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HPC HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1742)

VOLUNTARY ANNOUNCEMENT PROPOSED ACQUISITION

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Company announced that on 22 January 2021, Party A entered into the MOU with Party B whereby Party A intended to acquire certain interests in the Target Companies from Party B. The Target Companies own 100% interest in Dongguan Jingcheng, which owns the Land. The Land is located in the Greater Bay Area and may be used for redevelopment. Through the acquisition of interests in the Target Companies, the Company will acquire an indirect interest in the Land and can extend its construction business into the Greater Bay Area. According to the MOU, Party A may form a joint venture with an Independent Third Party to acquire the Sale Shares from Party B.

PROPOSED CONSIDERATION

The amount of Sale Shares and the Proposed Consideration for the sale and purchase of the Sale Shares shall be subject to further negotiation of the Parties and Party A being satisfied with the results of the due diligence review.

Upon signing of the MOU, the Parties shall proceed with the due diligence review of the Target Companies and Dongguang Jingcheng, including the Land, their assets and liabilities.

CONDITIONS PRECEDENT

The Parties agree that the Proposed Transaction shall not take place unless the following conditions precedent (the “**Conditions Precedent**”) are satisfied:

- (i) Party A being satisfied with the due diligence review of the Target Companies and Dongguang Jingcheng including but not limited to the Sale Shares, the Land, their assets, liabilities, financial and accounts, taxation, major contracts, disputes and litigations and arbitration;
- (ii) the Company having obtained the approval of the Stock Exchange and the relevant authorities (if necessary) and complied with the Listing Rules and relevant regulatory requirements;

- (iii) all other necessary authorisations and approvals and conditions precedent as set out in the Sale & Purchase Agreement.

NON-EXCLUSIVITY OF THE MOU AND FURTHER MEMORANDUM OF UNDERSTANDING WITH EXCLUSIVITY

Upon signing of the MOU and during the period of negotiation of the Sale & Purchase Agreement, Party B may negotiate the terms of the Proposed Transaction with third parties on a non-exclusive basis and may be approached by third parties. However, upon Party A and Party B enter into a further memorandum of understanding with the requirement of payment of deposit by Party A, the further memorandum of understanding shall be exclusive to Party A for such period as the Parties may agree or upon signing of the Sale & Purchase Agreement.

GENERAL

To the best knowledge, information and belief of the directors of the Company having made all reasonable enquiries, each of Wong, Cheerine Group and its two minority shareholders is an Independent Third Party.

The terms of the Proposed Transaction are yet to be agreed by the Parties. Further announcement(s) will be made by the Company as and when required in compliance with the Listing Rules and SFO.

Shareholders and potential investors of the Company should note that the Proposed Transaction may or may not materialize. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

DEFINITIONS

“Cheerine Group”	Cheerine Group (International) Limited (悅誠集團 (國際) 有限公司), a company incorporated in Hong Kong with limited liability on 15 February 1999 and is owned as to 99.9% by WONG, 0.05% by CHOW Kwok Ying (周國英) and 0.05% by NGO Tan Cheung (敖單翔), all are Independent Third Parties
“Company”	HPC Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“Completion”	Completion of the sale and purchase of the Sale Shares
“Conditions Precedent”	The conditions precedent set out in the section headed “Conditions Precedent”

“Dongguan Jingcheng”	Dongguan Jingcheng Electronics Co., Ltd.* (東莞精誠電子有限公司), a wholly foreign-owned enterprise (台港澳合資) incorporated in Dongguan, the PRC with limited liability on 26 May 2003, which has a registered capital of HK\$43,800,000 and it owns the Land. It is directly owned as to 60% by Top Allied and 40% by Sharp Glory and is indirectly wholly-owned by Party B
“Greater Bay Area”	The Guangdong-Hong Kong-Macao Greater Bay Area, which comprises the two Special Administrative Regions of Hong Kong and Macao, and the nine municipalities of Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing in Guangdong Province
“Independent Third Party(ies)”	An individual(s) or a company(ies) who or which is/are independent and not connected with (within the meaning of the Listing Rules) any directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates and not otherwise a connected person of the Company
“Land”	A piece of land in Shipai Town, Dongguan City (東莞石排鎮) with a total area of 85,235.86 sq. m. comprising (i) 38,508.41 sq. m. of land with land use certificates of (a) Dongfu National Use (2004) No. 802; (b) Dongfu National Use (2004) No. 804; (c) Dongfu National Use (2004) No. 940 and (d) Dongfu National Use (2005) No. 229; and (ii) 46,727.45 sq. m. of land which has not yet obtained land certificate(s)
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MOU”	The memorandum of understanding entered into between Party A and Party B on 22 January 2021 in relation to the acquisition of the Sale Shares by Party A from Party B. According to the MOU, Party A may form a joint venture with an Independent Third Party to acquire the Sale Shares from Party B
“Party A”	Propitious Holdings Limited, a wholly-owned subsidiary of the Company

“Party B”	WONG Wai Kai (王惠琪) (holder of Hong Kong Identity Card number of A577367(1)) and Cheerine Group (International) Limited (悅誠集團(國際)有限公司), a company incorporated in Hong Kong with limited liability on 15 February 1999 and is controlled by WONG Wai Kai, both are Independent Third Parties
“Proposed Consideration”	The proposed consideration for the acquisition of the Sale Shares as set out in the section headed “Proposed Consideration”
“Proposed Transaction”	The proposed acquisition of the Sale Shares by Party A from Party B, Party A may form a joint venture company with an Independent Third Party to acquire the Sale Shares
“Sale & Purchase Agreement”	The formal sale and purchase agreement to be entered into by Party A or a joint venture company to be formed with an Independent Third Party as purchaser and Party B as vendor pursuant to the MOU in relation to the sale and purchase of the Sale Shares
“Sale Shares”	Subject to further negotiation of the Parties and Party A being satisfied with the results of the due diligence review, the sale shares shall comprise (i) two shares of HK\$1.00 each of Sharp Glory, representing the entire issued share capital of Sharp Glory; and two shares of HK\$1.00 each of Top Allied, representing the entire issued share capital of Top Allied; or (ii) such number of shares of Sharp Glory and/or Top Allied, representing such percentage of shareholding in Sharp Glory and/or Top Allied respectively
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Sharp Glory”	Sharp Glory Industrial Limited (精威實業有限公司), a company incorporated in Hong Kong with limited liability on 4 April 2002, which is wholly-owned by Party B. Sharp Glory holds 40% equity interest in Dongguan Jingcheng
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Sharp Glory and Top Allied, which are both wholly-owned by Party B

“Top Allied”

Top Allied Development Limited (峰聯發展有限公司), a company incorporated in Hong Kong with limited liability on 13 December 2002, which is wholly-owned by Party B. Top Allied holds 60% equity interest in Dongguan Jingcheng

“Wong”

WONG Wai Kai (王惠琪) (holder of Hong Kong Identity Card number of A577367(1)), a controlling shareholder of Cheerine Group holding 99.9% interest in Cheerine Group

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

Singapore, 22 January 2021

As at the date of this announcement, the Board comprises Mr. Wang Yingde and Mr. Shi Jianhua as executive Directors; and Mr. Zhu Dong, Mr. Leung Wai Yip and Ms. Ng King Wai Diana as independent non-executive Directors

* *For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevails.*