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

DELISTING NOTIFICATION – APPEAL TO SGX-ST

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1. Introduction

The board of Directors (the "**Board**") of Hu An Cable Holdings Ltd. (the "**Company**" and its subsidiaries, the "**Group**") refers to its announcement dated 10 July 2021 via SGXNET titled "*Delisting Notification*", in relation to the notification of delisting received from the Singapore Exchange Securities Trading Limited ("**SGX-ST**" or "**SGX**") on 9 July 2021.

The Board would like to update its shareholders that the Company has today submitted an appeal to the SGX-ST ("**Appeal Letter**").

2. Grounds for Appeal

In the Appeal Letter, the Company had set out the following grounds for its appeal:

2.1. Time and Resources Required to Comply with the Notice of Compliance ("**NOC**") dated 5 May 2021

(i) The Company was suspended in December 2018. The executive chairman of the Company, Mr Gao Hong appointed in June 2017, and the executive director of the Company, Mr Fang Huasheng was appointed in October 2018. Substantial time and resources were expended to investigate into the conduct of the past management. Due to these efforts, the Company has uncovered the status of several subsidiaries in China, and Mr Dai Zhi Xiang, the former CEO of the Company, has been convicted, as duly announced in the Company's announcements via SGXNET dated 13 May 2020, titled "*Update to Shareholders*" and dated 7 May 2021, titled "*Announcement Pursuant to Rule 704(5) of the SGX-ST Listing Manual – Disclaimer of Opinion by the Independent Auditors on the Group's Financial Statements for the Financial Year Ended 31 December 2015*", providing shareholders of the Company ("**Shareholders**") with an update.

(ii) In relation to the conditions as set out in the NOC, the Group had also made substantial progress in being able to carry out the audit for the financial year ended 31 December 2015 ("**FY2015**") and conducted the annual general meeting for FY2015 (in compliance with Items 1 – 3 of the requirements in the NOC). Prior to the external auditors informing the Company of its intention not to seek re-election, the Company had the understanding with the external auditors to complete the audits for the financial years of 2016, 2017, 2018, 2019 and 2020 altogether. This was the Company's plan shared with SGX and which was also reflected in the NOC.

(iii) The external auditor's decision not to seek re-election is a spanner in the works for the Company and as you may be aware, the Company has nonetheless expeditiously engaged various audit firms to take over from the outgoing external auditors.

(iv) Significant time and resources were expended by the Company to finalise the audit for FY2015, engaged in negotiations with various audit firms to take over the audit for FY2016 to FY2020, whilst concurrently finalising the annual report, preparing the annual general meeting ("**AGM**") for FY2015, engaging professionals to prepare the circular for the change of auditors, and entering into negotiations with the vendors of Singapore Orient Power Holding Pte Ltd ("**SOPH**"), amongst other matters.

(v) A lot of effort and thoughts were also put into structuring the transaction with the vendors of SOPH to ensure that completion of the first stage of the proposed acquisition of SOPH could realistically occur on or before 31 December 2021.

(vi) The Company understands the need to ensure that intermediate timelines and milestones are adhered to but would seek SGX's understanding that the Company had utilised its best efforts to meet these intermediate timelines on its part, but that it also had to accommodate the pace of its counterparts, as well as ensure that the Company's interest are protected while proceeding with the various tasks to be completed pursuant to the NOC.

(vii) Throughout this period, the Company has continuously made efforts to engage SGX to keep SGX updated on the steps being taken by the Company to bring itself into compliance notwithstanding the challenging circumstances, including sharing with SGX its efforts made to get the external auditors to complete the FY2015 audit and sign off the FY2015 accounts.

(viii) The Company would like to highlight that it had promptly provided updates to the SGX and Shareholders by way of its responses to the various queries by the SGX and the Securities Investors Association (Singapore), as announced by the Company via SGXNET on 24 June 2021, 25 June 2021, 29 June 2021, 30 June 2021, and 6 July 2021, as well as the Company's response to the SGX via email and the SGX-RegCo portal dated 5 July 2021, 8 July 2021, and 9 July 2021, in accordance with the timelines set by the SGX.

(ix) The AGM for FY2015 also provided a further opportunity for Shareholders to obtain an update of the Company's affairs. Whilst the travel and work disruptions caused by the COVID-19 pandemic contributed to a delay by the Company in meeting the requirements of the NOC, the Company had nevertheless complied with the first 3 requirements of the NOC, in accordance with the timeline as stipulated in the NOC.

(x) The Directors also trust that SGX would note that the Directors have been seeking to actively engage SGX to resolve its listing rules compliance issues and once they have clear directions and/or indication from SGX, they have always put in the utmost effort and resources to substantively comply with SGX's directions.

2.2. Placement and Fund-Raising Efforts in Place

(i) As announced by the Company via SGXNET on 22 June 2021 in the announcement titled "*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*", the Company had entered into a placement agreement to raise net proceeds of S$3.78 million ("**Proposed Placement**"). The investor is ready and willing to complete the subscription of shares. The proceeds

from the Proposed Placement would be sufficient for the operations of the Group for not less than 12 months.

(ii) The Company has also separately sought SGX's views on its intention to complete the acquisition of Da Hang Trading Pte Ltd expeditiously and once completed, the Company would immediately have a viable and profitable business to sustain the Group as a going concern.

(iii) As disclosed by the Company in its announcements via SGXNET dated 25 June 2021, 30 June 2021, and 6 July 2021, the current management have also been providing financial support for the operations of the Group and are prepared to continue such financial support if required.

(iv) In view of the foregoing, the Company is therefore of the view that it will be able to continue as a going concern.

2.3. Substantial Prejudice to Shareholders from Delisting

A delisting would result in substantial prejudice to Shareholders, and specifically minority shareholders, in the following aspects:

(i) no meaningful exit offer is likely to be made - Based on the statistics of Shareholders as at 31 May 2021, as announced by the Company in its FY2015 Annual Report, the Company does not have any controlling Shareholder. In the event, that the Company proceeds to delisting, the Proposed Placement will not complete. The Company is likely to have to proceed to liquidation to make the exit offer to the Shareholders, and as such, no meaningful distribution is likely to be made to Shareholders;

(ii) Shareholders will no longer be updated as to the status of the Group, upon the Company being delisted and liquidated; and

(iii) no further claims or recovery efforts against the former management, and/or other professionals involved at the material time (if applicable) will be made if the Company is delisted and liquidated - it is the intention of the current management that concurrent with the audit of the acquisition of a new business, the current management will obtain legal advice to pursue civil claims against the aforementioned persons, for the purposes of (i) seeking recovery for the Shareholders of the Company and (ii) to send a signal on the consequences of mismanagement of the Company's assets.

2.4. No Uncertainty as the Definitive Agreement had been Executed

(i) With specific reference to Item 4 of the requirement of the NOC, the Company respectfully submits that there is no substantial uncertainty in relation to the lack of an acquisition target by the Group, or that negotiations for the acquisition are at a preliminary stage. In this regard, the Company only required a few additional days beyond 30 June 2021 to enter into the definitive agreement, and it had since executed and announced such agreement on 9 July 2021, via SGXNET on 10 July 2021. There is therefore no uncertainty as to an indefinite extension of time for the

Company to enter into the agreement, and the Company has complied with Item 4 of the requirement of the NOC in relation to the entry into of the definitive agreement.

(ii) The Company would like to highlight that it was formally notified by SGX of the requirements to enter into a definitive agreement only on 5 May 2021 via the NOC, and since then, the Company had proceeded with great urgency to comply with the requirement. There are however practical limitations on the timeframe required to enter into the definitive agreement for an acquisition for a business that would satisfy the requirements for a new listing and the Company's delay was only of a few days.

2.5. The Company's Suspension is not Unduly Long

The Company was suspended in December 2018 and as of now approximately 2.5 years have transpired. During this period, work and travel was disrupted by the COVID-19 pandemic in 2020 and any matter being done in 2020 would take longer than expected to complete. The Company notes that there are other companies suspended even before the Company's suspension in December 2018, such as in June 2017 and September 2017, that have not been delisted. While every company is different, the Company respectfully submits that it had achieved almost all milestones set by the SGX, including providing updates on the previous management and the Group's China subsidiaries, the FY2015 audit, fund raising efforts and the acquisition of a new business.

3. Updates to Shareholders

The Company will keep shareholders informed of any developments and will make the necessary announcements as and when there are further material developments. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors of the Company should consult their legal, financial, tax or other professional adviser immediately if they have any doubt as to the action they should take.

By Order of the Board

Gao Hong
Executive Chairman
14 July 2021