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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)

OVERSEAS REGULATORY ANNOUNCEMENT FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2013

This overseas regulatory announcement is a reproduction of the announcement made by Hengxin Technology Ltd. (the “Company”) regarding the first quarter results of the Company and its subsidiaries (collectively the “Group”) for the period ended 31 March 2013 pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). In compliance with Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, please refer to the attached announcement on the next page issued on the SGX-ST on 23 April 2013.

This quarterly report is prepared in accordance with relevant regulations of the SGX-ST. The financial information set out in this quarterly report has been prepared in accordance with Singapore Financial Reporting Standard and has not been audited nor reviewed by auditors. Shareholders of the Company and public investors should exercise caution when trading in the shares of the Company.

By order of the Board

Cui Genxiang

Chairman and Executive Director

Hong Kong, 23 April 2013

As at the date of this announcement, the executive Directors of the Company are Mr. Cui Genxiang and Mr. Xu Guoqiang; 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*

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The directors are pleased to announce the unaudited operating results of the Group and the Company for the first quarter ended 31 March 2013.

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

INCOME STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

	Group		Change %
	3 months ended 31 March 2013 RMB'000 (unaudited)	2012 RMB'000 (unaudited)	
Revenue	201,944	259,601	(22.2)
Cost of Sales	(163,082)	(214,902)	(24.1)
Gross profit	38,862	44,699	(13.1)
Other income	2,897	7,360	(60.6)
Selling & distribution expenses	(11,359)	(12,064)	(5.8)
Administrative expenses	(8,822)	(9,353)	(5.7)
Other operating expenses	(5,079)	(3,311)	53.4
Finance costs	(1,545)	(5,475)	(71.8)
Profit before income tax	14,954	21,856	(31.6)
Income tax expense	(3,185)	(3,275)	(2.7)
Net profit	11,769	18,581	(36.7)
Gross profit margin	19.2%	17.2%	
Net profit margin	5.8%	7.2%	

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1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

Profit before income tax is determined after charging (crediting) the following:

	Group		Change %
	2013 RMB'000 (unaudited)	2012 RMB'000 (unaudited)	
Depreciation of property, plant and equipment	5,057	4,347	16.3%
Loss on disposal of property, plant and equipment	20	7	N.M.
Amortisation of prepaid lease payments	140	140	—
Foreign exchange losses (gains)	690	(2,747)	N.M.
Interest expense	1,545	5,475	-71.8%
Interest income	(1,022)	(1,209)	N.M.
Research and development expenses	3,711	2,804	32.3%

N.M.: Not meaningful

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1(a)(iii) Statement of Comprehensive Income

	Group		Change
	3 months ended 31 March	2012	
<i>RMB'000</i>	2013	2012	%
Net profit	11,769	18,581	-36.7%
<i>Other comprehensive income/(expense):</i>			
Exchange differences arising from consolidation of foreign operations	<u>301</u>	<u>(204)</u>	N.M.
Total comprehensive income for the period	<u><u>12,070</u></u>	<u><u>18,377</u></u>	<u><u>-34.8%</u></u>

N.M. — Not meaningful

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(1)(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year (in RMB)

	Group		Company	
	31-Mar-13 RMB'000 (unaudited)	31-Dec-12 RMB'000 (audited)	31-Mar-13 RMB'000 (unaudited)	31-Dec-12 RMB'000 (audited)
Current assets				
Cash and bank balances	179,406	265,853	24,717	22,863
Pledged cash deposits	780	20,170	—	—
Trade receivables	645,297	618,352	—	—
Other receivables and prepayments	34,068	24,297	1,091	5,496
Inventories	102,534	108,241	—	—
Prepaid lease payment	560	560	—	—
Total current assets	962,645	1,037,473	25,808	28,359
Non-current assets				
Subsidiaries	—	—	392,544	392,386
Available-for-sale investment	10,000	10,000	—	—
Deposit for acquisition of land use right	5,760	5,760	—	—
Prepaid lease payment	18,762	18,901	—	—
Property, plant and equipment	148,022	151,957	—	—
Deferred tax assets	3,625	3,618	—	—
Total non-current assets	186,169	190,236	392,544	392,386
TOTAL ASSETS	1,148,814	1,227,709	418,352	420,745
Current liabilities				
Short-term loans	30,000	41,999	—	—
Trade payables	83,999	156,293	—	—
Other payables	11,644	19,074	3,852	3,663
Income tax payable	2,603	1,916	—	—
Total current liabilities	128,246	219,282	3,852	3,663
Non-current liability				
Deferred tax liabilities	3,050	2,979	—	—
Capital and reserves				
Share capital	295,000	295,000	295,000	295,000
General reserves	135,805	134,381	—	—
Special reserve	(6,017)	(6,017)	—	—
Translation reserves	(797)	(1,098)	—	—
Accumulated profits	593,527	583,182	119,500	122,082
Total equity	1,017,518	1,005,448	414,500	417,082
TOTAL LIABILITIES AND EQUITY	1,148,814	1,227,709	418,352	420,745

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(1)(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

(A) the amount repayable in one year or less, or on demand;

(B) the amount repayable after one year;

(C) whether the amounts are secured or unsecured; and

(D) details of any collaterals.

Amount repayable in one year or less, or on demand:

As at 31 March 2013		As at 31 December 2012	
Secured	Unsecured	Secured	Unsecured
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
—	30,000	—	41,999

As at 31 March 2013, all bank borrowings are unsecured.

There is no amount repayable after one year.

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(1)(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	1-Jan-2013 to	1-Jan-2012 to
<i>RMB'000</i>	31-Mar-2013	31-Mar-2012
Cash flows from operating activities		
Profit before income tax	14,954	21,856
Adjustments for:		
Depreciation of property, plant and equipment	5,057	4,347
Amortisation of prepaid lease payments	140	140
Loss on disposal of property, plant and equipment	20	7
Interest expense	1,545	5,475
Interest income	(1,022)	(1,209)
Exchange differences arising on foreign currency translation	691	(1,928)
Operating profit before working capital changes	21,385	28,688
Trade receivables	(26,945)	(7,336)
Other receivables and prepayments	(9,771)	(13,999)
Inventories	5,707	11,621
Trade and bill payables	(72,294)	(120,438)
Other payables and accruals	(7,430)	(12,348)
Cash used in operations	(89,348)	(113,812)
Interest paid	(1,545)	(5,475)
Interest received	1,022	1,209
Income tax paid	(2,434)	(12,317)
Net cash used in operating activities	<u>(92,305)</u>	<u>(130,395)</u>
Cash flows from investing activity		
Acquisition of property, plant and equipment	(1,142)	(2,693)
Net cash used in investing activities	<u>(1,142)</u>	<u>(2,693)</u>
Cash flows from financing activities		
Decrease in pledged bank deposits	19,390	34,479
Proceeds from bank loans	60,000	40,000
Repayment of bank loans	(71,999)	(20,000)
Net cash generated from financing activities	<u>7,391</u>	<u>54,479</u>
Net decrease in cash and cash equivalents	(86,056)	(78,609)
Effects of foreign exchange translation	(391)	1,252
Cash and cash equivalents at the beginning of the financial period	<u>265,853</u>	<u>323,710</u>
Cash and cash equivalents at the end of the financial period	<u>179,406</u>	<u>246,353</u>

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(1)(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(i) Consolidated Statement of Changes in Equity for the 3 months ended 31 March 2013

GROUP — RMB'000	Share capital	General reserves	Special reserves	Translation reserves	Accumulated profits	Total
Balance at 01.01.2013	295,000	134,381	(6,017)	(1,098)	583,182	1,005,448
Total comprehensive income for the period	—	—	—	301	11,769	12,070
Transfer (to) from reserves	—	1,424	—	—	(1,424)	—
Balance at 31.03.2013	<u>295,000</u>	<u>135,805</u>	<u>(6,017)</u>	<u>(797)</u>	<u>594,364</u>	<u>1,017,518</u>

(ii) Consolidated Statement of Changes in Equity for the 3 months ended 31 March 2012

GROUP — RMB'000	Share capital	General reserves	Special reserves	Translation reserves	Accumulated profits	Total
Balance at 01.01.2012	295,000	122,889	(6,017)	(294)	527,396	938,974
Total comprehensive income for the period	—	—	—	(204)	18,581	18,377
Transfer to reserves	—	2,787	—	—	(2,787)	—
Balance at 31.03.2012	<u>295,000</u>	<u>125,676</u>	<u>(6,017)</u>	<u>(498)</u>	<u>543,190</u>	<u>957,351</u>

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(1)(d)(i) (continued)

(iii) Statement of Changes in Equity of the Company for the 3 months ended 31 March 2013

COMPANY	Share capital <i>RMB'000</i>	Accumulated profits <i>RMB'000</i>	Total <i>RMB'000</i>
Balance at 01.01.2013	295,000	122,082	417,082
Total comprehensive income for the period	—	(2,582)	(2,582)
Balance at 31.03.2013	<u>295,000</u>	<u>119,500</u>	<u>414,500</u>

(iv) Statement of Changes in Equity of the Company for the 3 months ended 31 March 2012

COMPANY	Share capital <i>RMB'000</i>	Accumulated profits <i>RMB'000</i>	Total <i>RMB'000</i>
Balance at 01.01.2012	295,000	130,840	425,840
Total comprehensive income for the period	—	(1,070)	(1,070)
Balance at 31.03.2012	<u>295,000</u>	<u>129,770</u>	<u>424,770</u>

(1)(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share capital — Ordinary Shares	<i>No. of shares '000</i>	<i>RMB'000</i>
Balance as at 31 March 2013 and 31 December 2012	<u>388,000</u>	<u>295,000</u>

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1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As above. As at 31 March 2013 and 31 December 2012, there were no treasury shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period reported on, as in the recently audited consolidated financial statements for the financial year ended 31 December 2012.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

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6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	Group	
	3 months ended	
	31-Mar-13	31-Mar-12
Earnings per share (RMB cents)		
— Basic	0.03	0.05
— Diluted	0.03	0.05
Weighted average no. of shares applicable to basic EPS	388,000,000	388,000,000
Weighted average no. shares based on fully diluted basis	388,000,000	388,000,000

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year.

	Group		Company	
	31-Mar-13	31-Dec-12	31-Mar-13	31-Dec-12
Net Assets (RMB'000)	1,017,518	1,005,448	414,500	417,082
Number of ordinary shares ('000)	388,000	388,000	388,000	388,000
Net Asset Value per share (RMB)	2.62	2.59	1.07	1.07

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

1st Quarter of FY2013 ("1Q2013") vs 1st Quarter of FY2012 ("1Q2012")

Material fluctuations of items are explained below:

Revenue

Revenue decreased by RMB57.7 million from RMB259.6 million in 1Q2012 to RMB201.9 million in 1Q2013. There were lower orders from both the domestic and overseas markets during the period.

Gross profit margin

Gross profit margin increased from 17.2% in 1Q2012 to 19.2% in 1Q2013, primarily due to increased sales of products with higher margins during the period.

Other income

Other income decreased by RMB4.5 million from RMB7.4 million in 1Q2012 to RMB2.9 million in 1Q2013 due to lower government grants received during the period, and the absence of foreign exchange gains in 2013 which was recognised in 1Q2012.

Operating expenses

Overall operating expenses increased by RMB0.5 million from RMB24.7 million in 1Q2012 to RMB25.2 million in 1Q2013. The changes in the respective expenses are detailed below.

(i) *Selling & distribution expenses*

Selling and distribution expenses decreased by RMB0.7 million in line with the decrease in sales activities during the period. The higher expenses as a proportion of revenue in 1Q2013 was in response to increased competition, which led to more marketing work being conducted during the period.

(ii) *Administrative expenses*

Decrease in administrative expenses by RMB0.6 million as a result of certain cost reductions by the Group during the period.

(iii) *Other operating expenses*

Other operating expenses increased by RMB1.8 million mainly arising from an increase in R&D expenses due to continuing requests from customers for new product specifications during the period.

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Finance costs

Finance costs comprise of bank interest expenses.

Finance costs decreased by RMB3.9 million in 1Q2013 compared to 1Q2012 arising from a repayment of loans which resulted in lower cost of borrowings.

Profit before income tax

Profit before income tax decreased by RMB6.9 million to RMB15.0 million due to lower revenue and proportionately higher operating expenses in 1Q2013.

Income tax expense

The Group's main subsidiary is subject to an incentive tax rate of 15% in accordance to its award as a high-tech enterprise in September 2011.

Net profit

In view of the above, net profit decreased by RMB6.8 million to RMB11.8 million in 1Q2013 compared to RMB18.6 million in 1Q2012.

STATEMENT OF FINANCIAL POSITION

Material fluctuations of items are explained below:

Pledged bank deposits

Pledged bank deposits are used as a pledged against commercial bills used for payment to suppliers. Pledged deposits decreased by RMB19.4 million from RMB20.2 million as at 31 December 2012 to RMB0.8 million as at 31 March 2013 as the Group had lower amount of commercial bills during the period.

Trade receivables

Trade receivables increased by RMB26.9 million from RMB618.4 million as at 31 December 2012 to RMB645.3 million as at 31 March 2013.

Average trade receivables turnover days are 321 days as at 31 March 2013 compared to 223 days as at 31 December 2012. The higher turnover days is due to a lower revenue base used in its computation as a result of a decline in revenue in the current quarter.

For amounts due more than one year, collections have been ongoing and this category of outstanding debts has been proportionately reduced since 31 December 2012.

Most of the debtors have been the Group's long-time customers and relate mainly to the three main telecom operators in the PRC, and the Group have been receiving regular payments from these customers. In view of the Group's long-standing dealings with them and the regular receipts it had obtained from these customers, the Group does not foresee any issue in the collection of these receivables.

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Other receivables and prepayments

Other receivables and prepayments increased by RMB9.8 million to RMB34.1 million as at 31 March 2013 compared to RMB24.3 million as at 31 December 2012. The change in sales mix involving some higher margin products requires the Group to adhere to strict delivery schedules, hence requiring the Group to make deposits to raw material suppliers amounting RMB23.3 million as at 31 March 2013 compared to RMB14.1 million as at 31 December 2012 so as to ensure customer's orders can be met in time.

Property, plant and equipment

Property, plant and equipment decreased by RMB4.0 million from RMB152.0 million as at 31 December 2012 to RMB148.0 million as at 31 March 2013 due to depreciation, partly offset by certain additions in fixed assets during the period.

Short-term bank loans

Short-term bank loans decreased by RMB12.0 million from RMB42.0 million as at 31 December 2012 to RMB30.0 million as at 31 March 2013 due to repayment of bank borrowings during the period.

Trade payables and Other payables

Trade payables decreased by RMB72.3 million from RMB156.3 million as at 31 December 2012 to RMB84.0 million as at 31 March 2013 due to the maturity of commercial bills payable to suppliers.

Other payables and accruals decreased by RMB7.5 million from RMB19.1 million as at 31 December 2012 to RMB11.6 million as at 31 March 2013 as certain accruals made in 2012 were paid during the period.

Income tax payable

Income tax payable increased by RMB0.7 million from RMB1.9 million as at 31 December 2012 to RMB2.6 million as at 31 March 2013.

Cash and bank balances

Cash and bank balances decreased by RMB86.5 million from RMB265.9 million as at 31 December 2012 to RMB179.4 million as at 31 March 2013 due mainly to the payment to suppliers during the period.

9. WHERE A FORECAST, OR A PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS.

No forecast or a prospect statement has been previously disclosed.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Looking ahead, the Group sees its overall business environment continue to be challenging. Telecom operators continue to seek reduction in their costs, which directly exerts pressures on the Group's margins. Notwithstanding the above, the Group remains committed to devote resources to broaden its product variety as well as enhance its branding in expanding the Group's business contributors in the long run.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for Interest Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from shareholders for IPTs.

14. Use of IPO Proceeds

As at the date of the financial period reported on, the Company has utilised approximately RMB57.9 million of the net proceeds raised from the dual primary listing on the Stock Exchange of Hong Kong Limited (the "IPO Proceeds").

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The details of the use of the IPO Proceeds are tabulated below:-

Intended Use	Allocated <i>RMB'000</i>	Used <i>RMB'000</i>	Balance <i>RMB'000</i>
Diversify product portfolio of High Temperature Resistant Cables	7,130 ⁽¹⁾	2,240	4,890
Diversify product portfolio of Antennas	35,370	29,235	6,135
Expansion of sales network into overseas market	7,382	718	6,664
Enhance research and development	7,382	3,752	3,630
General working capital	23,859 ⁽¹⁾	21,948 ⁽²⁾	2,194
Total	81,123	57,893	23,513

⁽¹⁾ Please refer to the Company's announcement dated 9 October 2012 on the change in use of proceeds.

⁽²⁾ The breakdown of the use of proceeds for general working capital is as follows:-

Details	Used <i>RMB'000</i>
Purchase of raw materials	(21,405)
Purchase of equipment	(260)
General admin expenses	(283)
Total	(21,948)

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

17. Breakdown of sales

Not applicable.

18. Total annual dividend

Not applicable.

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19. Negative assurance

We, CUI GENXIANG and XU GUOQIANG, being two directors of Hengxin Technology Ltd. (the “Company”), do hereby confirm on behalf of the Board of Directors of the Company (“Board”) that, to the best of the Board’s knowledge, nothing has come to the attention of the Board which may render the 1Q2013 financial results to be false or misleading in any material aspect.

On behalf of the board of directors

Cui Genxiang

Executive Chairman

Xu Guoqiang

Executive Director

Singapore

23 April 2013