



Hu An Cable Holdings Ltd.

(Incorporated in the Republic of Singapore)

(Company Registration No. 200810320N)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The Board of Directors of Hu An Cable Holdings Ltd. (“the Board”) hereby announce the unaudited consolidated results of the Group for the financial year ended 31 December 2015 (“FY2015”).

The Board refers to the previous announcement under “update to shareholders” made via SGXnet on 13 May 2020 whereby it was disclosed that the Company’s former CEO, Dai Zhi Xiang (“Dai”) was convicted of various offences involving criminal breach of trust, securities fraud, falsifying negotiable instruments, covering-up and destruction of accounting records, refusal to carry out judgments from the courts and as the result was sentenced to 15 years jail in August 2018.

The consolidated financial statements of the Group were drawn up based on records and data left behind by the management and finance personnel who were with the Group in FY2015 (collectively the “Previous Management”) but due to certain findings by a PRC court in the trial of Dai that Dai has fabricated accounting records and falsified accounts at the PRC subsidiaries’ level, the present Directors, who are the incumbent Directors at the date of announcement of this FY2015 results, do not believe that the consolidated financial statements of the Group prepared on the aforesaid basis gives a true and fair view of the financial performances, changes in equity and cash flows of the Group for FY2015 save that the closing balances in the balance sheet and statements of changes in equity of the Group and the Company were drawn up so as to give a true and fair view of the financial positions of the Group and the Company as at 31 December 2015 due to the deemed disposal and de-recognition of the PRC subsidiaries. The present Directors are unable to restate the accounts for prior years or to prepare the accounts for FY2015 independent from the records and data left behind by the Previous Management as the PRC court has also found that Dai has instigated and directed the destruction of the servers hosting the necessary financial data and the PRC subsidiaries have been wound up.

The present Directors have resolved to proceed with the announcement of this set of financial statements notwithstanding the uncertainties so that the Company may move forward with its financial reporting for subsequent reporting periods following FY2015, without which the Company would be unable to do so. This was done after assessing the uncertainties that this may have on the financial figures to be reported in subsequent reporting periods after FY2015, taking note that the source of such uncertainties (i.e. the PRC subsidiaries) have been de-recognised in FY2015, and at the date of this announcement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Shareholders and potential investors are advised to read or use the FY2015 Financial Results with caution, especially having regard to the limitations and qualifications outlined above.

PART I – INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT.

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive income

	FY2015	FY2014	Increase/ (Decrease)
	RMB'000	RMB'000	%
Revenue	155,226	2,163,740	(92.8)
Cost of sales	(184,719)	(1,959,697)	(90.6)
Gross (loss)/profit	(29,493)	204,043	(114.5)
Other income	281,044	19,313	1,355.2
Selling and distribution expenses	(15,519)	(56,870)	(72.7)
Administrative expenses	(1,340,304)	(270,841)	394.9
Finance expenses	(48,875)	(80,740)	(39.5)
Loss before taxation	(1,153,147)	(185,095)	523.0
Taxation	-	23,490	(100.0)
Loss for the year attributable to owners	(1,153,147)	(161,605)	613.6
Other comprehensive loss:			
<i><u>Items that may be reclassified subsequently to profit or loss</u></i>			
Foreign currency translation	(73)	(402)	(81.8)
Other comprehensive loss for the year, net of tax	(73)	(402)	(81.8)
Total comprehensive loss attributable to owners of the Company	(1,153,220)	(162,007)	611.8

Note:

1. A Letter of Confirmation was issued by the People's Court of China ("the Court") to declare that the Group's China subsidiaries has started its liquidation process as at the end of the financial year. Subsequently, a Letter of Bankruptcy was issued by the Court to declare that the Group's China subsidiaries were liquidated on ground that these companies were unable to settle their outstanding debts. The assets of these entities have been disposed through auctions subsequent to 31 December 2015. Following the liquidation of the Group's China subsidiaries, the management has prepared the Group's consolidated financial statements for the financial year ended 31 December 2015 on the basis that these entities have been deemed liquidated as at 31 December 2015.

1(a) (i) Profit before income tax was arrived at after charging/(crediting) the following:

	Group	
	2015	2014
	RMB'000	RMB'000
Other income:		
- government subsidy	(370)	(737)
- interest income	(2,286)	(8,068)
- sale of scraps	-	(1,348)
- processing of raw materials	(659)	(8,446)
- gain from disposal of property, plant and equipment	(760)	(153)
- gain from deemed disposal of subsidiaries	(274,683)	-
Finance expense:		
- interest expense	48,787	78,037
- bank charges	87	1,882
Amortisation for:		
- intangible asset	452	639
- land use rights	1,745	2,645
Depreciation of property, plant and equipment	31,392	35,616
Impairment loss on doubtful trade and other receivables	1,153,840	141,864
Inventories written down	3,452	7,707
Impairment loss on property, plant and equipment	93,108	10,759
Provision for employee benefits	42	16
Property, plant and equipment written off	-	253
Employee benefits expense	34,739	71,854

- (i) A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	506	546,048	-	12
Intangible assets	25	3,093	-	-
Land use rights	-	116,474	-	-
Investments in subsidiaries	-	-	-	678,281
Deferred tax assets	-	37,658	-	-
Prepayments	-	1,399	-	-
Trade and other receivables	-	6,547	-	-
	531	711,219	-	678,293
Current assets				
Inventories	3,727	72,504	-	-
Prepayments	102	83,142	74	65
Trade and other receivables	5,363	1,524,829	-	62,395
Tax recoverable	-	2,960	-	-
Cash and bank balances	704	216,446	255	54
	9,896	1,899,881	329	62,514
Current liabilities				
Trade and other payables	14,170	798,483	2,152	3,981
Accrued operating expenses	1,394	29,353	1,096	-
Loans and borrowings	38	512,782	-	-
Corporate bonds	-	66,660	-	-
	15,602	1,407,278	3,248	3,981
Net current (liabilities)/assets	(5,706)	492,603	(2,919)	58,533
Non-current liabilities				
Deferred tax liabilities	94	117	-	-
Trade and other payables	-	-	10,229	7,538
Loans and borrowings	-	55,754	-	-
	94	55,871	10,229	7,538
Net (liabilities)/assets	(5,269)	1,147,951	(13,148)	729,288
Equity attributable to owners of the Company				
Share capital	746,266	746,266	746,266	746,266
(Accumulated loss)/Retained earnings	(749,406)	394,150	(759,414)	(16,978)
Other reserves (Note 1)	(2,129)	7,535	-	-
Total equity	(5,269)	1,147,951	(13,148)	729,288

Note:

1. Other reserves comprised of statutory reserve, merger reserve, translation reserve and employee share-based payment reserve, details disclosed under 1(d)(i).

1(b)(ii) Aggregate amount of Group's borrowings and debts securities

Amount repayable in 1 year or less, or on demand

As at 31.12.2015 Unaudited		As at 31.12.2014 Audited	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
38	-	579,442	-

Amount repayable after 1 year

As at 31.12.2015 Unaudited		As at 31.12.2014 Audited	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	55,754	-

	As at 31.12.2015 Unaudited RMB'000	As at 31.12.2014 Audited RMB'000
Borrowings comprised of:		
1) Bank loans	-	534,249
2) Finance leases obligations	38	34,287
3) Corporate bonds	-	66,660
Total	38	635,196

Details of any collateral

- 1) The bank loans are secured by a charge over land use rights and buildings, and plant and machineries issued and/or guarantees by:

	2015	2014
	RMB'000	RMB'000
A director of the Company	–	118,249
Directors of the Company and subsidiaries	–	–
Third parties and a director of the Company	–	154,000
Third parties, directors of the Company and subsidiaries	–	262,000
Total	–	534,249

- 2) The finance leases obligations are secured by a charge over the leased assets.

- 3) The corporate bonds are secured by a guarantee from a director of the Company and a subsidiary.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	FY2015	FY2014
	Unaudited	Audited
	RMB'000	RMB'000
Loss before taxation	(1,115,513)	(185,095)
Adjustments for:		
Amortisation of intangible asset and land use rights	2,197	3,284
Depreciation of property, plant and equipment	31,392	35,616
Impairment loss on doubtful trade and other receivables	1,153,840	141,864
Gain from disposal of property, plant and equipment	(760)	(153)
Gain from deemed disposal of subsidiaries	(274,683)	–
Property, plant and equipment written off	–	253
Impairment loss on property, plant and equipment	93,108	10,759
Interest income	(2,286)	(8,068)
Interest expense	48,787	78,037
Inventories written down	3,452	7,707
Provision for employee benefits	42	16
Operating cash flows before changes in working capital	(60,424)	84,220
(Increase)/decrease in inventories	(9,291)	524,609
Increase in prepayments	(22,411)	(13,592)
Increase in trade and other receivables	(14,330)	(580,609)
Decrease in trade and other payables	(309,768)	(74,181)
Decrease in accrued operating expenses	(11,427)	(18,616)
Currency realignment	(32)	(3)
Cash used in operations	(427,683)	(78,172)
Interest income received	2,286	8,068
Interest expense paid	(36,412)	(78,915)
Income tax paid	–	(8,659)
Net cash used in operating activities	(461,809)	(157,678)
Cash flows from investing activities		
Purchase of intangible assets	–	(533)
Purchase of property, plant and equipment	(6,747)	(18,594)
Proceeds from disposal of property, plant and equipment	16,025	2,802
Loss from deemed disposal of subsidiaries (Note A)	(42,128)	–
Net cash used in investing activities	(32,850)	(16,325)
Cash flows from financing activities		
Proceeds from loans and borrowings	387,360	652,424

Repayment of loans and borrowings	(107,423)	(765,389)
Repayment of obligations under financial leases	(79)	(15,953)
(Repayment of)/withdrawn of loan from a director	(868)	4,943
Repayment of corporate bonds	–	(13,340)
Decrease in short-term deposits pledged to banks	191,432	63,632
Net cash generated/(used in) from financing activities	470,422	(73,683)
Net decrease in cash and cash equivalents	(24,237)	(247,686)
Cash and cash equivalents at beginning of year	25,014	273,102
Effect of exchange rate changes on cash and cash equivalents	(73)	(402)
Cash and cash equivalents at end of year	704	25,014

Note A

The court in the People's of Republic China has accepted the creditor's application to liquidate the 3 China subsidiaries and were deemed disposed during the year.

The carrying value of assets disposed of and liabilities discharged are as follows:

	FY2015	FY2014
	RMB'000	RMB'000
Assets		
Property, plant and equipment	441,710	–
Intangible assets	2,618	–
Land use rights	114,729	–
Inventories	74,616	–
Prepayments	77,696	–
Trade and other receivables	386,503	–
Tax recoverable	2,960	–
Cash and bank balances	42,128	–
Liabilities		
Trade and other payables	(473,677)	–
Accrued operating expenses	(27,118)	–
Loans and borrowings	(850,188)	–
Corporate bonds	(66,660)	–
Net liabilities discharged	(274,683)	–
Gain on disposal	274,683	–
Proceeds received	–	–
Less:		
Cash balances in the deemed disposed subsidiaries	(42,128)	–
Net cash outflow from deemed disposal	(42,128)	–

1 (d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Attributable to equity holders of the Company							
	Share capital	(Accumulated loss)/Retained earnings	Statutory reserves	Merger reserve	Translation reserve	Employee share-based payment reserve	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group							
Balance at 01.01.2015	746,266	394,150	93,792	(84,201)	(2,056)	-	1,147,951
Loss for the year		(1,153,147)					(1,153,147)
<u>Other comprehensive loss</u>							
Foreign currency translation	-	-	-	-	(73)	-	(73)
Total comprehensive loss for the year	-	(1,153,147)	-	-	(73)	-	(1,153,220)
Deemed disposal of subsidiaries	-	9,591	(93,792)	84,201	-	-	-
Balance at 31.12.2015	746,266	(749,406)	-	-	(2,129)	-	(5,269)
Group							
Balance at 01.01.2014	746,266	547,884	93,792	(84,201)	(1,654)	7,871	1,309,958
Loss for the year	-	(161,605)	-	-	-	-	(161,605)
<u>Other comprehensive loss</u>							
Foreign currency translation	-	-	-	-	(402)	-	(402)
Total comprehensive loss for the year	-	(161,605)	-	-	(402)	-	(162,007)
<u>Contributions by and distribution to owners</u>							
Expiry of equity-settled shares	-	7,871	-	-	-	(7,871)	-
Total contributions by and distribution to owners	-	7,871	-	-	-	(7,871)	-
Balance at 31.12.2014	746,266	394,150	93,792	(84,201)	(2,056)	-	1,147,951

Attributable to owners of the Company

	Employee share-based			
	Share capital	Accumulated losses	payment reserve	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Company				
Balance at 01.01.2015	746,266	(16,978)	-	729,288
Loss for the year, representing total comprehensive loss for the year	-	(742,436)	-	(742,436)
Balance at 31.12.2015	746,266	(759,414)	-	(13,148)
Company				
Balance at 01.01.2014	746,266	(18,438)	7,871	735,699
Loss for the year, representing total comprehensive loss for the year		(6,411)	-	(6,411)
<u>Contributions by and distribution to owners</u>				
Expiry of equity-settled shares	-	7,871	(7,871)	-
Total contributions by and distribution to owners	-	7,871	(7,871)	-
Balance at 31.12.2014	746,266	(16,978)	-	729,288

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding year.

Share Buy-back

During the year ended 31 December 2015, there were no shares acquired.

Convertibles

For the year ended 31 December 2015, there were no outstanding convertibles.

Subsidiary Holdings

For the year ended 31 December 2015, there were no subsidiary holdings.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31.12.2015	As at 31.12.2014
Total number of issued shares	1,011,569,800	1,011,569,800
Less: Treasury shares	-	-
Number of issued shares excluding treasury shares	1,011,569,800	1,011,569,800

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

During the current financial year and the immediately preceding financial year, the Company does not have any outstanding treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial year reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The latest audited financial statements of the Company for the financial year ended 31 December 2014 did not have any adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those of the audited financial statements for the year ended 31 December 2014, as well as all the applicable Financial Reporting Standards ("**FRS**") which became

effective for the financial year beginning on or after 1 January 2015. The adoption of those new and revised FRSs has no material effect on the current financial statements for the current year.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the new and revised FRS, that are relevant to the Group and the Company and effective from 1 January 2015, as mentioned in Paragraph 4 above, has no material impact on the financial statements of the Group and the Company for the current financial year reported on.

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

Loss per ordinary share for the year based on net loss attributable to shareholders	Unaudited FY 2015	Audited FY 2014
Based on weighted average number of ordinary shares on issue (RMB)	(1.14)	(0.16)
On a basic and fully diluted basis	(1.14)	(0.16)

Note:

There was no dilutive instrument outstanding, hence the diluted earnings per share is the same as the basic earnings per share.

7. **Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) **Current financial period reported on; and**
 (b) **immediately preceding financial year.**

	Company		Group	
	Unaudited As at 31.12.2015	Audited As at 31.12.2014	Unaudited As at 31.12.2015	Audited As at 31.12.2014
Net asset value per ordinary share based on the issued capital at the end of the year (RMB cents)	(1.30)	72.09	(0.52)	113.48
Number of shares used in calculating net asset value	1,011,569,800	1,011,569,800	1,011,569,800	1,011,569,800

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Review of Income statement

Revenue

For the year ended 31 December 2015 ("FY2015"), our overall business environment had further deteriorated and became extremely challenging given the shrinking market demand and the tightened cash flow position of the Group. As compared to the year ended 31 December 2014 ("FY2014"), the Group's revenue for FY2015 slumped by 92.8% as a result of the lower sales volume and the lower selling price. Lower production level had caused higher fixed overhead absorption rate. Therefore, the Group's gross profit margin had significantly decreased from 9.4% in FY2014 to negative 19.0% in FY2015 and the Group suffered a gross loss. Further impacted by impairment loss on doubtful trade and other receivables of RMB1,153.8 million, the Group's net loss widened from RMB161.7 million in FY2014 to RMB1,153.1 million in FY2015.

Revenue breakdown by the business segments is as follows:

	FY2015		FY2014		% Change
	Revenue RMB'000	Sales mix ratio (%)	Revenue RMB'000	Sales mix ratio (%)	
Wires and cables	103,017	66.37	1,874,130	86.62	(94.5)
Metal rods and plastic cable materials	52,209	33.63	289,610	13.38	(82.0)
Total	155,226	100.00	2,163,740	100.00	(92.8)

The Group's revenue decreased by 92.8% to RMB155.2 million for FY2015 as compared to RMB2,163.7 million for FY2014. The decrease in revenue was mainly attributed to:

- lower sales volume for all products due to the decrease in market demand, deferment in some government-led infrastructure projects and also affected by removal from the approved vendor list by 12 customers (subsidiaries of the State Grid Corporation of China); and
- lower selling prices for most of products as a result of increased market competition and lower raw material prices.

Gross (loss)/ profit and Gross (loss)/profit margin

The Group suffered a gross loss of RMB29.5 million for FY2015 as compared to a gross profit of RMB204.1 million for FY2014. The decrease was mainly due to the lower sales and lower gross profit margin for all products. The selling price had fallen following the decreased copper price and increased competition for lower number of government projects. The revenue generated could not fully absorb fixed production overhead due to the low production level. As a result, the gross margin of cable and wire segment and other product segment turned to negative. The overall gross margin decreased from 9.4% for FY2014 to negative for FY2015.

Other operating income

The Group's other income increased from RMB19.3 million in FY2014 to RMB281.0 million in FY2015. This was mainly due to the RMB274.7 million gain from deemed disposal of the Group's China subsidiaries.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by 72.7% or RMB41.4 million from RMB56.9 million in FY2014 to RMB15.5 million in FY2015. This was mainly due to the decrease in sales staff salaries and lower marketing and sales office expense and transportation expenses arising from lower sales volume and activities in FY2015.

Administrative expenses

The Group's administrative expenses increased by 394.9% from RMB270.8 million in FY2014 to RMB1,340.3 million in FY2015. The increase was primarily due to:

- higher impairment loss on doubtful trade and other receivables of RMB1,153.8 million in FY2015 as compared to impairment loss of RMB141.9 million in FY2014. Due to economic slowdown and government initiatives to tighten operations of state-owned enterprises especially in power generation and transmission sector in China, debt collection has slowed down and management deemed it prudent to make allowance for doubtful trade receivables.
- higher impairment loss on property, plant and equipment of RMB93.1 million as compared to impairment loss of RMB10.8 million in FY2014. Impairment loss on machinery and equipment of RMB93.1 million was made after assessment of the machinery and equipment in use.

Finance expenses

The Group's finance expenses decreased by 39.5% to RMB48.9 million for FY2015 from RMB80.7 million for FY2014. The decrease was mainly due to lower usage of short-term bank notes for FY2015 as compared to FY2014.

Income tax expenses

Income tax expense was nil in FY2015 as compared to credit of RMB23.5 million in FY2014 was mainly due to the loss positions of the Group and the deemed liquidation of the Group's China subsidiaries.

Review of Balance sheet

During the year, the businesses of the Group's China subsidiaries, Shenhuan Cable Technology Co., Ltd ("SCTC"), Wuxi Hu An Wire and Cable Co., Ltd ("WHAWC") and Wuxi Shenhuan Electric Co., Ltd ("WSEC") were liquidated. As such, the Group's consolidated financial statements for the financial year ended at 31 December 2015 was prepared on the basis that these entities have been deemed liquidated as at 31 December 2015. Accordingly, the Group's China subsidiaries were deemed disposed, with their respective assets and liabilities deconsolidated from the Group's consolidated balance sheet.

Non-current assets

Non-current assets decreased from RMB711.2 million as at 31 December 2014 to RMB 0.5 million as at 31 December 2015 mainly due to the deconsolidation of the non-current assets of the Group's China subsidiaries.

Current assets

Current assets decreased from RMB1,899.8 million as at 31 December 2014 to RMB 9.9 million as at 31 December 2015 mainly due to the deconsolidation of the current assets of the Group's China subsidiaries.

Current liabilities

Current liabilities decreased from RMB1,407.3 million as at 31 December 2014 to RMB 15.6 million as at 31 December 2015 mainly due to the deconsolidation of the current liabilities of the Group's China subsidiaries.

Non-current liabilities

Non-current liabilities decreased from RMB55.9 million as at 31 December 2014 to RMB94,000 as at 31 December 2015 mainly due to the deconsolidation of the non-current liabilities of the Group's China subsidiaries.

Review of Cash Flow

Net cash of RMB461.8 million was used in operating activities in FY2015 as compared to RMB157.7 million in FY2014. The higher negative operating cash flow in FY2015 as compared to FY2014 was mainly due to the higher operating loss and higher decrease in trade and other payables in FY2015.

Net cash of RMB32.8 million was used in investing activities in FY2015 as compared to RMB16.3 million in FY2014. It was mainly due to the loss of RMB42.1 million from deemed disposal of the Group's China subsidiaries.

The Group generated net financing cash flow of RMB470.4 million in FY2015. During the year, the Group obtained net proceeds of RMB279.9 million from bank loans. Short-term deposits pledged to banks, amounting to RMB191.4 million were released in FY2015.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The year 2015 had been very challenging for the Group, with the liquidation of the loss making China subsidiaries. With the liquidation of the debts laden China subsidiaries, the Group emerged leaner with borrowings much reduced and stands in good shape to strengthen its balance sheet through acquisitions and fund-raising activities. The Board is cognizant of the imperative need to revitalize the Group's business and will strive to turnaround the Company with sustainable businesses so as to propel the Group onto growth platform for better prospects for all the shareholders.

The Board is currently considering various corporate actions initiatives and strategic diversification of the Group's business through acquisition of new operating businesses and assets with proven track record and/or good growth potential. The Board's focus in the next few months would be to lift the trading suspension of the Company's shares after the execution of the various corporate actions initiatives.

The Company will make further announcements to update shareholders as and when appropriate.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

No dividends have been declared for the current financial period reported on as the Group has to conserve cash for its operational needs.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividends have been declared for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend is recommended for the financial year under review.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from shareholders for IPTS.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 under Rule 720(1))

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

For management purposes, the Group is organised into business units based on its products. The business units of the Group are organised in two reportable operating segments as follows:

- (a) The wire and cable products segment manufactures wires, power cables, control cables, aerial cables, rubber cables and special cables. The wire and cable products are widely used in power generation plants, power transmission and distribution grids, coal mining and shipping industries, transportation networks, infrastructure and real estate projects, various electrical equipment and devices for industrial and household uses.
- (b) The metal rods and plastic cable materials segment manufactures copper and aluminium rods, plastic cable materials such as insulating materials, sheath materials and other auxiliary materials and sells to the wires and cables manufacturers.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the interim consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties

	Wires and cables		Metal rods and plastic cable materials		Others		Adjustments and eliminations		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December										
Revenue:										
External customers	103,017	1,874,130	52,209	289,610	-	-	-	-	155,226	2,163,740
Inter-segment	46	84,728	17,517	547,297	-	-	(17,563)	(632,025)	-	-
Total revenue	103,063	1,958,858	69,726	836,907	-	-	(17,563)	(632,025)	155,226	2,163,740

Results:										
Interest income	2,284	6,905	-	1,159	79	66	(77)	(62)	2,286	8,068
Depreciation and amortisation	30,787	34,703	2,790	4,185	12	12	-	-	33,589	38,900
Impairment loss on doubtful trade and other receivables	1,060,843	141,864	94,341	-	64,362	-	(65,706)	-	1,153,840	141,864
Impairment loss on property, plant and equipment	88,523	-	4,585	10,759	-	-	-	-	93,108	10,759
Inventories written down	3,338	7,388	114	319	-	-	-	-	3,452	7,707
Segment loss	(1,107,738)	(143,008)	(163,419)	(16,437)	(741,880)	(6,494)	859,890	4,334	(1,153,147)	(161,605)

	Wires and cables		Metal rods and plastic cable materials		Others		Adjustments and eliminations		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December										
Assets:										
Additions to non-current assets	35,901	22,398	-	3,020	-	-	-	-	35,901	25,418
Segment asset	1,147,174	2,544,696	247,412	412,424	9,157	749,563	(1,393,316)	(1,095,583)	10,427	2,611,100
Segment liabilities	1,512,533	1,606,396	175,387	176,980	13,179	11,781	(1,685,403)	(332,008)	15,696	1,463,149

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

17. Breakdown of sales as follows:

	FY2015 RMB'000	FY2014 RMB'000	% change
(a) Sales reported for first half year	112,744	938,739	(88.0)
(b) (Loss)/Income after tax reported for first half year	(549,821)	15,106	NM
(a) Sales reported for second half year	42,482	1,225,001	(96.5)
(b) (Loss)/Income after tax reported for second half year	(603,326)	(176,711)	241.4

NM-Not meaningful

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Not applicable. There was no dividend declared or paid for FY2015 and FY2014.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes to duties and position held, if any, during the year
Wu Shun Mei	49	Spouse of Dai Zhi Xiang (Former Chief Executive Officer and Executive Chairman, resigned on 19 January 2017)	Deputy general manager and director of Wuxi Hu An Wire & Cable Co., Ltd (since 20 November 2011)	No change

BY ORDER OF THE BOARD

Gao Hong

Executive Chairman

28 April 2021