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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)

(Singapore Registration No: 200414927H)

(Hong Kong Stock Code: 1085)

(Singapore Stock Code: I85)

REVISION OF ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTION

Reference is made to the Prospectus and the waiver granted by the Stock Exchange on 25 November 2010 from, among others, strict compliance with the announcement requirement under Rule 14A.42(3) of the Listing Rules for the continuing connected transaction contemplated under the Raw Materials Purchase Master Agreement.

On 5 December 2011, Suzhou Hengli and Hengxin (Jiangsu), a wholly-owned subsidiary of the Company, entered into the Supplemental Agreement to revise the annual caps of the continuing connected transaction contemplated under the Raw Materials Purchase Master Agreement for the two financial years ending 31 December 2011 and 2012 respectively.

As the applicable percentage ratios (other than profit ratio) as defined under Rule 14.07 of the Listing Rules for the revised annual caps under the Supplemental Agreement on an annual basis exceed 0.1% but are below 5%, such transaction is subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and are exempted from the independent shareholders' approval requirement of the Listing Rules.

THE EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Prospectus and the waiver granted by the Stock Exchange on 25 November 2010 from, among others, strict compliance with the announcement requirement under Rule 14A.42(3) of the Listing Rules for the continuing connected transaction contemplated under the Raw Materials Purchase Master Agreement. Further details of the Raw Materials Purchase Master Agreement are set out in the paragraph headed "Purchase of raw materials" in the section headed "Connected Transactions" in the Prospectus.

Raw Materials Purchase Master Agreement

As disclosed in the Prospectus, on 9 November 2010, Suzhou Hengli and Hengxin (Jiangsu), a wholly-owned subsidiary of the Company, entered into the Raw Materials Purchase Master Agreement for the purchase of metal plastic tape, aluminum plastic tape and other raw materials from Suzhou Hengli for a term of three years ending on 31 December 2012.

Suzhou Hengli is wholly owned by Hengtong Cable Technology, which is in turn wholly owned by Hengtong Optic-Electric. Hengtong Optic-Electric is held at approximately 40.71% by Hengtong Group, which is beneficially owned by Mr. Cui Genliang, the elder brother of Mr. Cui Genxiang, our Executive Chairman, as to 90% of equity interest, and by Mr. Cui Wei, the son of Mr. Cui Genliang, as to 10% of the equity interest. In this regard, each of Mr. Cui Genliang, Mr. Cui Wei, Hengtong Group, Hengtong Optic-Electric, Hengtong Cable Technology and Suzhou Hengli is considered as a connected person of our Group under Rule 14A.11 of the Listing Rules.

Original Annual Caps and Historical Amounts

The Raw Materials Purchase Master Agreement has a term of three financial years ending 31 December 2012. As disclosed in the Prospectus, the original annual caps in respect of the aggregate annual amount payable by our Group to Suzhou Hengli in connection with the purchase of raw materials for each of the three years ending 31 December 2010, 2011 and 2012 were expected to be not more than RMB9,000,000, RMB9,000,000 and RMB 9,000,000 (equivalent to approximately HK\$11,022,172) respectively.

For the year ended 31 December 2010, the aggregate transactions entered into by our Group with Suzhou Hengli in connection with the purchase of raw materials amounted to approximately RMB6,769,000. Based on the Group's latest unaudited management accounts, the aggregate annual amount payable by our Group to Suzhou Hengli in connection with the purchase of raw materials from 1 January 2011 up to 30 November 2011 amounted to approximately RMB8,919,266 (equivalent to approximately HK\$10,923,298). The Directors confirm that the annual cap for the Raw Materials Purchase Master Agreement for the year ending 31 December 2011 has not been exceeded up to the date of this announcement.

PROPOSED REVISION TO THE ANNUAL CAPS

In view of the improvement of the quality of the raw materials supplied by Suzhou Hengli resulted from the upgrade of Suzhou Hengli's production facilities, the Company anticipates that the purchase of raw materials from Suzhou Hengli will increase steadily. With the continued development of the Group's operation and the continued co-operation with Suzhou Hengli, the Directors expect that the purchase from Suzhou Hengli by the Group will exceed the original annual caps provided under the Raw Materials Purchase Master Agreement for the years ending 31 December 2011 and 2012 respectively.

On 5 December 2011, Suzhou Hengli and Hengxin (Jiangsu), a wholly-owned subsidiary of the Company, entered into the Supplemental Agreement to increase the annual caps for the amount payable by our Group to Suzhou Hengli under the Raw Materials Purchase Master Agreement for the years ending 31 December 2011 and 2012 to RMB12,000,000 and RMB12,000,000 (equivalent to approximately HK\$14,696,229) respectively. The increase was determined by reference to (i) the anticipated requirements of raw materials by the Group for the period up to 31 December 2012; (ii) current market prices of the relevant raw materials and

products; (iii) the increase in production capacity of Suzhou Hengli; (iv) the enhancement of the product quality of the raw materials supplied by Suzhou Hengli's production plan for the fourth quarter of year 2011. Save for the revision to the annual caps for the two years ending 31 December 2011 and 2012, all other terms and conditions of the Raw Materials Purchase Master Agreement remain unchanged.

LISTING RULE IMPLICATIONS

Pursuant to the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, it will have to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As the applicable percentage ratios as defined under Chapter 14A of the Listing Rules on the revised annual caps under the Supplemental Agreement are more than 0.1% but less than 5% on an annual basis for each of the years ending 31 December 2011 and 2012 respectively, the revision to the annual caps is subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempted from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company believes that it is for the benefit of the Group to continue sourcing raw materials from Suzhou Hengli, taking into account the quality of the raw materials as compared to other suppliers in the market. The Board (including the independent non-executive Directors) considers that the transactions under the Supplemental Agreement are entered into in the usual and ordinary course of business of the Group and conducted on an arm's length basis and on normal commercial terms. Accordingly, the Board (including the independent non-executive Directors) considers that the terms of the Supplemental Agreement are fair and reasonable and the entering into of the said agreement is in the interests of the Company and its shareholders as a whole.

Save for Mr. Cui Genxiang, our Chairman and an executive Director, none of the Directors has any material interest, direct or indirect, in the transactions contemplated under the Supplemental Agreement and therefore none of the Directors except for Mr. Cui Genxiang was required to abstain from voting on the resolution of the Board to approve the Supplemental Agreement and the revised annual cap.

GENERAL

The Group is one of the leading manufacturers of radio frequency (RF) coaxial cables series for mobile communications in the PRC.

Suzhou Hengli is in the principal business of manufacture and sale of metal plastic tape, aluminum plastic tape, polyethylene materials jacketing for RF copper cables, and sale of communication cables, communication equipments and accessories.

As we are in the principal business of manufacture and sale of RF coaxial cables series for mobile communications, our products differ from the products of Hengtong Cable Technology in terms of usage, market conditions, pricing and expertise required. In terms of target customers, although Hengtong Cable Technology and we have common customers, they purchase different types of cables respectively from Hengtong Cable Technology and us for different uses.

The Company will comply with the relevant provisions under Chapter 14A of the Listing Rules governing connected transactions in the event that the total amount of the transactions under the Supplemental Agreement on an annual basis exceeds 5% for each of the percentage ratios (other than the profit ratio), or that there is any material amendment to its terms.

DEFINITIONS

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

“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 Singapore Exchange Securities Trading Limited and the Main Board of the Stock Exchange
“connected person”	has the same meaning as given to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hengtong Cable Technology”	Jiangsu Hengtong Cable Technology Co., Ltd. (江蘇亨通線纜科技有限公司)
“Hengtong Optic-Electric”	Hengtong Optic-Electric Co., Ltd (江蘇亨通光電股份有限公司)
“Hengtong Group”	Hengtong Group Co. Ltd (亨通集團有限公司)
“Hengxin (Jiangsu)”	Jiangsu Hengxin Technology Co., Ltd. (江蘇亨鑫科技有限公司), a limited liability company established in the PRC on 26 June 2003 and one of our wholly-owned subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Prospectus”	the prospectus of the Company dated 14 December 2010
“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 purposes of this announcement
“Raw Materials Purchase Master Agreement”	the raw materials purchase master agreement dated 9 November 2010 entered into between Suzhou Hengli and Hengxin (Jiangsu), a wholly-owned subsidiary of the Company, in relation to the purchase of metal plastic tape, aluminum plastic tape and other raw materials by the Group
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 5 December 2011 entered into between Suzhou Hengli and Hengxin (Jiangsu), a wholly-owned subsidiary of the Company, in relation to the revision of annual caps of the continuing connected transaction contemplated under the Raw Materials Purchase Master Agreement for the two financial years ending 31 December 2011 and 2012 respectively
“Suzhou Hengli”	Suzhou Hengli Telecommunications Materials Co., Ltd. (蘇州亨利通信材料有限公司), a limited liability company established in the PRC

For illustration purpose in this announcement, amounts in RMB have been translated into HK\$ at the rate of RMB1 = HK\$1.224.

By order of the Board
HENGXIN TECHNOLOGY LTD.
Cui Genxiang
Chairman and Executive Director

Hong Kong, 5 December 2011

As at the date of this announcement, the executive Directors of the Company are Mr. Cui Genxiang and Dr. Song Haiyan; the non-executive Director of the Company is Ms. Zhang Zhong; and the independent non-executive Directors are Mr. Tay Ah Kong Bernard, Mr. Chee Teck Kwong Patrick and Mr. Tam Chi Kwan Michael.

* *For identification purpose only*