

POTENTIAL DISPOSAL OF THE ASSETS AND LIABILITIES OF THE GROUP'S THREE PRC SUBSIDIARIES PURSUANT TO A PROPOSAL BY THE PRC LOCAL GOVERNMENT

根據中國當地政府建議對集團三個中國子公司的潛在處置

1. Background

背景

The Board of Directors (the “**Board**”) of Hu An Cable Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the previous announcements released by the Company on 6 August 2015, 18 August 2015, 27 August 2015 and 3 September 2015, where the Company had announced the following:

滬安電力控股有限公司（“**公司**”，與其子公司合稱“**集團**”）的董事會（“**董事會**”）參照公司先前於2015年8月6日，2015年8月18日，2015年8月27日和2015年9月3日發佈的公告，上述公告中發佈：

- (a) pursuant to a major supplier of the Group facing liquidation, the Group had made full provision for a prepayment of approximately RMB310 million that was made to the supplier; and
由於集團的一大供應商面臨清算，集團已為向該供應商支付的約人民幣3.1億的預付款提供了全額撥備；且
- (b) the receipt of notifications by a subsidiary of the Group, namely Wuxi Hu An Wire and Cable Co., Ltd. (“**Wuxi Hu An**”), from 12 customers (subsidiaries of the State Grid Corporation of China) stating that 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.

集團子公司無錫滬安電線電纜有限公司（“**無錫滬安**”）收到12家客戶（中國電網的子公司）的通知，表明其將終止對任何現有採購合同付款，將無錫滬安從合格供應商名單中除名且就其所遭受的任何損失或損害，客戶保留從無錫滬安獲得賠償的合法權利。

Pursuant to the above, the PRC local government of Wuxi City, Guanlin Town has initiated a proposal whereby the Company shall dispose of the assets and liabilities of the Group’s three PRC subsidiaries, namely Wuxi Hu An, Wuxi Shenhuan Electric Co., Ltd. and Shenhuan Cable Technology Co., Ltd. to a potential purchaser, Yixing Jinxiao Copper Industry Co., Ltd. (the “**Proposed Disposal**”). The purchaser is an independent third party who is not related to the Company’s Directors, controlling shareholder, and their associates. The PRC local government has initiated the Proposed Disposal for the following main reasons: (i) to assist the Group to overcome the financial and operational difficulties which it currently faces in the PRC, (ii) to safeguard the livelihoods of the Group’s employees, and (iii) to protect the interests of the Group’s shareholders and creditors.

有鑒於上述，中國無錫官林鎮當地政府提議，建議公司向一潛在買方，宜興市金嘯銅業有限公司出售集團的三個中國子公司（即無錫滬安、無錫申環電工有限公司和申環電纜科技有限公司）的財產和債務（“**擬議的處置**”）。買方是與公司董事、控制股東和其關聯人士無關的獨立第三方。中國當地政府提出擬議的處置主要基於以下原因：(i)幫助集團克服其中國公司當前面臨的財務和營運困難，(ii)保障集團員工的生計，及(iii)維護集團股東和債權人的利益。

2. Proposal

提議

The consideration for the Proposed Disposal will be determined based on a valuation of the assets and liabilities of the Group’s three PRC subsidiaries. The Board is currently reviewing the terms of the Proposed Disposal, and is in negotiations with the PRC local government and Yixing Jinxiao Copper Industry Co., Ltd. on the terms of the Proposed Disposal.

擬議的處置的對價將基於對集團的三個中國子公司財產和債務的價值評估結果決定。董事會當前正在複審擬議的處置的條款并正就該等條款與中國當地政府和宜興市金嘯銅業有限公司協商。

3. Further developments
未來發展

The Company will announce any further material updates to shareholders on a timely basis, including any disclosures and/or approvals required by the Company under the Listing Manual. 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.

公司將及時向股東公告任何重要的最新消息，包括上市手冊要求公司公告的任何披露和/或批准。與此同時，董事會建議公司股東和投資者謹慎交易公司股票。

BY ORDER OF THE BOARD
經董事會授權公佈

Dai Zhi Xiang
戴志祥
CEO and Executive Chairman
首席執行官兼董事會執行主席
8 September 2015
2015年9月8日