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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 TRANSACTION IN RELATION TO PROVISION OF LOAN TO CONNECTED SUBSIDIARY**

#### **LOAN AGREEMENT**

The Board announces that, on 28 April 2023, the Lender (as lender), an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with Nanjing Zhangyu (as borrower), pursuant to which the Lender agreed to provide the Loan to Nanjing Zhangyu in the principal amount of RMB40,000,000 for a term of one year commencing from the date of the Loan Agreement.

#### **LISTING RULES IMPLICATIONS**

Mr. Peng Yinan is an executive Director and a connected person of the Company at the issuer level under the Listing Rules. As Nanjing Zhangyu is held as to 51% indirectly by the Company and 49% indirectly by Mr. Peng Yinan, Nanjing Zhangyu is a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules. Therefore, the transaction contemplated under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Loan under the Loan Agreement is higher than 0.1% but less than 5%, the Loan Agreement and the transaction 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.

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The principal terms of the Loan Agreement are set out below:

## **LOAN AGREEMENT**

Date:	28 April 2023 (after trading hours)
Parties:	(i) The Lender (as lender) (ii) Nanjing Zhangyu (as borrower)
Principal amount:	RMB40,000,000
Interest rate:	4.9% per annum. The interest rate was arrived at after arm's length negotiation between the Lender and Nanjing Zhangyu and reflects the normal commercial rate.
Term:	The term of the Loan shall be one year from 28 April 2023 to 27 April 2024.
Repayment:	The outstanding principal amount of the Loan together with all accrued interests shall be repaid in one lump sum at the end of the term of the Loan Agreement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT**

As Nanjing Zhangyu is still in its development stage, the Loan will be used by Nanjing Zhangyu for the development and operation of its business in the development, design and sale of integrated circuits, digital products, computer hardware, computer technology application and software and other business development. Having considered the overall strategy of the Group, the provision of the Loan by the Lender to Nanjing Zhangyu will enhance the cashflow and working capital of Nanjing Zhangyu and ensure Nanjing Zhangyu will be able to operate smoothly and further develop its business which will be beneficial to the Group's development in the long run.

The terms of the Loan Agreement (including the interest rate) are negotiated on an arm's length basis between the Lender and Nanjing Zhangyu having taken into account the prevailing market interest rates and practices. The Group will finance the Loan from its internal resources.

The Directors (including the independent non-executive Directors) consider that the Loan Agreement has been entered into on normal commercial terms, 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 PARTIES TO THE LOAN AGREEMENT**

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

The Lender is a company established under the PRC laws with limited liability and its principal activity is investment holding. As of the date of this announcement, the Lender is an indirect wholly-owned subsidiary of the Company.

Nanjing Zhangyu is held as to 51% indirectly by the Company and 49% indirectly by Mr. Peng Yinan, an executive Director and a connected person of the Company at the issuer level under the Listing Rules. It is principally engaged in the development, design and sale of integrated circuits, digital products, computer hardware, computer technology application and software, as well as technology consultation and technology services.

### **LISTING RULES IMPLICATIONS**

Mr. Peng Yinan is an executive Director and a connected person of the Company at the issuer level under the Listing Rules. As Nanjing Zhangyu is held as to 51% indirectly by the Company and 49% indirectly by Mr. Peng Yinan, Nanjing Zhangyu is a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules. Therefore, the transaction contemplated under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Loan under the Loan Agreement is higher than 0.1% but less than 5%, the Loan Agreement and the transaction 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. Peng Yinan, none of the Directors had any material interest in the Loan Agreement. Accordingly, Mr. Peng Yinan had abstained from voting on the Board resolutions approving the Loan Agreement.

### **DEFINITIONS**

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

“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 person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lender”	Xin Ke Xin (Suzhou) Technology Co., Ltd.* (鑫科芯(蘇州)科技有 限公司), a company established under the PRC laws with limited liability and an indirect wholly-owned subsidiary the Company
“Loan”	the loan in the principal amount of RMB40,000,000 granted by the Lender to Nanjing Zhangyu pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 28 April 2023 and entered into between the Lender (as lender) and Nanjing Zhangyu (as borrower) in relation to the provision of the Loan
“Nanjing Zhangyu”	Nanjing Zhangyu Information Technology Co., Ltd* (南京掌御信 息科技有限公司), a company established in the PRC with limited liability
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“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.**  
**Cui Wei**  
*Chairman*

Singapore, 28 April 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Peng Yinan and Dr. Song Haiyan; 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*