered by DHC Construction was the lowest among all three tenders received by Regal Haus.

Material terms : DHC Construction shall, in its capacity as main contractor of the Project, be responsible for redeveloping the Property into a six storey industrial building.

LETTER FROM THE BOARD

DHC Construction shall submit a performance and insurance bond obtained from an approved insurance company with the amount of S\$680,672.5 (representing 10% of the total contract sum) which shall be returned to DHC Construction upon issuance of certificate of completion. The submission of performance and insurance bond by the contractor is a surety to ensure the contractor will complete the project, which is market norm in the Singapore construction industry. By way of illustration, the Group will require all contractors to submit performance and insurance bond for all projects.

DHC Construction shall provide Regal Haus with a maintenance period of 12 months from the date of issuance of certificate of completion.

In the event of any delay of the Project and an extension of time cannot be agreed by DHC Construction and Regal Haus, DHC Construction shall pay the liquidated damages of S\$13,600 per day (approximately 0.2% of the total contract sum) to Regal Haus, which damages will apply to the delay of completion of the entire Project within the contract period which is expected to end in November 2020.

CONSTRUCTION SCHEDULE OF THE PROJECT AND CURRENT STATUS

The construction schedule of the Project is as follows:

- (a) soil investigation and issuance of relevant report be completed by June 2019;
- (b) preliminary structural design be completed by August 2019;
- (c) commencing on piling work in September 2019; and
- (d) completion of the entire Project by November 2020.

As at the Latest Practicable Date, DHC Construction was in the course of applying for consent from JTC Corporation for the approval of work plan which is a mandatory requirement for similar projects in Singapore. Once the clearance from JTC Corporation is issued, application to the Urban Redevelopment Authority for planning permission, and the structural design and application to the BCA for structural plan approval and permission to commence structural works will be made.

LETTER FROM THE BOARD

FURTHER DETAILS OF THE EXTERNAL BANK LOAN OBTAINED BY REGAL HAUS

The principal terms of the external bank loan obtained by Regal Haus for the contract sum under the Letter of Award are summarized below:

Amount : S\$5,445,380 (being 80% of the contract sum) to be disbursed upon the commencement of construction works

Term : 15 years from the date of first drawdown of the loan (the “**TL2 Final Maturity Date**”)

Interest/ commission : 1% per annum above the Singapore Interbank Offered Rate (“**SIBOR**”) for interest period of one or two months for the first year and 1.25% per annum above SIBOR for interest period of one or two months for the second year onwards.

The interest period of one or two months provides an option to Regal Haus to change the interest payment instalment (subject to agreement of the bank) from a monthly basis (being the current practice) to every two months.

Interest period : One or two months or any other period agreed to by the bank.

The first interest period will commence on the disbursement date of the loan and each subsequent interest period will commence on the expiry of its preceding interest period.

Use of loan : Unless otherwise permitted by the bank, the loan can be utilized for the redevelopment of the Project in Singapore only

Repayment : Interest on the loan shall be payable on a monthly basis until one month after the date of issuing temporary occupation permit for the Project/Property or April 30, 2021, whichever is the earlier (the “**Moratorium Period**”);

The loan principal shall be repayable by monthly installments of such amounts each as may be determined by the bank from time to time based on the actual loan amount disbursed, together with interest thereon;

The first instalment of principal shall be repaid one month after the Moratorium Period and each subsequent repayment of principal together with interest thereon shall be repaid at monthly intervals from that date; and

The loan is to be fully repaid and canceled on the TL2 Final Maturity Date.

LETTER FROM THE BOARD

FURTHER INFORMATION REGARDING THE REGAL HAUS AND PROPERTY

Background regarding the acquisition of the Regal Haus

As disclosed in the 2018 Announcement, HPC Builders, Mr. Wang and Mr. Shi entered into the Agreement, pursuant to which HPC Builders agreed to acquire from Mr. Wang and Mr. Shi, 28.05% and 22.95% interests in Regal Haus, respectively, which is an investment holding company incorporated in Singapore, for considerations of S\$280,500 and S\$229,500, respectively, totaling S\$510,000, which was settled on July 12, 2018. The consideration under the Agreement was determined after arm's length negotiations between the parties with reference to the paid-up capital of Regal Haus of S\$1,000,000 as at the time of entering into the Agreement. Upon the completion of the Agreement and as at the Latest Practicable Date, Regal Haus is owned as to 51% by the Company, 26.95% by Mr. Wang and 22.05% by Mr. Shi, respectively. The Company has no current intention to acquire further equity interest in Regal Haus within the next 12 months from the Latest Practicable Date.

Background regarding the acquisition of the Property

As disclosed in the Supplemental Announcement, Mr. Wang received an option contract dated August 21, 2017 (the "**Option**") from Singapore Gems & Metals Co (Pte.) Ltd. (the "**Vendor**") in relation to the sale of the Property. The Vendor is a private limited company incorporated in Singapore whose principal business is manufacturing and sales of gems and jewellery. To the best of the knowledge, information and belief of the Board and having made all reasonable enquires, the Vendor and its ultimate beneficial owner are Independent Third Parties of the Company and its connected persons.

Such Option was assigned to Regal Haus in September 2017 and Regal Haus signed the letter of acceptance and settled the deposit on September 4, 2017. The acquisition of the Property by Regal Haus was completed in accordance with the Option at a consideration of S\$13,500,000 (excluding goods and services tax) which was determined based on arm's length negotiations between the parties in the open market with reference to the historical and the then prevailing market price of similar properties in surrounding area. Such acquisition constituted a discloseable transaction of the Company under the Listing Rules, details of which have been set out in the 2018 Announcement. At the time of the acquisition of the Property, Regal Haus intended to redevelop the Property with an estimated re-development costs of S\$7,500,000 as stated in the 2018 Announcement.

Payment of consideration

The consideration under the Option was settled by cash on February 12, 2019, and a certificate of title reflecting the change of the registered and beneficial owner of the Property was obtained by Regal Haus on February 19, 2019. The above-mentioned consideration was initially funded by HPC Builders, Mr. Wang and Mr. Shi, being shareholders of Regal Haus, in proportion to their respective shareholdings in Regal Haus through shareholders' loan, in the amounts of S\$6,885,000, S\$3,638,250 and S\$2,976,750 respectively, of which 80% of the aggregate amount (being S\$10,800,000) was subsequently replaced by external bank borrowings in May 2019.

LETTER FROM THE BOARD

The principal terms of the external bank borrowings are summarized below:

Amount : S\$10,800,000 or 80% of the market value or 80% of the consideration under the Option, which is the lowest, the entire amount of which has been disbursed as at the Latest Practicable Date

Term : 15 years from the date of first drawdown of the loan ("**TL1 Final Maturity Date**")

Interest/ commission : 1% per annum above the SIBOR for interest period of one or two months for the first year and 1.25% per annum above the SIBOR for interest period of one or two months for the second year onwards.

The interest period of one or two months provides an option to Regal Haus to change the interest payment instalment (subject to agreement of the bank) from a monthly basis (being the current practice) to every two months.

Interest period : One or two months or any other period agreed to by the bank.

The first interest period will commence on the disbursement date of the loan and each subsequent interest period will commence on the expiry of its preceding interest period.

Use of loan : Unless otherwise permitted by the external bank, the loan can be utilized for the purchase of the Property in Singapore only.

Repayment : The loan principal is repayable by 180 monthly instalments of such amount as may be determined by the bank from time to time based on actual loan amount disbursed, together with interest thereon;

The first instalment of principal together with interest thereon shall be repaid one month after the disbursement date and each subsequent repayment of principal together with interest thereon shall be repaid at monthly intervals from that date; and

The loan is to be fully repaid and cancelled on the TL1 Final Maturity Date.

LETTER FROM THE BOARD

Valuation of the Property

A Star Valuer Pte. Ltd. (the “**Valuer**”), an independent valuer, was engaged by the Company to conduct an appraisal of the market value of the Property for the Board’s reference. Pursuant to the valuation report of the Property issued by the Valuer dated July 23, 2018 (the “**Valuation Report**”), the Property was valued at S\$15,000,000 as at the date of the Valuation Report. There is no substantial changes to the status of the Property and the valuation of the Property after the date of the Valuation Report of July 23, 2018. As stated in the Valuation Report, the Property was valued on a market value basis by using residual method, income capitalization approach and direct comparison method (cross check). The Valuation Report was made on the assumption that the Property is free of any public schemes such as road improvements etc. The Valuation Report was prepared and arranged after the date of the share acquisition and shareholders agreement which was dated July 12, 2018 to document and record the latest market value of the Property for the Company’s reference. To the best of the Directors’ knowledge, the Valuation Report was not updated or revised after July 23, 2018.

REASONS FOR AND BENEFITS OF THE LETTER OF AWARD

The Group is principally engaged in provision of general building and civil engineering works in the construction industry in Singapore. Regal Haus and DHC Construction are both subsidiaries of the Company. Regal Haus intends to redevelop the Property into a training center, a research and design center and certain storage rooms, upon completion of which, approximately 70% of the total floor area of the redeveloped building will be used by the Group and balance of the approximately 30% of the total floor area of the redeveloped building will be leased out to other tenants whose principal business include training, research and design or storage. As at the Latest Practicable Date, the Group has not entered into any lease agreements or had any discussion with any party in relation to the proposed lease of the redeveloped building. The Directors consider that entering into of the Letter of Award between Regal Haus and DHC Construction is a further step towards implementation of such plan. In addition, considering the Group’s rich experience in the Singapore construction industry, the Directors believe that DHC Construction, a wholly-owned subsidiary, completely capable to execute the redevelopment plan of the Property.

The Directors (including the independent non-executive Directors after considering the advice from Gram Capital), having made all reasonable and due inquiries, after taking into account that the material terms of the Letter of Award are standard terms used in the construction industry in Singapore and in line with other construction contracts entered into by the Company and the Independent Third Parties, are of the opinion that the terms of the Letter of Award are fair and reasonable, the Letter of Award and the transaction contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of the business of the Group and are in the interests of the Company and its shareholders as a whole. To the best knowledge of the Directors, there is no disadvantage expected for the Company in relation to the Letter of Award.

LETTER FROM THE BOARD

INFORMATION ON THE DHC CONSTRUCTION AND REGAL HAUS

DHC Construction is principally engaged in provision of general building and civil engineering works in the construction industry in Singapore.

Regal Haus is an investment holding company incorporated in Singapore.

LISTING RULES IMPLICATIONS

Regal Haus is an indirect non-wholly owned subsidiary of the Company. As at the Latest Practicable Date, Regal Haus is owned as to 51% by the Company, 26.95% by Mr. Wang and 22.05% by Mr. Shi, respectively. Mr. Wang and Mr. Shi are both executive Directors and the controlling shareholders of the Company with 41.25% and 33.75% interest in the Company, respectively. As Regal Haus is a connected subsidiary thus a connected person of the Company under the Listing Rules, the transaction contemplated under the Letter of Award constitutes a connected transaction under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Project is more than 5%, the transaction contemplated under the Letter of Award is subject to the reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the transaction contemplated under the Letter of Award is of a revenue nature and in the ordinary and usual course of business of the Group, it is exempted from the requirements of Chapter 14 of the Listing Rules.

NOTICE OF EGM AND SHAREHOLDERS' APPROVAL

Set out on pages 32 to 33 of this circular is the notice of EGM at which, inter alia, ordinary resolutions will be proposed to shareholders to consider and approve the Letter of Award.

In relation to the Letter of Award, the Board has passed the relevant resolutions of the proposals to be submitted to the shareholders for consideration and approval. Mr. Wang, the chairman, chief executive officer, executive Director and a controlling shareholder of the Company, and Mr. Shi, the chief operations officer, executive Director and a controlling shareholder of the Company, are deemed to have material interests in the Letter of Award and have abstained from voting on the resolution in respect of such of the Board meeting. Save for the above, no Directors are interested or deemed to have material interests in the above transaction. In addition, no Directors have abstained from voting on the other Board resolutions as set out in this circular.

Pursuant to the Listing Rules, any shareholder who has a material interest in the Letter of Award is required to abstain from voting on the relevant resolution at the EGM. Both Mr. Wang and Mr. Shi are deemed to have material interests in the Letter of Award. Accordingly, Mr. Wang, Mr. Shi and their respective associates who are shareholders of the Company, namely, Tower Point Global Limited (who holds approximately 41.25% of the

LETTER FROM THE BOARD

issued share capital of the Company) ("**Tower Point**") and Creative Value Investments Limited (who holds approximately 33.75% of the issued share capital of the Company) ("**Creative Value**") are required to abstain from voting for the resolution approving the Letter of Award and the transactions contemplated thereunder at the EGM. Save as disclosed above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no other shareholder is required to abstain from voting in respect of the resolution relating to the Letter of Award at the EGM.

FORM OF PROXY

A form of proxy for use at the EGM is enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the EGM or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish and in such event, the proxy form shall be deemed to be revoked.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66(1) of the Articles of Association, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the extraordinary general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of EGM will be taken by way of poll.

On a poll, every shareholder present in person or by proxy or in the case of a shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

RECOMMENDATION

The Board is of the opinion that the terms of the Letter of Award are fair and reasonable, on normal commercial terms, the Letter of Award and the transaction contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of the business of the Group and are in the interests of the Company and its shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors after considering the advice from Gram Capital as set out on pages 17 to 26), recommended the shareholders to vote in favor of all the resolutions to be proposed at the EGM to approve the Letter of Award and the transaction contemplated thereunder.

LETTER FROM THE BOARD

The Independent Board Committee, comprising of all of the independent non-executive Directors, has been formed to advise the Independent Shareholders and Gram Capital has been appointed as the Independent Financial Adviser to advise both the Independent Board Committee and the Independent Shareholders in respect of the Letter of Award and the transaction contemplated thereunder.

You are advised to pay attention to the letter from the Independent Board Committee as set out on page 16, the Letter from Gram Capital as set out on pages 17 to 26, and other information as set out in the appendix in this circular.

The Independent Board Committee, having taken into account the advice and recommendation of Gram Capital, is of the view that the terms of the Letter of Award are on normal commercial terms and are fair and reasonable, the Letter of Award and the transaction contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of the business of the Group and are in the interests of the Company and its shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favor of the resolution to be proposed at the EGM to approve the Letter of Award and the transaction contemplated thereunder.

CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from Monday, July 15, 2019 to Thursday, July 18, 2019, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, July 12, 2019.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter of advice from the Independent Board Committee setting out their recommendation to the Independent Shareholders for the purpose of inclusion in this circular.

HPC Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1742)

June 28, 2019

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION AWARD OF PROJECT BY REGAL HAUS TO DHC CONSTRUCTION

We refer to the circular dated June 28, 2019 of the Company (the “Circular”), of which this letter forms a part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context requires otherwise.

We have been appointed by the Board as the Independent Board Committee to advise you as to whether the terms of the Letter of Award are fair and reasonable, the Letter of Award and the transaction contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of the business of the Group and are in the interests of the Company and its shareholders as a whole.

Gram Capital has been appointed by the Company as the Independent Financial Adviser to advise us and you as to such matters. Details of the advice, together with principal factors and reasons considered in arriving at such advice are set out in the letter from Gram Capital as set out on pages 17 to 26 of the Circular.

Your attention is also drawn to the letter from the Board as set out on pages 4 to 15 and the letter from Gram Capital as set out on pages 17 to 26 of the Circular.

Having considered the information as set out in the letter from the Board, the interests of the Independent Shareholders and the advice and recommendations from Gram Capital, we believe the terms of the Letter of Award are fair and reasonable, the Letter of Award and the transaction contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of the business of the Group and are in the interests of the Company and its shareholders as a whole. Therefore, we recommend the Independent Shareholders to vote in favour of the resolution(s) on the Letter of Award and the transaction contemplated thereunder at the EGM.

Yours faithfully
Independent Board Committee
HPC Holdings Limited
Independent Non-executive Directors
Zhu Dong, Leung Wai Yip
Ng King Wai Diana, Ong Toon Lian

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Letter of Award for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

28 June 2019

*To: The independent board committee and the independent shareholders
of HPC Holdings Limited*

Dear Sir/ Madam,

CONNECTED TRANSACTION AWARD OF PROJECT BY REGAL HAUS TO DHC CONSTRUCTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transaction contemplated under the Letter of Award, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 28 June 2019 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, Regal Haus, an indirect non-wholly-owned subsidiary of the Company, intends to redevelop the Property into a training center, a research and design center and certain storage rooms, upon completion of which, part of the redeveloped building will be used by the Group and the remaining portion of the redeveloped building will be leased out to other tenants.

On 7 May 2019, Regal Haus and DHC Construction, an indirectly wholly-owned subsidiary of the Company, entered into the Letter of Award, pursuant to which Regal Haus agreed to award the Project to DHC Construction for a total contract sum of S\$6,806,725 (excluding goods and services tax).

With reference to the Board Letter, the transaction contemplated under the Letter of Award constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular and independent shareholders’ approval requirements of the Listing Rules.

LETTER FROM GRAM CAPITAL

The Independent Board Committee comprising Mr. Zhu Dong, Mr. Leung Wai Yip, Ms. Ng King Wai Diana and Mr. Ong Toon Lian (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Letter of Award are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Letter of Award and the transaction contemplated thereunder are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Letter of Award and the transaction contemplated thereunder at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Letter of Award. We consider that we have taken sufficient and necessary steps (including review of the Group's consolidated financial information for the two years ended 31 October 2018, the Letter of Award, the tender submissions for the Project, the Comparable Contracts (as defined below) and information on the Previous Construction Projects (as defined below)) on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The 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 Company. The Directors, having made

LETTER FROM GRAM CAPITAL

all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the 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 therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Regal Haus, DHC Construction or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of entering into of the Letter of Award. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Letter of Award, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for entering into of the Letter of Award

Information on the Group

The Group is principally engaged in general building and civil engineering construction works in Singapore. In Singapore, the Group provides construction works as main contractor as well as subcontractor for both the public and private sectors. The Group's main contractor works primarily relate to design and build projects for commercial and industrial buildings such as logistics and warehouses facilities, factories, offices, workshops and car parks whilst the Group's subcontractor works mainly relate to upgrading of government-built flats and construction of train stations, schools, factories and highways.

LETTER FROM GRAM CAPITAL

Set out below are the consolidated financial information of the Group for the two years ended 31 October 2018 as extracted from the Company's annual report for the year ended 31 October 2018 (the "2018 Annual Report"):

	For the year ended 31 October 2018 S\$'000	For the year ended 31 October 2017 S\$'000	Change from 2017 to 2018 %
Revenue	228,630	201,075	13.70
Gross profit	24,658	39,798	(38.04)
Profit and total comprehensive income	13,715	27,324	(49.81)

As depicted from the above table, the Group's revenue for the year ended 31 October 2018 ("FY2018") increased by approximately 13.70% as compared to that for the year ended 31 October 2017 ("FY2017"). Despite the aforesaid increase in the Group's revenue, the Group's gross profit for FY2018 decreased significantly by approximately 38.04% as compared to FY2017 as a result of higher cost of sales. The Group's gross profit margin dropped from approximately 19.79% for FY2017 to approximately 10.79% for FY2018. The Group's profit and total comprehensive income for FY2018 also decreased significantly by approximately 49.81% as compared to that for FY2017, mainly as a result of lower gross profit.

With reference to the 2018 Annual Report and as advised by the Directors, amid the gloomy outlook on global economy, demand for construction industry in Singapore remained weak and competitive. Contractors had also competed aggressively for dwindling construction demand by slashing down tender prices even when prices for construction material and labour cost are on a rising trend. The Group's operations were greatly affected with declining gross profit margins. Gross profit margins for the Group's general building construction segment almost halved from 19.2% for FY2017 to 9.9% for FY2018.

With reference to the 2018 Annual Report, the Group will persist in increasing its participation in new project tenders in different sectors to include corporate offices, institutional buildings and civil engineering works in order to secure more projects and to remain competitive and actively involved in the local construction market.

LETTER FROM GRAM CAPITAL

Information on the DHC Construction and Regal Haus

With reference to the Board Letter, DHC Construction, an indirect wholly-owned subsidiary of the Company, is principally engaged in provision of general building and civil engineering works in the construction industry in Singapore.

With reference to the Board Letter, Regal Haus, an indirect non-wholly-owned subsidiary of the Company, is an investment holding company incorporated in Singapore.

2. Reasons for and benefit of the Letter of Award

With reference to the Board Letter, Regal Haus intends to redevelop the Property into a training center, a research and design center and certain storage rooms, upon completion of which, approximately 70% of the total floor area of the redeveloped building will be used by the Group and balance of the approximately 30% of the total floor area of the redeveloped building will be leased out to other tenants whose principal business include training, research and design or storage. The Directors consider that entering into the Letter of Award between Regal Haus and DHC Construction is a further step towards implementation of such plan. In addition, considering the Group's rich experience in the Singapore construction industry, the Directors believe that DHC Construction is completely capable to execute the redevelopment plan of the Property.

In addition, we were advised by the Directors that entering into of the Letter of Award between Regal Haus and DHC Construction (instead of procuring external third party contractor) can utilise the Group's expertise to implement the redevelopment plan with better quality control and cost control.

In view of (i) the foregoing reasons for and benefits of entering into of the Letter of Award; and (ii) that the Group is principally engaged in general building and civil engineering construction works in Singapore, we concur with the Directors that transaction contemplated under the Letter of Award is conducted in the ordinary and usual course of business of the Company and is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Letter of Award

Set out below are the principal terms of the Letter of Award as extracted from the Board Letter:

Date: 7 May 2019

Parties: (i) Regal Haus

(ii) DHC Construction

LETTER FROM GRAM CAPITAL

Subject matter: Pursuant to the Letter of Award, Regal Haus agreed to award the Project to DHC Construction for a term of 15 months commencing from the date of letter of approval for structural design and permit application from the BCA (the “**Contract Term**”). It is currently planned that the structural design and permit application will be submitted to the BCA for structural plan approval and permission to commence structural works by July 2019 after the clearance from JTC Corporation is issued, and the approval is expected to be granted by August 2019.

Total contract sum: The total contract sum is fixed at S\$6,806,725 (excluding goods and services tax), out of which S\$5,445,380 (being 80% of the contract sum) will be financed by external bank loan obtained by Regal Haus and the remaining portion to be financed by HPC Builders, Mr. Wang and Mr. Shi, being shareholders of Regal Haus, in proportion to their respective shareholdings in Regal Haus by way of capital contribution/shareholders loan, in the amounts of S\$694,286, S\$366,882 and S\$300,177, respectively, which are expected to be made in September 2019 when the piling work starts.

No adjustment on the contract sum will be allowed for fluctuation in the costs of labour (including overtime work), materials, equipment and/or services that may occur during the contract period under the Letter of Award. To the best knowledge of the Directors, it is commonplace arrangement in the Singapore construction market for projects entered into between owners and contractors not to allow adjustments of contract sum due to fluctuations in the costs of labour, materials, equipment and/or services during the contract period. For other construction contracts entered into between the Group and its customers in which the Group act as contractor, the contract sum are typically a fixed amount and no adjustments will be allowed for fluctuations in the costs without the specific consent of the customers.

LETTER FROM GRAM CAPITAL

To the best knowledge of the Directors, no material fluctuation in the costs is expected. However, any material changes regarding the timing on the entering into the subcontracts may affect the material costs which may result in the fluctuation in the costs to be borne by DHC Construction and/or its subcontractors.

Payment schedule:

Payment of contract sum shall be made according to the actual progress of the Project by reference to a master program list, which will set out a detailed timetable for different types of works under the Project. To the best knowledge of the Directors, monitoring progress of a construction project by reference to a master program list is a typical measure and prevalent practice for construction projects in Singapore.

Progress claim should be submitted on a monthly basis. Period of honouring certificate shall be 35 days from receipt of interim certificate of payment by Regal Haus.

The final payment claim shall be served within 14 days of the latter of (a) the occurrence of either the issuance of the maintenance certificate or (b) the receipt of the statement of the final account by DHC Construction.

Material terms ("**Other
Material Terms**"):

DHC Construction shall, in its capacity as main contractor of the Project, be responsible for redeveloping the Property into a six storey industrial building.

DHC Construction shall submit a performance and insurance bond obtained from an approved insurance company with the amount of S\$680,672.5 (representing 10% of the total contract sum) which shall be returned to DHC Construction upon issuance of certificate of completion. The submission of performance and insurance bond by the contractor is a surety to ensure the contractor will complete the project, which is market norm in the Singapore construction industry. By way of illustration, the Group will require all contractors to submit performance and insurance bond for all projects.

LETTER FROM GRAM CAPITAL

DHC Construction shall provide Regal Haus with a maintenance period of 12 months from the date of issuance of certificate of completion.

In the event of any delay of the Project and an extension of time cannot be agreed by DHC Construction and Regal Haus, DHC Construction shall pay the liquidated damages of S\$13,600 per day (approximately 0.2% of the total contract sum) to Regal Haus, which damages will apply to the delay of completion of the entire Project within the Contract Term which is expected to end in November 2020.

The total contract sum

With reference to the Board Letter, the contract sum was determined by DHC Construction based on the budget of the Project prepared by its in-house qualified quantity surveyor, its own assessment of the costs with reference to the existing market price and quotations from the suppliers and subcontractors and an expected reasonable gross profit margin of the Project which is comparable to and within the range of gross profit margin of other comparable construction projects undertaken by the Group in the year of 2018 and as of March 2019. The contract sum tendered by DHC Construction was the lowest among three tenders received by Regal Haus under the open tender process.

For our due diligence purpose, we obtained copies of tender submissions under the open tender process and noted that the contract sum tendered by DHC Construction was the lowest among three tenders received by Regal Haus under the open tender process. Under this circumstance, Regal Haus can pay the lowest contract sum while DHC Construction can generate revenue from the Project. Should Regal Haus choose the tender with second lowest contract sum, Regal Haus has to pay higher contract sum and no Group member can generate revenue from the Project.

To assess the fairness and reasonableness of the contract sum, we also obtained from the Company the cost budgeting for the Project conducted by DHC Construction (the “**Budget**”) and noted that:

1. The Budget includes cost for demolition works, piling works, structure works, wet architecture works, waterproofing works, ceiling and partition, metal works, etc.
2. A gross profit margin is calculated under the Budget (the “**Margin**”).

LETTER FROM GRAM CAPITAL

We also obtained from the Company a list of five construction projects undertaken by the Group in 2018 and 2019 (the “**Previous Construction Projects**”) which recorded the contract sum, budgeted cost and gross profit margin of particular project. We noted from the aforesaid list that the gross profit margin of the construction projects undertaken by the Group in 2019 is lower than that of the construction projects undertaken by the Group in 2018 (except for one construction project in 2018 which incurred gross loss).

We also noted that the Margin is within the range of the Previous Construction Projects’ gross profit margin (except for one construction project in 2018 which incurred gross loss), being approximately 3% to 10%.

As aforementioned, the Group’s gross profit margin dropped from approximately 19.79% for FY2017 to approximately 10.79% for FY2018. Gross profit margins for the Group’s general building construction segment almost halved from 19.2% for FY2017 to 9.9% for FY2018. With reference to the 2018 Annual Report, amid the gloomy outlook on global economy, demand for construction of warehouses in Singapore remained weak and competitive. Contractors had also competed aggressively for dwindling construction demand by slashing down tender prices even when prices for construction material and labour cost are on a rising trend. The Group’s operations were greatly affected with declining gross profit margins during FY2018.

As aforementioned, no adjustment on the contract sum will be allowed for fluctuation in the costs of labour (including overtime work), materials, equipment and/or services that may occur during the contract period under the Letter of Award. We obtained from the Company copies of construction contracts of the Previous Construction Projects awarded to the Company’s subsidiaries (including DHC Construction) by Independent Third Parties (the “**Comparable Contracts**”) and noticed that there was no adjustment provision for the contract sum under the Comparable Contracts.

Having considered that:

- (i) the contract sum tendered by DHC Construction was the lowest among three tenders received by Regal Haus under the open tender process;
- (ii) the gross profit margin of the construction projects undertaken by the Group in 2019 is lower than that of the construction projects undertaken by the Group in 2018;
- (iii) the Group’s operations were greatly affected with declining gross profit margins during FY2018; and
- (iv) the Margin is within the range of the Previous Construction Projects’ gross profit margin (except for one construction project in 2018 which incurred gross loss), being approximately 3% to 10%; and

LETTER FROM GRAM CAPITAL

- (v) no adjustment on the contract sum will be allowed for fluctuation in the costs of labour (including overtime work), materials, equipment and/or services that may occur during the contract period under the Letter of Award; there was also no adjustment provision for the contract sum under the Comparable Contracts,

we consider the contract sum under the Letter of Award to be fair and reasonable.

Other Material Terms

To assess the fairness and reasonableness of the Other Material Terms, we obtained from the Company copies of the Comparable Contracts and noticed that four out of five Comparable Contracts contain one or more terms comparable to the Other Material Terms (i.e. (i) performance/insurance bond with the amount representing 5% or 10% of the total contract sum; (ii) maintenance period of 12 months or 14 months; and/or (iii) liquidated damages (in respect of delay of the Project) with the amount representing approximately 0.05% or 0.3% of the total contract sum).

Having considered the above-mentioned principal terms of the Letter of Award, we concur with the Directors that the terms of the Letter of Award are on normal and commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Letter of Award are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Letter of Award and the transaction contemplated thereunder are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve Letter of Award and transaction contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 20 years of experience in investment banking industry.

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 Company. 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. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executives of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) 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 or short positions which they were taken or deemed to have taken under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") are as follows:

Interests in Shares of the Company:

Name of Director	Capacity/ nature of interest	Number of Shares held	Long position/ short position	Approximately percentage of Shares in issue ^(c)
Mr. Wang	Interest in controlled corporation ^(a)	660,000,000	Long position	41.25%
Mr. Shi	Interest in controlled corporation ^(b)	540,000,000	Long position	33.75%

Notes:

- (a). The 660,000,000 Shares are held by Tower Point, which is wholly and beneficially owned by Mr. Wang. By virtue of the SFO, Mr. Wang is deemed to be interested in all the Shares held by Tower Point.
- (b). The 540,000,000 Shares are held by Creative Value, which is wholly and beneficially owned by Mr. Shi. By virtue of the SFO, Mr. Shi is deemed to be interested in all the Shares held by Creative Value.
- (c). Based on a total of 1,600,000,000 shares of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company or 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 interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the persons (other than Director or chief executive of the Company) or corporations who had interest or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Interests in the Company

Name	Capacity/ nature of interest	Number of Shares held	Long position/ short position	Approximately percentage of Shares in issue ^(c)
Tower Point	Beneficial owner ^(a)	660,000,000	Long position	41.25%
Creative Value	Beneficial owner ^(b)	540,000,000	Long position	33.75%

Notes:

- (a). The 660,000,000 Shares are held by Tower Point, which is wholly and beneficially owned by Mr. Wang, the executive Director of the Company;
- (b). The 540,000,000 Shares are held by Creative Value, which is wholly and beneficially owned by Mr. Shi, the executive Director of the Company; and
- (c). Based on a total of 1,600,000,000 Shares of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company are not aware of any other person or corporation having an interest or short position in the Shares and underlying Shares of the Company which would require to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

3. FURTHER INFORMATION CONCERNING DIRECTORS**A. DIRECTORS' SERVICE CONTRACTS**

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

B. COMPETING BUSINESS INTEREST OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

As at the Latest Practicable Date, no Director was materially interested in any subsisting contract or arrangement which was significant in relation to the business of the Group, and no Director was interested in any assets which had been acquired or disposed of by or leased to (or are proposed to be acquired or disposed of by or leased to) any member of the Group since October 31, 2018 (being the date of the latest published audited accounts of the Company were made up).

C. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date:

- (a). none of the Directors had any interests, direct or indirect, in any assets which have been, since October 31, 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b). none of the Directors was materially interested in any contract or arrangement entered into with any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

D. 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 October 31, 2018, being the date to which the latest published audited financial statements of the Group were made up.

4. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given an opinion or advice to the Company as contained in this circular:

Name	Qualification
Gram Capital	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

The expert above has given and has not withdrawn its written consents to the issue of this circular with the inclusion of its report as set out in this circular and references to its name in the form and context in which they appear in this circular.

As at the Latest Practicable Date, the above expert had no shareholding, directly or indirectly, in any member of the Group or the 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 above expert had no interest, direct or indirect, in any asset since October 31, 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at 40th Floor, Sunlight Tower, No. 248 Queen's Road East, Wanchai, Hong Kong during normal business hours (from 9:00 a.m. to 5:30 p.m.) on any weekday, excluding public holidays, from the Latest Practicable Date up to and including the date of the EGM:

- (a) the Letter of Award;
- (b) the letter from the Independent Board Committee, the context of which is set out in this circular;
- (c) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders, the context of which is set out in this circular; and
- (d) this circular.

6. GENERAL

The English text of this circular shall prevail over its Chinese text in the case of inconsistency.

NOTICE OF EXTRAORDINARY GENERAL MEETING

HPC Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1742)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of HPC Holdings Limited (the “**Company**”) will be held at Block 165, Bukit Merah Central, #08-3687 Singapore 150165 on Thursday, July 18, 2019 at 10:00 a.m., for the following purpose. Unless defined otherwise, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated June 28, 2019:

To consider, and if thought fit, passing with or without modification the following resolution as an **ORDINARY RESOLUTION**:

“**THAT** the letter of award dated May 7, 2019 entered into between Regal Haus Pte. Ltd. and DHC Construction Pte. Ltd. (the “**Letter of Award**”) be and is hereby approved, confirmed and ratified; and any one or more of the directors of the Company be and is hereby authorized to do all such acts and things, negotiate, approve, sign, initial, ratify and/or and execute all documents or agreements on behalf of the Company and to do such other things and to take all such actions as may be necessary, desirable or expedient to give full effect or in connection with the Letter of Award.”

Yours faithfully

By order of the Board

HPC Holdings Limited

Wang Yingde

Chairman & Chief Executive Officer

Singapore, June 28, 2019

Registered office:

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business in Hong Kong:

40th Floor, Sunlight Tower

No. 248 Queen's Road East

Wanchai

Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it; a proxy need not be a shareholder of the Company.
2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. In order to be valid, a form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
4. The transfer books and register of members will be closed from Monday, July 15, 2019 to Thursday, July 18, 2019, both days inclusive to determine the entitlement of the shareholders to attend the above meeting, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, July 12, 2019.
5. Shareholders who attend the extraordinary general meeting shall bear their own travelling expenses.

As at the date of this notice, 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.