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## **HENGXIN TECHNOLOGY LTD.**

**亨鑫科技有限公司\***

*(carrying on business in Hong Kong as HX Singapore Ltd.)*

*(Incorporated in Singapore with limited liability)*

**(Hong Kong Stock Code: 1085)**

### **CONNECTED TRANSACTIONS IN RELATION TO PHOTOVOLTAIC POWER STATION PROJECT**

#### **EPC AGREEMENT AND SERVICE AGREEMENT**

The Board is pleased to announce that, on 30 March 2023, Hengxin Wireless, an indirect wholly-owned subsidiary of the Company, entered into (i) the EPC Agreement with the Connected Parties; and (ii) the Service Agreement with Hengtong Intelligent Technology, in respect of the Project for an aggregate contract sum of not more than RMB7.5 million.

#### **LISTING RULES IMPLICATIONS**

Each of Hengtong Energy Storage and Hengtong Intelligent Technology is considered as a connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the transactions contemplated under the Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the transactions contemplated under the Agreements were entered into with the same party or parties who are connected with one another on the same day and for the Project, the transactions contemplated thereunder are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregate contract sum under the Agreements is higher than 0.1% but less than 5%, the Agreements and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 30 March 2023, Hengxin Wireless, an indirect wholly-owned subsidiary of the Company, entered into (i) the EPC Agreement with the Connected Parties; and (ii) the Service Agreement with Hengtong Intelligent Technology, in respect of the Project for an aggregate contract sum of not more than RMB7.5 million.

## **EPC AGREEMENT**

- Date: 30 March 2023
- Parties: (i) Hengxin Wireless
- (ii) Hengtong Intelligent Technology and Hengtong Energy Storage
- Subject Matter: The Connected Parties, as main contractors of Hengxin Wireless, shall be responsible for the design, approval application, procurement, construction, test-running, acceptance-inspection of the Project so that the Photovoltaic Power Station will be able to produce electricity and connect to the electricity grid of the relevant electricity company.
- Consideration: Based on the agreed price of RMB1.88 per watt and the estimated 2.8 megawatt production capacity (subject to the final production capacity of the Photovoltaic Power Station connected to electricity grid) of the Photovoltaic Power Station, the contract sum will be approximately RMB5.26 million, subject to the cap of RMB6.3 million. The contract sum under the EPC Agreement shall be payable by Hengxin Wireless to the Connected Parties in the manner as follows:
- (i) as to 55% upon signing of the EPC Agreement;
  - (ii) as to 10% within 3 days after commencement of the construction works;
  - (iii) as to 10% upon 60% of the construction works of the Project having been completed;
  - (iv) as 10% upon conditions for connecting the Photovoltaic Power Station to the grid of relevant electricity company having been fulfilled;
  - (v) as to 15% within 30 days after the Photovoltaic Power Station commences operation.

The contract sum under the EPC Agreement is determined and agreed between the parties on an arm's length basis and is lower than the quotes obtained by Hengxin Wireless from other independent third-party contractors which are able to provide similar services.

## **SERVICE AGREEMENT**

Date: 30 March 2023

Parties: (i) Hengxin Wireless  
(ii) Hengtong Intelligent Technology

Subject Matter: Hengtong Intelligent Technology shall provide design and advisory services in relation to the Project to Hengxin Wireless.

Consideration: The contract sum under the Service Agreement is RMB1,200,000, which shall be payable by Hengxin Wireless to Hengtong Intelligent Technology within 7 business days after receipt of the invoice issued by Hengtong Intelligent Technology.

The consideration under the Service Agreement is determined and agreed between the parties on an arm's length basis and is lower than the quotes obtained by Hengxin Wireless from other independent third-party contractors which are able to provide similar services.

## **REASONS FOR AND BENEFITS OF THE AGREEMENTS**

In the summers of the past few years, Hengxin Wireless was subject to a quite number of temporary suspensions of electricity supply, which interrupted its production plans and caused serious wastage of its manpower. Also, summer is the peak season for Hengxin Wireless's business, suspensions of electricity supply substantially increase the risk of delay in production to meet the demand of its customers.

It is thus necessary for Hengxin Wireless to have the Photovoltaic Power Station to commence operation as soon as possible and in any event before the summer this year so that it can mitigate the risk of suspension of electricity supply and can catch the best season in the year for photovoltaic electricity generation. The Photovoltaic Power Station will enable Hengxin Wireless to lower its production cost and improve its electricity supply structure. The use of solar energy for Hengxin Wireless's production will also be beneficial to the Group in meeting carbon footprint targets and attracting green investment.

Hengtong Intelligent Technology is wholly-owned by Hengtong Optic-Electric with good reputation in the photovoltaic industry and with the strong technical and project management support from Hengtong Optic-Electric and has proven track record in similar photovoltaic power station projects. Hengtong Energy Storage is an indirect wholly-owned subsidiary of Hengtong Group for providing green, clean and recyclable energy and energy storage services and has obtained relevant qualifications on electricity project construction and a number of industry awards relating to integrated solar storage-charging solution (光儲充一體化解決方案), EPC projects and intelligent recyclable photovoltaic enterprise (可再生能源優秀光伏智慧運維企業). Therefore, it is considered fair and reasonable to enter into the EPC Agreement with the Connected Parties and the Service Agreement with Hengtong Intelligent Technology.

The Directors (including the independent non-executive Directors) consider that the Agreements have been entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms and conditions therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP AND THE CONNECTED PARTIES**

The Group is one of the leading manufacturers of integrated antennas and feeder cables for mobile communications in the PRC.

Hengxin Wireless is a company incorporated in the PRC with limited liability and is in the principal business of research, design, development and manufacture sale and technical services of antennas and related telecommunications products for mobile communications systems.

Hengtong Energy Storage is a company incorporated in the PRC with limited liability and is in the principal business of provision of design and advisory services in relation to construction of photovoltaic power stations.

Hengtong Intelligent Technology is a company incorporated in the PRC with limited liability and is in the principal business of construction of photovoltaic power stations.

## **LISTING RULES IMPLICATIONS**

Hengtong Energy Storage is an indirect wholly-owned subsidiary of Hengtong Group.

Hengtong Intelligent Technology is wholly-owned by Hengtong Optic-Electric. Hengtong Optic-Electric is held as to approximately 24.05% by Hengtong Group, which is beneficially owned by Mr. Cui Genliang and Mr. Cui Wei as to 58.7% and 41.3% respectively. Mr. Cui Genliang is the father of Mr. Cui Wei (the chairman of the Board, a non-executive Director and a substantial shareholder of the Company via his wholly-owned entity, Kingever). Separately, Mr. Cui Genliang directly owns approximately 4.03% of the share capital of Hengtong Optic-Electric and can control the composition of a majority of the board of directors of Hengtong Optic-Electric.

Therefore, each of Hengtong Energy Storage and Hengtong Intelligent Technology is considered as a connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the transactions contemplated under the Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the transactions contemplated under the Agreements were entered into with the same party or parties who are connected with one another on the same day and for the Project, the transactions contemplated thereunder are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregate contract sum under the Agreements is higher than 0.1% but less than 5%, the Agreements and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors confirmed that, save for Mr. Cui Wei (the chairman of the Board and a non-executive Director), none of the Directors had any material interest in the Agreements. Accordingly, Mr. Cui Wei had abstained from voting on the Board resolutions approving the Agreements.

## **DEFINITIONS**

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

|                       |   |
|-----------------------|---|
| “Agreements”          | the EPC Agreement and the Service Agreement   |
| “Board”               | the board of Directors;   |
| “Company”             | Hengxin Technology Ltd., a company incorporated in Singapore with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1085) |
| “Connected Parties”   | Hengtong Intelligent Technology and Hengtong Energy Storage   |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules  |
| “Director(s)”         | director(s) of the Company  |
| “EPC Agreement”       | the photovoltaic power station engineering procurement and construction (EPC) agreement dated 30 March 2023 entered into between Hengxin Wireless and the Connected Parties       |

|                                   |   |
|-----------------------------------|---|
| “Hengtong Energy Storage”         | Jiangsu Hengtong Energy Storage Technology Company Limited* (江蘇亨通儲能科技有限公司), a company incorporated with limited liability in the PRC  |
| “Hengtong Group”                  | Hengtong Group Co., Ltd. (亨通集團有限公司)   |
| “Hengtong Intelligent Technology” | Beijing Hengtong Intelligent Technology Company Limited* (北京亨通智能科技有限公司), a company incorporated with limited liability in the PRC   |
| “Hengtong Optic-Electric”         | Hengtong Optic-Electric Co., Ltd. (江蘇亨通光電股份有限公司), a company incorporated with limited liability in the PRC  |
| “Hengxin Wireless”                | Jiangsu Hengxin Wireless Technology Co., Ltd.* (江蘇亨鑫無線技術有限公司), a company incorporated with limited liability in the PRC and an indirect wholly-owned subsidiary of the Company  |
| “Group”                           | the Company and its subsidiaries  |
| “HK\$”                            | Hong Kong dollar(s), the lawful currency of Hong Kong   |
| “Hong Kong”                       | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Kingevery”                       | Kingevery Enterprises Limited, a company incorporated in the British Virgin Islands and a substantial shareholder of the Company, holding approximately 28.06% of the issued share capital of the Company as at the date of this announcement |
| “Listing Rules”                   | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Photovoltaic Power Station”      | the photovoltaic power station of Hengxin Wireless to be constructed in Yixing City (宜興市), Jiangsu Province, PRC  |
| “PRC”                             | the People’s Republic of China, which, unless otherwise stated, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement  |
| “Project”                         | the construction project of the Photovoltaic Power Station  |
| “RMB”                             | Renminbi, the lawful currency of the PRC  |

|                     |  |
|---------------------|--|
| “Service Agreement” | the Hengxin photovoltaic project service agreement dated 30 March 2023 entered into between Hengxin Wireless and Hengtong Intelligent Technology |
| “Shareholder(s)”    | the holder(s) of the share(s) of the Company   |
| “Stock Exchange”    | The Stock Exchange of Hong Kong Limited  |

By Order of the Board  
**Hengxin Technology Ltd.**  
**Song Haiyan**  
*Executive Director*

Singapore, 30 March 2023

*As at the date of this announcement, the executive directors of the Company are Dr. Song Haiyan and Mr. Peng Yinan; the non-executive directors of the Company are Mr. Cui Wei, Mr. Du Xiping, and Ms. Zhang Zhong; and the independent non-executive directors of the Company are Mr. Tam Chi Kwan Michael, Dr. Li Jun and Mr. Pu Hong.*

\* *For identification purpose only*