

*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 the 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)**

### **FURTHER ANNOUNCEMENT ON THE 2ND SUPPLEMENTAL AGREEMENT TO THE ACQUISITION OF 24% EQUITY INTEREST IN MIANYANG SIEMAX**

References are made to the announcements of Hengxin Technology Ltd. (the “**Company**”) dated 2 February 2016, 24 June 2016 and 21 November 2016 in relation to the Acquisition of 24% equity interest in Mianyang Siemax and the entering into of the Supplemental Agreement and the 2nd Supplemental Agreement respectively. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the announcement of the Company dated 21 November 2016.

#### **REASONS FOR ENTERING INTO THE 2ND SUPPLEMENTAL AGREEMENT**

Following the entering into of the Supplemental Agreement in June 2016, Mianyang Siemax made efforts to modify its product mix by focusing its business development in the area of telecommunications and the supply of fibre optic ceramic ferrules in order to cope with the market change. Despite its efforts, Mianyang Siemax did not achieve its desired results, and in addition, the competition in the telecommunications industry in the PRC was more intense than expected, which is likely to affect Mianyang Siemax’s performance. Under such circumstances, Hengxin (Jiangsu), in order to continue maintaining its share of equity interests in Mianyang Siemax on one hand while minimising its investment risk exposure on the other, further negotiated with the Vendors and the parties agreed to further reduce the Consideration and that the excess portion of the Consideration will be settled by way of assignment of the Vendors’ existing shareholders’ loans given to Mianyang Siemax to Hengxin (Jiangsu).

After considering the above arrangement in relation to the shareholders’ loans and the current capital need of Mianyang Siemax, the shareholders of Mianyang Siemax decided to cancel the Capital Injection.

\* For identification purpose only

The terms of the 2nd Supplemental Agreement have been arrived at after arm's length negotiations among the parties thereto. The Directors (including the independent non-executive Directors) consider that, with respect to Hengxin (Jiangsu) and the Group, the 2nd Supplemental Agreement has been entered into on normal commercial terms, the terms of the 2nd Supplemental Agreement are fair and reasonable and accordingly, the entering into of the 2nd Supplemental Agreement is in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 24 November 2016

*As at the date of this announcement, the executive Directors of the Company are Mr. Du Xiping and Mr. Xu Guoqiang; the non-executive Directors of the Company are Mr. Cui Wei 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.*