

HU AN CABLE HOLDINGS LTD.
(Incorporated in Singapore)
(Company Registration Number: 200810320N)

**PROPOSED PLACEMENT OF UP TO 424,859,316 NEW ORDINARY SHARES IN THE CAPITAL
OF HU AN CABLE HOLDINGS LTD AT THE ISSUE PRICE OF S\$0.009 PER PLACEMENT
SHARE – ENTRY INTO PLACEMENT AGREEMENT**

1. INTRODUCTION

- 1.1** The board of Directors (the “**Board**”) of Hu An Cable Holdings Ltd. (the “**Company**” and its subsidiaries, the “**Group**”) wishes to announce that the Company has on 22 June 2021 entered into a placement agreement (“**Agreement**”) with New Energy Industry Sweden AB (“**NEWe**”), pursuant to which the Company proposed to issue to NEWe 424,859,316 ordinary shares in the capital of the Company (“**Placement Shares**”) at the issue price of S\$0.009 per Placement Share (“**Issue Price**”), for an aggregate consideration of S\$3,823,733.84 (“**Aggregate Purchase Price**”), on the terms and conditions of the Agreement (“**Proposed Placement**”).
- 1.2** The Placement Shares will be issued by way of a private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

2. INFORMATION ON NEWE

- 2.1** *All information in respect of NEWe is based solely on information and representations made and provided by NEWe to the Company. In respect of such information, the Company and the Directors have not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.*

New Energy Industry Sweden AB (Swedish Company Registration No. 559303-4241) is a green energy investment company incorporated in Sweden. The sole director of NEWe is Johan Utterberg, and the shareholders of NEWe are Fang Huasheng (83%), Sven Eriksson (5%), Xu Xiaojun (2%), Yu Jijiang (5%), and Cheng Ruikai (5%).

NEWe was introduced to the Company through business associates. NEWe wishes to be a strategic investor in the Company and agreed to subscribe for the Placement Shares as part of its business strategy to explore business opportunities in Asia.

No commission or introducer fee is paid or payable by the Company in connection with the Proposed Placement.

3. THE PROPOSED PLACEMENT

3.1 Issue Price

The Issue Price of S\$0.009 was agreed to by the Company and NEWe under the Agreement at arm's length basis with reference to the market price of the Company's shares. This equals to the last traded price of S\$0.009 on 10 December 2018 and at 3.45% premium to the volume-weighted average price of S\$0.0087 for trades done on the SGX-ST on 10 December 2018, being the last market day on which the Company's shares were traded preceding the execution of the Agreement. Trading of the Company's shares was suspended on 10 December 2018 after 4pm.

3.2 Placement Shares

- 3.2.1 The Placement Shares represent approximately 42.0% of the existing issued and paid-up share capital of the Company (excluding treasury shares) comprising 1,011,569,800 shares as at the date of this announcement. Assuming the successful issuance and allotment of 424,859,316. Placement Shares, the Company's issued share capital will increase from 1,011,569,800 shares (excluding treasury shares) to 1,436,429,116 shares (excluding treasury shares) and the Placement Shares will represent approximately 42.0% of the issued shares of the Company as at the date of this announcement, and 29.6% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares) ("**Completion**").
- 3.2.2 The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank, *pari passu*, in all respects with the existing Shares save that the Placement Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the completion date of the Placement ("**Completion Date**").
- 3.2.3 As Mr Fang Huasheng ("**Mr Fang**"), a Director of the Company, is a director and majority shareholder of NEWe, and is accordingly an interested person as defined in Chapter 9 of the Listing Manual of the SGX-ST ("**Listing Rules**"), and the Proposed Placement will result in a transfer of controlling interest of the Company, the Proposed Placement shall be subject to the approval of the shareholders of the Company ("**Shareholders**").
- 3.2.4 No person is proposed to be appointed to the Board in connection with the Proposed Placement.

3.3 Shareholders' Approval for the Issuance of the Placement Shares

- 3.3.1 Listing Rule 812(1) and 812(2) provides that:

812(1) An issue must not be placed to any of the following persons:

- (a) The issuer's directors and substantial shareholders.*
- (b) Immediate family members of the directors and substantial shareholders.*
- (c) Substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer's substantial shareholders.*

(d) *Corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%.*

(e) *Any person who, in the opinion of the Exchange, falls within category (a) to (d).*

812(2) Rule 812(1) will not apply if specific shareholder approval for such a placement has been obtained. The person, and its associates, must abstain from voting on the resolution approving the placement.

3.3.2 Mr Fang, a director of the Company, is a majority shareholder of NEWe, and accordingly falls within the persons set out in Listing Rule 812(1)(d). In accordance with Listing Rule 812(2), specific approval from Shareholders is required for the issue and allotment of any Placement Shares to NEWe pursuant to the Proposed Placement.

3.3.3 Accordingly, the Company will be seeking specific approval from Shareholders for the Proposed Placement at an extraordinary general meeting to be convened ("**EGM**"). NEWe and its associates will be required to abstain from voting on the resolution approving the Proposed Placement and issue and allotment of the Placement Shares to NEWe in accordance with Listing Rule 812(2).

3.4 Additional Listing Application

The Company will be applying to the SGX-ST for the dealing in, listing of and quotation for the Placement Shares on the SGX-ST Mainboard and will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

4. SALIENT TERMS OF THE AGREEMENT

4.1 Conditions Precedent

4.1.1 Completion is conditional upon:

- (a) approval in-principle for the listing and quotation of the Placement Shares on the SGX-ST being obtained from the SGX-ST and, where such approval is subject to conditions (which are not normally imposed by the SGX-ST for a transaction of a similar nature), such conditions being acceptable to the Company and, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before the Completion Date, they are so fulfilled;
- (b) the approval of the shareholders of the Company being obtained for the issuance and allotment of the Placement Shares, including any approvals under Rule 812(2) of the Listing Rules; and
- (c) where the Placement Shares when issued would exceed thirty per cent (30%) of the enlarged share capital of the Company, the issuance and allotment of the Placement Shares is subject to a whitewash waiver having been obtained from the Securities Industry Council waiving the obligation of NEWe to make a general offer under Rule 14 of the Singapore Code on Take-overs and Mergers in connection with the issuance and allotment of the Placement Shares to NEWe, and all conditions attached to the grant of the whitewash waiver having been fulfilled on or before the Completion Date if they are required to be so fulfilled.

- 4.1.2 If any of the conditions set forth in paragraph 4.1.1 above is not satisfied on or before 6 months (or such other later date as the Company and NEWe may agree) after the date of the Agreement or such other dates as the Company and NEWe may agree, the Agreement shall *ipso facto* cease and determine thereafter and none of the parties shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise.

4.2 Completion

- 4.2.1 Subject to the terms and conditions of the Agreement, Completion shall take place in the following manner:
- (a) NEWe shall pay, or procure the payment to the Company of the Aggregate Purchase Price of the Placement Shares;
 - (b) the Company shall, against application of the monies as described in paragraph (a), credit the securities account of NEWe with the Central Depository (Pte) Ltd ("**Securities Account**") referred to in the Agreement with the number of the Placement Shares; and
 - (c) NEWe shall deliver to the Company such information and documents as may be required to complete the return of allotment of the Placement Shares, for lodging with the relevant authorities and to maintain the register books of the Company in respect of the Placement Shares.

4.3 Warranties and Undertakings by NEWe, and Selling Restrictions

- 4.3.1 Under the Agreement, NEWe had represented and warranted to and/or undertaken with the Company that:
- (a) it has full power and capacity, and it is not aware of any reason or circumstances which might vitiate, avoid, inhibit or otherwise restrict such power or capacity to enter into, and/or the exercise of its rights and/or the performance or compliance with its obligations under the Agreement, and such entry, performance and compliance do not and will not violate (i) any laws, regulations or guidelines, (ii) any rules or bye-laws of any stock exchange or which may be applicable to him, or (iii) any agreement to which it is a party or which is binding on it or its assets;
 - (b) all of its obligations under the Agreement are legal, valid, binding and enforceable in accordance with the terms of the Agreement;
 - (c) it will be the sole beneficial owner of the Placement Shares and shall not cease to be the sole beneficial owner of the Placement Shares prior to the date of the listing and quotation of the Placement Shares on the SGX-ST;
 - (d) to the extent that a Securities Account has not been opened, it will provide all information and particulars, and will take all steps, at its own expense for the purposes of opening such Securities Account within 5 Market Days (being a day on which the SGX-ST is generally open for trading of securities) after the date of the Agreement;
 - (e) the Company shall not have any responsibility for and NEWe will obtain, any consent, approval or permission for the subscription, offer or sale of it of the Placement Shares

required of it under, and NEWe will comply with, the laws and regulations in force in any jurisdiction to which NEWe is subject;

- (f) up to the date of the listing and quotation of the Placement Shares, NEWe will not offer any Placement Shares for sale to, or procure subscriptions of or make an invitation for any Placement Shares to or by, any person who is a director or a substantial shareholder of the Company or other related parties; and
- (g) NEWe will not offer to sell or procure subscriptions or make an invitation for or in respect of the Placement Shares in any jurisdiction or under any circumstances in which such offer, subscription or invitation is unlawful or not authorised.

4.3.2 The Company shall not have any responsibility in respect of the legality of NEWe or any other person offering or selling the Placement Shares in any jurisdiction or in respect of the Placement Shares qualifying for sale in any jurisdiction.

5. RATIONALE OF THE PROPOSED PLACEMENT AND INTENDED USE OF PROCEEDS

5.1 Rationale

The rationale of the Proposed Placement is to raise funds to strengthen the Company's for the expansion of the Group's financial position and flexibility to capitalise on growth opportunities. The Proposed Placement will result in an injection of funds into the Company (a) to fund capital expenditures for the growth of the Group's business and (b) for general working capital purposes, including meeting general overheads and other operating expenses of the Group.

5.2 Use of Proceeds

5.2.1 The estimated net proceeds from the Proposed Placement, after deducting estimated fees and expenses (including listing and application fee, professional fees and other miscellaneous expenses of approximately S\$40,000, is approximately S\$3,783,734 ("**Net Proceeds**"). The Company intends to apply such Net Proceeds in the following estimated proportions:

Proposed use of Net Proceeds	% of Net Proceeds from the Proposed Placement	Approximate Amount (S\$)
(a) to fund capital expenditures for the growth of the Group's business	79.29%	3,000,000
(b) for general working capital purposes, including meeting general overheads and other operating expenses of the Group	20.71%	783,734

5.2.2 Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

5.2.3 The Company will make periodic announcement(s) as to the use of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance

with the stated use. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Listing Rules and the Company's annual report. Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

6. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

6.1 The pro forma financial effects of the Proposed Placement are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual financial position of the Group after Completion.

6.2 The pro forma financial effects of the Proposed Placement on the Group are set forth below and have been computed based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2015 ("**FY2015**").

6.3 The financial effects of the Proposed Placement are based on the following assumptions:

6.3.1 The estimated fees and expenses (including any professional and administrative fees payable) incurred by the Company in connection with the Proposed Placement is approximately S\$40,000;

6.3.2 The financial effect on the net tangible asset ("**NTA**")/ net tangible liability ("**NTL**") per Share is computed based on the assumption that the Proposed Placement was completed on 31 December 2015;

6.3.3 The financial effect on the consolidated loss per Share ("**LPS**") is computed based on the assumption that the Proposed Placement was completed on 1 January 2015; and

6.3.4 The Proposed Placement of the Placement Shares at the Issue Price of S\$0.009 per Placement Share;

6.4 Share Capital

	Before the Proposed Placement	After the Proposed Placement
Issued and paid-up share capital	S\$157,800,000	S\$161,623,734
Total number of issued Shares (excluding treasury Shares)	1,011,569,800	1,436,429,116

6.5 NTA /(NTL) per Share

	Before the Proposed Placement	After the Proposed Placement
NTA (RMB\$'000)	(5,269)	12,913
NTA/(NTL) per Share (RMB)	(0.01)	0.01

6.6 Loss Per Share

	Before the Proposed Placement	After the Proposed Placement
Loss attributable to the Shareholders (RMB\$'000)	(1,153,220)	(1,153,412)
Weighted average number of Shares	1,011,569,800	1,436,429,116
Loss per Share (RMB)	(1.14)	(0.80)

7. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that after taking into consideration the present financial position of the Group, including:

- (i) the operating cash flows and net current assets of the Group, the Group has adequate working capital for its present requirements; and
- (ii) the operating cash flows and net current assets of the Group as well as the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Directors have decided to undertake the Proposed Placement to strengthen its financial position in order to meet its anticipated general working capital requirements and business expansion, and for greater flexibility to capitalise on growth opportunities.

8. CONFIRMATION BY COMPANY

The Company confirms that the issue of Placement Shares to NEWe will not transfer a controlling interest without prior approval of Shareholders in a general meeting.

9. INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and save for their interests arising by way of their shareholdings in the Company and/or directorships in the Group, as the case may be, none of the Directors or substantial Shareholders has any interest, direct or indirect, in the Proposed Placement.

10. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection by prior appointment through contacting the Company at finance@huanholdings.com, at the registered office of the Company at 10 Bukit Batok Crescent #10-04 The Spire Singapore 658079, during normal business hours from 9.00 a.m. to 5.00 p.m. for a period of 3 months commencing from the date of this announcement.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries

that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. FURTHER ANNOUNCEMENTS

The Company will continue to keep Shareholders updated and release announcements relating to the Proposed Placement (including any material developments and progress made) as may be appropriate from time to time.

13. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. The Proposed Placement is subject to the fulfilment of certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors of the Company should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their legal, financial, tax or other professional adviser immediately.

By Order of the Board

Gao Hong
Executive Chairman
22 June 2021