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**EXTENSION OF TIME UNDER RULE 707(1) OF THE LISTING MANUAL TO HOLD ANNUAL GENERAL MEETING FOR FY2015**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Hu An Cable Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”), refers to the announcements made by the Company on 29 Feb 2016 and 14 March 2016 (the “**Prior Announcements**”), in which the Company announced that it had, on 15 February 2016, sought a 3 month extension from the SGX-ST in relation to Rule 705(1) of the Listing Manual (the “**Rule 705(1) Extension**”) to announce its financial statements for the financial year ended 31 December 2015 (“**FY2015**”), and that it had, on 11 March 2016, received a reply from the SGX-ST stating that the SGX-ST has no objections to the application (subject to the conditions stated in the Prior Announcements).

The Board wishes to announce that further to the above, the Company had, on 6 April 2016, also sought a 3 month extension from the SGX-ST in relation to Rule 707(1) of the Listing Manual (the “**Rule 707(1) Extension**”) to hold its annual general meeting for FY2015.

**2. THE REASONS FOR SEEKING THE EXTENSION**

The Company had sought the Rule 705(1) Extension and the Rule 707(1) Extension in view of the following developments:

- (a) Pursuant to a major supplier of the Group facing liquidation, the Board had in August 2015 instructed the then chief financial officer of the Company to travel to the PRC to collate and verify the information in relation to a prepayment of approximately RMB310.0 million, which was made to the major supplier, as well as the accounts of the Company’s relevant PRC subsidiaries. The Board also sighted confirmation from PRC counsel, Jiangsu Jingxi Law Firm, that the court had on 12 June 2015 issued a ruling to declare the bankruptcy of the supplier, as well as obtained PRC counsel’s advice that no creditors can take any legal actions against the supplier after the liquidation process has commenced. Taking into account the fact that the supplier was facing liquidation and there was no collateral provided for the prepayment, the Company had decided, with the concurrence of the auditors, to make full provision for the prepayment of approximately RMB 310.0 million.
- (b) Pursuant to reports issued by the Quality and Technology Supervision Bureau (upon the request of the State Quality Inspection Administration in the PRC), certain products manufactured by a subsidiary of the Group, namely Wuxi Hu An, were not compliant with the relevant specifications under the applicable regulations, which led to the receipt of notifications by Wuxi Hu An from 13 customers stating they are terminating payments under any existing purchase contracts, removing Wuxi Hu An from the customers’ approved vendor list, and the customers reserving their legal rights to obtain compensation from Wuxi Hu An for any loss or damages suffered by them. Due to these issues, the Group is facing financial and operational difficulties:
  - i. suppliers are demanding for outstanding payments;
  - ii. suppliers are requesting for full payment before delivery of goods, which the Group is unable to do so due to insufficient cash flow;
  - iii. banks are recalling their loans to the Group;

- iv. other companies are no longer willing to guarantee the Group's loans;
  - v. some customers had or are considering removing the Group from their approved vendor list, leading to reduced confidence amongst the Group's other customers, and may face potential claims from customers for compensation, and
  - vi. production has ceased, which is resulting in continuous losses.
- (c) Pursuant to the above, the PRC local government of Wuxi City, Guanlin Town had initiated a proposal whereby the Company shall dispose of the assets and liabilities of the Group's three PRC subsidiaries, namely Wuxi Hu An, Shenhuan Electric and Shenhuan Cable to a potential purchaser, Yixing Jinxiao Copper Industry Co. Ltd. (the "**Asset Disposal**"). The Company had announced on 29 October 2015 that the PRC subsidiaries have signed a sale and purchase agreement with Yixing Jinxiao Copper Industry Co. Ltd. on 26 October 2015 in relation to the Asset Disposal. The Board also announced on 29 October 2015 that the Company had signed a conditional sale and purchase agreement and a supplemental agreement dated 26 October 2015 and 28 October 2015 respectively with Plenty Jade Limited (the "**Shares Purchaser**"), for the transfer of the shares of the PRC subsidiaries to the Shares Purchaser (the "**Shares Transfer**"); and
- (d) following ceasing of production of the Group, coupled with the prolonged uncertainty of the Group's future, some of the finance staff of the Company had resigned and the Company is currently trying to gathering its available resources in the audit preparation.

In view of the above developments, the Company is currently focusing its resources on obtaining the relevant approvals required for the Asset Disposal and the Shares Transfer, and had therefore made applications for the Rule 705(1) Extension and the Rule 707(1) Extension as it requires more time to prepare the financial statements of the Company for FY2015, and consequently, more time to hold its annual general meeting for FY2015.

### 3. EXTENSION GRANTED AND CONDITIONS OF WAIVER

The Company had, on 15 April 2016, received a reply from the SGX-ST stating that it has no objections to granting a 3 month extension in relation to the compliance with Rule 707(1) of the Listing Manual to hold its annual general meeting for FY2015, subject to the following:

- (a) the Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Listing Rule 107;
- (b) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company; and
- (c) the Company convening the annual general meeting of the Company by 31 July 2016 subject to approval of the same from the Accounting & Corporate Regulatory Authority ("**ACRA**").

By the release of this announcement, the Company considers the condition as set out in paragraph 3(a) above to have been satisfied. The Company has also submitted to the SGX-ST the written confirmation referred to in paragraph 3(b) above.

The Company will be making an application to ACRA to comply with the condition set out in paragraph 3(c) above, and will release further announcements as and when there are material updates on the above.

In the meantime, the Board wishes to advise shareholders of the Company and investors to exercise caution when dealing in the shares of the Company.

**BY ORDER OF THE BOARD**

Dai Zhixiang  
CEO and Executive Chairman  
15 April 2016