

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS RAW MATERIALS PURCHASE MASTER AGREEMENT AND PRODUCTS SALES MASTER AGREEMENT**

#### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

References are made to the Announcements in relation to the Existing Raw Materials Purchase Master Agreement and the Existing Products Sales Master Agreement between Hengxin (Jiangsu), a wholly-owned subsidiary of the Company, and Suzhou Hengli, both for a term up to 31 December 2016.

The Board announces that in contemplation of the expiry of the agreements on 31 December 2016, on 29 September 2016, Hengxin (Jiangsu) and Suzhou Hengli entered into the Raw Materials Purchase Master Agreement and the Products Sales Master Agreement to renew the Existing Raw Materials Purchase Master Agreement and the Existing Products Sales Master Agreement, each for a term commencing from 1 January 2017 to 31 December 2019, and to revise the annual caps for the transactions contemplated thereunder.

#### **CONNECTED RELATIONSHIP AND LISTING RULES IMPLICATIONS**

Suzhou Hengli is wholly-owned by Hengtong Optic-Electric. Hengtong Optic-Electric is held as to approximately 11.23% by Hengtong Group, which is beneficially owned by Mr. Cui Genliang and Mr. Cui Wei as to 90% and 10% respectively. Mr. Cui Genliang is the father of Mr. Cui Wei (the Chairman, a non-executive Director and a substantial shareholder of the Company via his wholly-owned entity, Kingever). Separately, Mr. Cui Genliang directly owns approximately 19.34% 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. In this regard, each of Mr. Cui Wei, Mr. Cui Genliang, Hengtong Group, Hengtong Optic-Electric and Suzhou Hengli is considered as a connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the transactions contemplated under the CCT Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In compliance with Chapter 14A of the Listing Rules, the respective annual caps under the CCT Agreements are aggregated for the purpose of calculating the percentage ratios. As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the aggregate annual caps for the CCT Agreements exceeds 5%, the CCT Agreements are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will convene the EGM for purposes of, among other things, seeking approval from the Independent Shareholders with respect to the CCT Agreements and the transactions contemplated thereunder (including the proposed annual caps).

A circular containing, among other things, details about the CCT Agreements, a letter of advice from the Independent Board Committee to the Independent Shareholders with respect to the CCT Agreements, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders with respect to the CCT Agreements, and a notice of the EGM, is expected to be despatched by the Company to the Shareholders on or before 21 October 2016.

**Shareholders and potential investors should note that the CCT Agreements are subject to, among other things, the Independent Shareholders' approval. As the transactions contemplated by the CCT Agreements may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **BACKGROUND**

References are made to the Announcements in relation to the Existing Raw Materials Purchase Master Agreement and the Existing Products Sales Master Agreement between Hengxin (Jiangsu), a wholly-owned subsidiary of the Company, and Suzhou Hengli, both for a term up to 31 December 2016.

In contemplation of the expiry of the agreements on 31 December 2016, on 29 September 2016, Hengxin (Jiangsu) and Suzhou Hengli entered into the Raw Materials Purchase Master Agreement and the Products Sales Master Agreement, principal terms of which are set out below.

## **RAW MATERIALS PURCHASE MASTER AGREEMENT**

### **Date**

29 September 2016

### **Parties**

Purchaser: Hengxin (Jiangsu), a wholly-owned subsidiary of the Company

Supplier: Suzhou Hengli, a connected person of the Company

## **Subject matter**

Pursuant to the Raw Materials Purchase Master Agreement, Suzhou Hengli will supply metal plastic tape, aluminium plastic tape and other raw materials for production of radio frequency coaxial cables to Hengxin (Jiangsu), on terms no less favourable than those offered to any Independent Third Parties.

It is also agreed under the Raw Materials Purchase Master Agreement that Hengxin (Jiangsu) may purchase those raw materials from any third party in the event where such third party offers such raw materials with better quality and/or at a better price.

## **Term**

The Raw Materials Purchase Master Agreement is for a term commencing from 1 January 2017 to 31 December 2019 and such term may be renewed by mutual agreement, subject to the requirements under the Listing Rules at that time.

## **Conditions precedent**

The Raw Materials Purchase Master Agreement is subject to fulfilment of the following conditions:

- (a) publication of this announcement and the circular as required under the Listing Rules;
- (b) having obtained the approvals from the board of directors of Hengxin (Jiangsu), Suzhou Hengli and the Company in respect of the entering into of the Raw Materials Purchase Master Agreement and the transactions contemplated thereunder; and
- (c) having obtained the approval from the Independent Shareholders in respect of the entering into of the Raw Materials Purchase Master Agreement and the transactions contemplated thereunder in accordance with the Listing Rules.

## **Purchase price**

As a pre-condition with respect to the quality meeting the requirements of the Group, the purchase price shall be determined in accordance with the following basis:

- (a) Suzhou Hengli submits its tender price through the tender process conducted by Hengxin (Jiangsu); and
- (b) if there is no tender process, the purchase price shall be a fair price to be negotiated and agreed between the parties having regard to the fair market price for the same or similar type of the raw materials provided by Independent Third Parties in Jiangsu Province or the regions nearby.

The Raw Materials Purchase Master Agreement sets out the details to be included in any separate individual purchase agreement to be entered into between the parties thereto.

## Historical transaction amounts and annual caps

The existing annual caps for the transactions under the Existing Raw Materials Purchase Master Agreement and the historical transaction amounts thereunder are set out below:

	<b>Year ended 31 December 2015</b>	<b>Year ending 31 December 2016</b>
Annual cap	RMB27,000,000	RMB27,000,000
	<b>Year ended 31 December 2015 (audited)</b>	<b>Eight months ended 31 August 2016 (unaudited)</b>
Historical transaction amount	RMB20,111,000	RMB22,060,000

For each of the three years ending 31 December 2017, 2018 and 2019, the proposed annual cap for the transactions under the Raw Materials Purchase Master Agreement is RMB50,000,000 (equivalent to approximately HK\$58,000,000). The proposed annual caps for the Raw Materials Purchase Master Agreement for the three years ending 31 December 2019 are determined with reference to the historical transaction amounts, the prevailing market price, the expected increase in the purchase price due to inflation, the expected production and sales of the Group, and the production capacity of the Group using raw materials supplied by Suzhou Hengli.

### Pricing policy (tender process and procedures for determining the fair price)

Over the years since the Group has been purchasing the raw materials from Suzhou Hengli in December 2008, the Group has been adopting the tender process for the selection of suppliers in respect of the purchase of raw materials. Details of the tender process are set out below:

- (i) Every year tender documents are issued to at least 3 qualified suppliers for supply of the raw materials. These suppliers are selected by the purchasing department of Hengxin (Jiangsu) from the list of qualified suppliers. In order to admit a supplier into the list of qualified suppliers, the staff from the purchasing department will conduct site visit, review documents regarding the supplier's background, production capacity and equipment assessment, sample testing of raw materials, and finally conduct QC checks on the raw materials and finished products by using these raw materials. Only when the supplier has passed all these assessments and been approved by the purchasing department will it be admitted into the list of qualified suppliers.
- (ii) The tender panel (the "**Panel**"), comprising the heads of the respective departments of production, purchasing, finance, operation planning, technical and quality as well as the General Manager, will evaluate the tenders submitted and determine the successful tender. The Panel will consider various factors, such as tender price and product quality, and for recurring suppliers, timely delivery or other logistics or service-related factors, etc. during the evaluation. Generally, if the tenderers obtain similar score in overall assessment, the tenderer offering the most favourable price wins the tender.

- (iii) As a measure of internal control, the reference price for each type of raw materials purchased from Suzhou Hengli will be obtained from Dalian Commodity Exchange (if available) on a quarterly basis. If the reference price quoted at Dalian Commodity Exchange is below the tender price of more than 10%, the Company has a unilateral right to call for a new tender.

As disclosed above, pursuant to the Raw Materials Purchase Master Agreement, if there is no tender process, the purchase price for the raw materials shall be the fair price to be negotiated and agreed between the parties. In such circumstance, the Group will adopt the following procedures to determine the fair price for the raw materials.

- (i) The purchasing department of Hengxin (Jiangsu) will obtain quotations from Suzhou Hengli and at least 3 independent qualified suppliers who supply the raw materials.
- (ii) The purchasing department will compare the quotations and provided that the raw materials which have previously sold to Hengxin (Jiangsu) by those independent qualified suppliers and Suzhou Hengli are of similar quality and have passed the Group's internal QC check, the purchasing department will purchase the raw materials from the supplier who has given the lowest quotation.

By implementing the above policy and procedures, the Directors (including the independent non-executive Directors) consider that the Company has sufficient internal control to ensure that the pricing basis for the raw materials supplied by Suzhou Hengli to Hengxin (Jiangsu) under the Raw Materials Purchase Master Agreement will be in accordance with the terms under the agreement, on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

## **PRODUCTS SALES MASTER AGREEMENT**

### **Date**

29 September 2016

### **Parties**

Supplier: Hengxin (Jiangsu)

Purchaser: Suzhou Hengli

### **Subject matter**

Pursuant to the Products Sales Master Agreement, Hengxin (Jiangsu) will provide the Group's products, such as radio frequency coaxial cable series for mobile communications, telecommunications equipment and accessories, high temperature resistant cables and antennas to Suzhou Hengli, on terms no more favourable than those offered to any Independent Third Parties.

It is also agreed under the Products Sales Master Agreement that Suzhou Hengli will give priority to Hengxin (Jiangsu) for purchase of the products over other third parties under the same sales conditions.

## Term

The Products Sales Master Agreement is for a term commencing from 1 January 2017 to 31 December 2019 and such term may be renewed by mutual agreement, subject to the requirements under the Listing Rules at that time.

## Conditions precedent

The Products Sales Master Agreement is subject to fulfilment of the following conditions:

- (a) publication of this announcement and the circular as required under the Listing Rules;
- (b) having obtained the approvals from the board of directors of Hengxin (Jiangsu), Suzhou Hengli and the Company in respect of the entering into of the Products Sales Master Agreement and the transactions contemplated thereunder; and
- (c) having obtained the approval from the Independent Shareholders in respect of the entering into of the Products Sales Master Agreement and the transactions contemplated thereunder in accordance with the Listing Rules.

## Selling price

Pursuant to the Products Sales Master Agreement, the selling price shall be a fair price to be negotiated and agreed between the parties having regard to the profit margin expected to be generated to Hengxin (Jiangsu) from the transaction.

The Products Sales Master Agreement sets out that the details to be included in any separate individual sale agreement to be entered into between the parties thereto.

## Historical transaction amounts and annual caps

The existing annual caps for the transactions under the Existing Products Sales Master Agreement and the historical transaction amounts thereunder are set out below:

	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2015</b>	<b>Year ending 31 December 2016</b>
Annual cap	RMB6,000,000	RMB6,000,000	RMB6,000,000
	<b>Year ended 31 December 2014 (audited)</b>	<b>Year ended 31 December 2015 (audited)</b>	<b>Eight months ended 31 August 2016 (unaudited)</b>
Historical transaction amount	RMB1,399,000	RMB1,238,000	RMB1,000

For each of the three years ending 31 December 2017, 2018 and 2019, the proposed annual cap for the transactions under the Products Sales Master Agreement is RMB10,000,000 (equivalent to approximately HK\$11,600,000). The proposed annual caps for the Products Sales Master Agreement for the three years ending 31 December 2019 are determined with

reference to the historical transaction amounts, the prevailing market price, the expected increase in the selling price due to inflation, the production capacity of the Group, and the production capacity of Suzhou Hengli using the products supplied by Hengxin (Jiangsu).

### **Pricing policy**

The Group has adopted the following policy to ensure the pricing basis under the Products Sales Master Agreement is on normal commercial terms.

When Suzhou Hengli obtains a quotation from Hengxin (Jiangsu) for purchase of a particular type of the products from Hengxin (Jiangsu), the sales department of Hengxin (Jiangsu) will give a quotation such that acceptance of Suzhou Hengli's order will generate a positive gross profit margin to the Group. If Hengxin (Jiangsu) receives orders from both Suzhou Hengli and other third party customers for the same product at the same time, the order from Suzhou Hengli will be accepted only when Suzhou Hengli's order can generate a higher gross profit margin to the Group or when Hengxin (Jiangsu) is capable of accepting the orders from both Suzhou Hengli and other third party customers based on the Group's then production capacity. In addition, it is a general policy of the Group that approval from the General Manager is required in the event where an order (whether from Suzhou Hengli or other Independent Third Parties) can only generate a gross profit margin of less than 10% to the Group.

By implementing the above policy, the Directors (including the independent non-executive Directors) consider that the Company has sufficient internal control to ensure that the pricing basis for the products supplied by Hengxin (Jiangsu) to Suzhou Hengli under the Products Sales Master Agreement will be in accordance with the terms under the agreement, on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

### **REASONS FOR ENTERING INTO THE CCT AGREEMENTS**

Hengxin (Jiangsu) has been purchasing raw materials from Suzhou Hengli and selling the Group's products to Suzhou Hengli since December 2008 under the relevant purchase master agreements or sales master agreements. The purposes of entering into the CCT Agreements are to renew the term of each of the Existing Raw Materials Purchase Master Agreement and the Existing Products Sales Master Agreement for another three years up to 31 December 2019 and to revise the annual caps for the transactions contemplated thereunder, in order to ensure the continuation of the on-going purchase and sales transactions between Hengxin (Jiangsu) and Suzhou Hengli under the Existing Raw Materials Purchase Master Agreement and the Existing Products Sales Master Agreement.

Suzhou Hengli belongs to part of the group of companies under Hengtong Optic-Electric which is in the business of telecommunications. As part of the Group's plans to expand its revenue stream and sources of supplies, the Group intends to work closely with Suzhou Hengli in respect of its sourcing of raw materials and the sale of its products. The Board believes that it is for the benefit of the Group to continue sourcing raw materials from Suzhou Hengli and selling its products to Suzhou Hengli.

Under the respective CCT Agreements, the Group is not committed to purchasing any raw materials from Suzhou Hengli or selling any products to Suzhou Hengli but if any transaction is entered into between the parties, all such transactions will be on normal commercial terms and on terms no less favourable than those offered by any Independent Third Parties (in

respect of the purchase of the raw materials from Suzhou Hengli) or on terms no more favourable than those offered to any Independent Third Parties (in respect of the sales of the products to Suzhou Hengli). The renewal of the CCT Agreements will therefore give the Group flexibility to purchase the raw materials it requires from Suzhou Hengli or sell its products to Suzhou Hengli if it so wishes at competitive market prices. In addition, taking into consideration of (i) the continued improvement in the quality of the raw materials provided by Suzhou Hengli; (ii) the expected increase in the overall purchase of the raw materials from Suzhou Hengli; (iii) the expected increase in the overall purchase of the Group's products by Suzhou Hengli in light of the production capacity of Suzhou Hengli using the products supplied by Hengxin (Jiangsu); and (iv) the trend of the historical transaction amounts under the respective CCT Agreements over the previous years, the Board proposes to increase the annual caps for the transactions under the CCT Agreements for the three years ending 31 December 2019.

## **VIEW OF THE DIRECTORS ON THE CCT AGREEMENTS**

The Directors (excluding the independent non-executive Directors who will form their views after considering the advice from the Independent Financial Adviser) consider that each of the CCT Agreements is entered into in the ordinary and usual course of business of the Group and conducted on an arm's length basis and on normal commercial terms. Accordingly, the Directors (excluding the independent non-executive Directors) consider that the terms of each of the CCT Agreements (including the proposed annual caps) are fair and reasonable and the entering into of each of the CCT Agreements is in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE GROUP AND SUZHOU HENGLI**

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

Suzhou Hengli is a company incorporated in the PRC with limited liability and is in the principal business of manufacture and sales of metal plastic tape, aluminium plastic tape, polyethylene materials jacketing for radio frequency copper cables, and sales of communication cables, communication equipment and accessories.

## **CONNECTED RELATIONSHIP AND LISTING RULES IMPLICATIONS**

Suzhou Hengli is wholly-owned by Hengtong Optic-Electric. Hengtong Optic-Electric is held as to approximately 11.23% by Hengtong Group, which is beneficially owned by Mr. Cui Genliang and Mr. Cui Wei as to 90% and 10% respectively. Mr. Cui Genliang is the father of Mr. Cui Wei (the Chairman, a non-executive Director and a substantial shareholder of the Company via his wholly-owned entity, Kingever). Separately, Mr. Cui Genliang directly owns approximately 19.34% 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. In this regard, each of Mr. Cui Wei, Mr. Cui Genliang, Hengtong Group, Hengtong Optic-Electric and Suzhou Hengli is considered as a connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the transactions contemplated under the CCT Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In compliance with Chapter 14A of the Listing Rules, the respective annual caps under the CCT Agreements are aggregated for the purpose of calculating the percentage ratios. As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the aggregate annual caps for the CCT Agreements exceeds 5%, the CCT Agreements are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In view of the connected relationship between Mr. Cui Wei, the Chairman and a non-executive Director, and Suzhou Hengli, Mr. Cui Wei has abstained from voting on the relevant board resolutions approving the CCT Agreements and the proposed annual caps thereunder.

The Company will convene the EGM for purposes of, among other things, seeking approval from the Independent Shareholders with respect to the CCT Agreements and the transactions contemplated thereunder (including the proposed annual caps).

As at the date of this announcement, Kingever, a substantial shareholder of the Company holding approximately 23.27% of the issued share capital of the Company, is wholly-owned by Mr. Cui Wei, the Chairman and a non-executive Director. In view of the interests of Mr. Cui Wei in the CCT Agreements, Kingever and its associates will abstain from voting on the resolutions in relation to the CCT Agreements and the proposed annual caps thereunder at the EGM.

The Company has formed the Independent Board Committee to advise the Independent Shareholders with respect to the CCT Agreements. The Company has also appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, details about the CCT Agreements, a letter of advice from the Independent Board Committee to the Independent Shareholders with respect to the CCT Agreements, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders with respect to the CCT Agreements, and a notice of the EGM, is expected to be despatched by the Company to the Shareholders on or before 21 October 2016.

**Shareholders and potential investors should note that the CCT Agreements are subject to, among other things, the Independent Shareholders' approval. As the transactions contemplated by the CCT Agreements may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“Announcements” the announcements of the Company dated 30 October 2014, 20 August 2015 and 22 September 2015 in relation to the Existing Raw Materials Purchase Master Agreement and the Existing Products Sales Master Agreement

“associate(s)” has the same meaning as given to it under the Listing Rules

“Board” the board of Directors

“CCT Agreements”	the Raw Materials Purchase Master Agreement and the Products Sales Master Agreement
“Company”	Hengxin Technology Ltd., a company incorporated in Singapore with limited liability and the Shares of which are primarily listed on the Main Board of the Stock Exchange and secondarily listed on Singapore Exchange Securities Trading Limited
“connected person(s)”	has the same meaning as given to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purposes of, among other things, considering and, if thought fit, approving the CCT Agreements and the transactions contemplated thereunder (including the proposed annual caps)
“Existing Products Sales Master Agreement”	the existing products sales master agreement dated 30 October 2014 entered into between Hengxin (Jiangsu), as supplier, and Suzhou Hengli, as purchaser, in relation to the sales of the Group’s products for a term up to 31 December 2016, details of which were disclosed by the Company in its announcement dated 30 October 2014
“Existing Raw Materials Purchase Master Agreement”	the existing raw materials purchase master agreement dated 20 August 2015 entered into between Hengxin (Jiangsu), as purchaser, and Suzhou Hengli, as supplier, in relation to the purchase of certain raw materials from Suzhou Hengli for a term up to 31 December 2016, details of which were disclosed by the Company in its announcement dated 20 August 2015
“Group”	the Company and its subsidiaries
“Hengtong Group”	Hengtong Group Co., Ltd. (亨通集團有限公司)
“Hengtong Optic-Electric”	Hengtong Optic-Electric Co., Ltd. (江蘇亨通光電股份有限公司)
“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 a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board formed by the Company comprising all the independent non-executive Directors to advise the Independent Shareholders on the CCT Agreements

“Independent Financial Adviser”	BaoQiao Partners Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the CCT Agreements and the transactions contemplated thereunder (including the proposed annual caps)
“Independent Shareholder(s)”	Shareholders other than Kingever and its associates
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected persons
“Kingever”	Kingever Enterprises Limited, a company incorporated in the British Virgin Islands and a substantial shareholder of the Company, holding approximately 23.27% 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
“percentage ratios”	has the same meaning as given to it under the Listing Rules
“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
“Products Sales Master Agreement”	the products sales master agreement dated 29 September 2016 entered into between Hengxin (Jiangsu), as supplier, and Suzhou Hengli, as purchaser, in relation to the sales of the Group’s products for a term commencing from 1 January 2017 to 31 December 2019, as the renewal of the Existing Products Sales Master Agreement
“Raw Materials Purchase Master Agreement”	the raw materials purchase master agreement dated 29 September 2016 entered into between Hengxin (Jiangsu), as purchaser, and Suzhou Hengli, as supplier, in relation to the purchase of certain raw materials from Suzhou Hengli for a term commencing from 1 January 2017 to 31 December 2019, as the renewal of the Existing Raw Materials Purchase Master Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning as given to it under the Listing Rules

“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

“%” per cent.

*For illustration purpose only, amounts in RMB in this announcement have been translated into HK\$ at the rate of RMB1.00 = HK\$1.16.*

By order of the Board  
**Hengxin Technology Ltd.**  
**Cui Wei**  
*Chairman*

Hong Kong, 29 September 2016

*As at the date of this announcement, the executive Directors are Mr. Du Xiping and Mr. Xu Guoqiang; the non-executive Directors are Mr. Cui Wei and Ms. Zhang Zhong; and the independent non-executive Directors are Mr. Tam Chi Kwan Michael, Dr. Li Jun and Mr. Pu Hong.*

\* *For identification purpose only*