HU AN CABLE

HU AN CABLE HOLDINGS LTD.
(Company Registration Number 200810320N)
(Incorporated in the Republic of Singapore in May 2008)
http://www.huanholdings.com

IMMEDIATE RELEASE
即時公告

Hu An Cable's reports net profit of RMB15.1 million for 1H2014

滬安電力 2014 上半年淨利潤人民幣 1,510 萬元

- **Lower sales and profit margin due to lower contribution from the higher-margin cable and wire products**
  由於較高毛利的電纜與電線產品的銷量減少導致銷量與利潤率下降
- **Group to focus on risk management through market diversification and stringent customer selection**
  集團通过市场多元化和更严格的客户篩选来加强風險管理

Singapore & Taiwan, 13 Aug 2014 – SGX-ST Mainboard-listed Hu An Cable Holdings Ltd. ("**Hu An Cable**" or "**滬安電力控股有限公司**", and together with its subsidiaries, the "**Group**"), one of the top 10 wire and cable manufacturers in the PRC, recorded a net profit of RMB15.1 million on the back of RMB938.7 million turnover for its first six months ended 30 June 2014 ("**1H2014**").

新加坡及台灣，2014 年 8 月 13 日 — 新加坡证券交易所主板上市的滬安電力控股有限公司（**"滬安電力"** 或 **"滬安電力控股有限公司"**，以及其子公司，合稱為 **"集團"**），作為中國十大電線與電纜製造商之一，在截至 2014 年 6 月 30 日的首六個月（**"2014 上半年"**）取得销售淨利潤人民幣 1,520 萬元基于銷售人民幣 9.387 億元。

The Group's 1H2014 revenue declined 7.1% year-on-year (yoy) from RMB1.0 billion for 1H2013 due to lower sales of cables and wires, and aluminium rods & plastic cable materials. As a result, the Group's gross profit and gross profit margin declined 9.0% and 0.4 percentage point respectively due to lower contribution from the higher-margin cable and wire products.

相較於 2013 上半年的營業收入人民幣 10 億元，2014 上半年集團營業收入同比下降 7.1%，主要由於電纜與電線、鋁桿及塑膠電纜材料的銷量減少。因此，由於較高毛利的電纜與電線產品的貢獻減少，集團的毛利及毛利率分别降低了 9.0%及 0.4 个百分点。

Mr. Dai Zhi Xiang, Executive Chairman and CEO of Hu An Cable, said, **"Overall business climate is challenging due to uncertainties amidst China's economic transformation. However, in the long run, there are opportunities for the cable and wire industry to grow further due to rapid urbanization in China."**

滬安電力總裁及執行主席戴志祥先生說：**"由於中國經濟轉型期間的不確定性使得整個商業環境充滿挑戰。但長期來看，集團認為電纜與電線行業有機會繼續增長，因為中國正在進行快速的城鎮化發展。"**

Our strong order book of RMB900.0 million provides the Group with a good base for growth. Capitalizing on our good ties with the State Grid Corp of China, China's dominant power grid operator, and established track record of producing quality cables and wires, we believe we are in a favorable position to expand our business albeit cautiously.

我們強有力的訂單金額達人民幣 9 億元，為集團發展奠定良好基礎。基於我們與中國主要電力運營商，中國國家電網的良好關係，以及已建立起的生產優質電線與電纜的形象，我們相信我們處於有利的位置可以謹慎地拓展我們的業務。

Financial Highlights

财务亮点

RMB' Mil	2Q2014	2Q2013	Change	1H2014	1H2013	Change
Revenue 營業收入	513.9	700.8	(26.7)%	938.7	1010.9	(7.1)%
Gross Profit 營業毛利	86.3	116.2	(25.7)%	157.1	172.7	(9.0)%
Gross Profit Margin 營業毛利率	16.8%	16.6%	0.2 pp	16.7%	17.1%	(0.4) pp
Net Profit 淨利潤	14.6	31.1	(53.1)%	15.1	20.0	(24.3)%
Net Profit Margin 淨利潤率	2.8%	4.4%	(1.6) pp	1.6%	2.0%	(0.4) pp
Diluted EPS* (RMB cents) 可稀釋的每股收益（人民幣/分）	1.4	3.4	(58.8)%	1.5	2.2	(31.8)%
Diluted earnings per TDR (NTD cents)** 可稀釋的每份 TDR 收益（新台幣/分）	8.5	20.7	(58.8)%	9.1	13.4	(31.8)%

*Calculated based on the weighted average number of shares of 1,011,570,000 for 2Q2014 and 1H2014, and 922,896,000 for 2Q2013 and 1H2013

**Calculated based on exchange rate on 13 August 2014 of RMB: NTD = 1:4.8729. Every TDR represents 1.25 ordinary shares

*基于2014上半年的1,011,570,000普通股和 2013上半年的 922,896,000普通股加權平均數計算得出

**基於2014年8月13日人民幣：新台幣=1: 4.8729的匯率計算得出。每單位TDR為1.25個普通股

Cables & Wires Business Segment

電纜與電線事業部

Revenue from the cables & wires business segment decreased 11.7% from RMB909.1 million for 1H2013 to RMB802.7 million for 1H2014. This is mainly due to a 14.6% decrease in sales volume of cable products from 21,978.5 km for 1H2013 to 18,763.2 km for 1H2014. The momentary slowdown in infrastructure spending during the quarter has caused lower sales contribution from low and mid voltage power cables and aerial cables. This situation is partially offset by the sales of wire products as sales volume increased 12.5% from 21,768.4 km for 1H2013 to 24,483.8 km for 1H2014.

電纜與電線事業部的營業收入從 2013 上半年的人民幣 9.091 億元減少至 2014 上半年的人民幣 8.027 億元，減幅為 11.7%。主要由於電纜產品銷量下降 14.6%，從 2013 上半年的 21,978.5 公里減少至 2014 上半年的 18,763.2 公里。本季度基礎設施建設花費減緩導致中低壓電纜與及架空電纜的銷量減少。該減少被電線產品的銷量增加部分抵消。電線產品銷量從 2013 上半年的 21,768.4 公里增加至 2014 上半年的 24,483.8 公里，增幅為 12.5%。

Copper Rods Business Segment

銅桿事業部

Copper rods productions are generally used for the Group’s internal consumption. As a result, copper production increased with the establishment of the new high voltage cable manufacturing plant. In addition, sales of copper rod to external customers also surged 534.9% from 416.6 tons a year ago to 2,645.1 tons for 1H2014. As a result, sales contribution of copper rods towards the Group’s revenue increased 10.1 percentage points from 1.9% for 1H2013 to 12.0% for 1H2014.

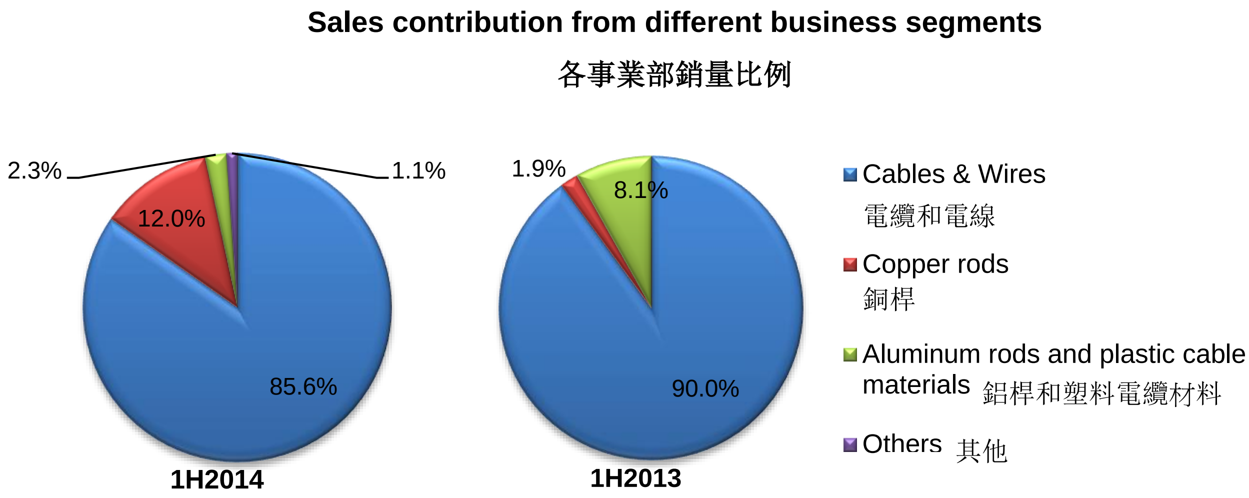
銅桿產品主要用於集團內部需求。由於新的高壓電纜生產廠房的建成，銅的產量均有所增加。此外，向外部客戶出售的銅桿銷量從 2013 上半年的 416.6 噸增長至 2014 年上半年的 2,645.1 噸，增幅為 534.9%。因此，銅桿的銷售收入占集團總營業收入的比例增長了 10.1 個百分點，從 2013 上半年的 1.9%增長至 2014 上半年的 12.0%。

Aluminum rods and plastic cable materials

鋁桿及塑膠材料

Due to increased market competition, revenue from the aluminum rods and plastic cable materials segment decreased 5.8% yoy to RMB22.0 million for 1H2014.

由於市場競爭加劇，2014 上半年鋁桿與塑膠電纜材料部門的營業收入減少了 5.8%，達人民幣 2,200 萬元。



The Group's other income decreased 15.7% yoy to RMB7.5 million due to reduction in short-term deposit interest income and government subsidy. Selling and distribution expenses declined 8.8% or RMB4.0 million to RMB41.3 million mainly due to RMB5.3 million decrease in tender related expenses, RMB4.6 million decline in marketing and advertising fee, RMB0.4 million reduction in freight and transportation charges, and RMB6.3 million increase in salary and staff related expenses.

由於短期存款利息收入及政府津貼的減少，集團其他收入同比減少了 15.7%，至人民幣 750 萬元。銷售費用減少了 8.8%或人民幣 400 萬元，至人民幣 4,130 萬元，主要由於投標相關費用減少了人民幣 530 萬元、營銷及廣告費用減少了人民幣 460 萬元，運輸費用減少了人民幣 40 萬元，員工工資及相關費用增加了人民幣 630 萬元。

Administrative expenses decreased 26.1% or RMB20.3 million yoy to RMB57.2 million primarily due to a write-back of RMB5.8 million allowance for doubtful debt as a result of debt collection and a decrease of RMB3.7 million in R&D expenses.

管理費用同比減少了 26.1%或人民幣 2,030 萬元，達人民幣 5,720 萬元，主要由於債務回收壞賬備抵撥回人民幣 580 萬元，以及研發費用減少人民幣 370 萬元。

Finance expenses increased 30.1% yoy to RMB46.7 million for 1H2014 mainly due to increased interest expenses arising from higher borrowing and higher usage of short-term bank notes.

2014 上半年，財務費用同比增長了 30.1%，達人民幣 4,670 萬元，主要由於高額銀行貸款及短期銀行票據所產生的利息費用增加。

Consequently, the Group's net profit decreased from RMB20.0 million for 1H2013 to RMB15.1 million for 1H2014.
因此，集團淨利潤從 2013 上半年的人民幣 2,000 萬元減少至 2014 上半年的人民幣 1,510 萬元。

Outlook
展望

Mr. Dai shared**, "The wire and cable industry will need to overcome two major issues due to China's current economic and political issues, namely overcapacity in the industry and credit tightening. Raw material price fluctuation further intensifies the challenges in our financial management.**
戴總說：**"由於中國目前的經濟與政治問題，電纜與電線行業需要克服兩大問題，即行業的產能過剩及信貸緊縮問題。原材料價格波動進一步加劇了我們在財務管理方面所面臨的挑戰。**

High free cash flow and efficient cash conversion cycle are keys to the continuity of our business due to its capital intensive nature. Going forward, we will place more focus on risk management. Not only diversifying markets, we will also be more stringent in customer selection and work mainly with reputable and financially strong parties with good payment track record."
由於本行業資本集中的性質，高度自由的現金流及有效的現金轉換週期是我們持續經營的關鍵，我們將加強重視風險管理。我們將不仅多元化市场，而且更嚴格地挑選客戶，主要與擁有良好付款記錄、財力雄厚且聲譽良好的企業合作。"

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About Hu An Cable Holdings Ltd.
滬安電力控股有限公司

Hu An Cable Holdings Ltd. ("**Hu An Cable**") is amongst the top 10 largest wire and cable manufacturers in China. Based in the wire and cable hub of Yixing city, Jiangsu province, Hu AnCable manufactures and supplies a wide range of power transmission cables to support a growing spectrum of power infrastructural developments in China.
滬安電力控股有限公司（**"滬安電力"**）是中國十大電線電纜製造企業。滬安電力的電線電纜生產總部位於江蘇宜興市，企業製造的一系列電纜用於支援中國電力基礎設施的建設和發展。

Hu An Cable's business model involves using copper rods as the main raw material and through its manufacturing processes to produce specialized cable products catering to the needs of its customers of power generation, transmission and distribution, petrochemical, transportation, alternative energy and other industries.
滬安電力以銅桿作為其主要原材料進行加工後，能夠生產各類電纜以滿足發電，供配電系統，石化、交通，可再生能源發電和其他行業的需求。

Hu An Cable is a qualified supplier to bellwether companies such as the State Grid Corporation of China, China Southern Power Grid, China Huadian Corporation, China Petroleum & Chemical Corporation, China National Petroleum Corporation, etc.
滬安電力是中國國家電網、中國南方電網、中國華電集團、中國石油化工集團公司以及中國石油天然氣集團公司等多個中國龍頭企業的合格供應商。

Due to its wide range of industry accreditations, Hu An Cable has participated in several prominent state projects such as the Beijing Workers' Stadium for the 2008 Beijing Olympic Games, the Datong-Baotou railway upgrading project, the Baiyun'e'bo wind-powered electricity generation project, Nanjing Subway Line 1 and various airport upgrading projects in major cities.
滬安電力擁有為多個行業提供電纜產品的資質，迄今其已參與多個國家級專案的建設，如北京 2008 年奧運會工人體育場改建項目，京包線大同至包頭段電氣化改造工程，內蒙古白雲鄂博風電二期工程，南京地鐵一號線，以及多個機場改造工程。

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