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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 FORMATION OF PARTNERSHIP**

#### **FORMATION OF PARTNERSHIP**

The Board is pleased to announce that, on 19 May 2023 (after trading hours), Jiangsu Hengxin, a wholly-owned subsidiary of the Company, as a limited partner, entered into the Partnership Agreement with Hengtong VC (as a general partner) in relation to the formation of the Partnership.

The total capital contribution by all partners to the Partnership shall be RMB63,100,000 of which each of Jiangsu Hengxin and Hengtong VC shall make capital commitments of RMB39,000,000 and RMB24,100,000 respectively.

#### **LISTING RULES IMPLICATIONS**

Hengtong VC is considered as a connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the transaction contemplated under the Partnership 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 capital contribution by Jiangsu Hengxin contemplated under the Partnership Agreement is higher than 0.1% but less than 5%, the Partnership 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 Board is pleased to announce that, on 19 May 2023 (after trading hours), Jiangsu Hengxin, a wholly-owned subsidiary of the Company, as a limited partner, entered into the Partnership Agreement with Hengtong VC (as a general partner) in relation to the formation of the Partnership.

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

## **PARTNERSHIP AGREEMENT**

Date:	19 May 2023
Parties:	(i) Jiangsu Hengxin (as a limited partner) (ii) Hengtong VC (as a general partner)
Name of the Partnership:	Suzhou Hengtong Yongshun Venture Capital Partnership Enterprise (Limited Partnership)* (蘇州亨通永順創業投資合夥企業(有限合夥))
Term of the Partnership:	Long term commencing on the date of the incorporation of the Partnership
Purpose and scope of the Partnership:	The purpose of the Partnership is to invest into the Fund. The Fund is a limited partnership established under the laws of the PRC which principally focuses on new energy, new materials, smart manufacturing, semi-conductors and other industrial sector targets or funds.  The business scope of the Partnership includes equity investment and venture capital (limited to unlisted companies) which can carry out its business activities with a business licence independently in compliance with the law (except for projects which are subject to approval according to the law).
Capital contribution:	The total capital contribution by all partners to the Partnership shall be RMB63,100,000. The capital contribution to be made by each partner is as follows:–

<b>Partner</b>	<b>Type</b>	<b>Capital Contribution</b> (RMB)	<b>Percentage</b> (%)
Jiangsu Hengxin	Limited partner	39,000,000	61.81
Hengtong VC	General partner	<u>24,100,000</u>	<u>38.19</u>
	<b>Total:</b>	<u><u>63,100,000</u></u>	<u><u>100.00</u></u>

The capital contributions by each partner shall be made before 31 December 2053 in accordance with the payment notice to be issued by the Fund to the Partnership, in proportion to the respective percentage of capital contribution of each partner. As at the date of this announcement, there is no legally-binding agreement entered into by the Partnership for its potential investment in the Fund.

The capital contribution to the Partnership was determined after arm's length negotiations between the parties with reference to the capital needs of the Partnership.

Management of  
the Partnership:

The partners of the Partnership have agreed that Hengtong VC as the general partner of the Partnership, shall act as the executive partner of the Partnership to manage the affairs of Partnership. Jiangsu Hengxin, as the limited partner of the Partnership, will not execute Partnership affairs but have the right to monitor the general partner in its exercise of the management power of the Partnership.

Profit distribution and  
loss sharing:

Profit and losses of the Partnership shall be allocated between the partners of the Partnership in proportion to their respective paid capital contributions to the Partnership.

The Partnership shall first repay its debts with Partnership property. Where the Partnership property is insufficient to cover its debts, the general partner of the Partnership shall bear unlimited liability for the debts of the Partnership and the limited partner of the Partnership shall be liable for the debts of the Partnership up to the amount of its capital contribution.

## **REASONS FOR AND BENEFITS OF THE FORMATION OF THE PARTNERSHIP**

The Directors believe that the formation of the Partnership brings good investment opportunities for the Group to invest in emerging industries and promote industry upgrade, and it is in line with PRC's national "dual carbon" targets as well as the development strategy of the Group. By entering into the Partnership, the Group can leverage on the resources to effectively explore opportunities in hydrogen energy, energy storage, intelligent manufacturing, new materials and other industrial sectors and expand the source channels for potential projects, as well as generate investment income for the Group.

The terms of the Partnership Agreement are negotiated on an arm's length basis between Jiangsu Hengxin and Hengtong VC having taken into account the capital needs of the Partnership. The capital contribution to be made by Jiangsu Hengxin will be funded by the Group's internal resources.

The Directors (including the independent non-executive Directors) consider that the terms of the Partnership Agreement and the transaction contemplated thereunder are made on normal commercial terms and in the ordinary and usual course of business of the Group, 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 PARTNERSHIP AGREEMENT**

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

Jiangsu Hengxin is a company established under the PRC laws with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in research, design, development and manufacture of telecommunications and technological products, production of radio frequency coaxial cables for telecommunications and telecommunications systems exchange equipment.

Hengtong VC is a company incorporated in the PRC and its principal activity is venture capital and equity investment.

## **LISTING RULES IMPLICATIONS**

Hengtong VC is held as to 20% by Jiangsu Hengtong and 80% by Hengtong Group. Jiangsu Hengtong is a wholly-owned subsidiary of Hengtong Group. Hengtong Group is beneficially owned by Mr. Cui Genliang and Mr. Cui Wei as to 58.7% and 41.3% respectively. Mr. Cui Genliang is the father of Mr. Cui Wei (the chairman of the Board, a non-executive Director and a substantial shareholder of the Company via his wholly-owned entity, Kingever).

Therefore, Hengtong VC is considered as a connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the transaction contemplated under the Partnership 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 capital contribution by Jiangsu Hengxin contemplated under the Partnership Agreement is higher than 0.1% but less than 5%, the Partnership 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. Cui Wei, none of the Directors had any material interest in the Partnership Agreement. Accordingly, Mr. Cui Wei, had abstained from voting on the Board resolutions approving the Partnership 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
“Fund”	Suzhou Trend 1 Venture Capital Partnership Enterprise (Limited Partnership)* (蘇州趨勢一號創業投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
“Group”	the Company and its subsidiaries
“Hengtong Group”	Hengtong Group Co., Ltd. (亨通集團有限公司)
“Hengtong VC”	Jiangsu Hengtong Venture Capital Co., Ltd* (江蘇亨通創業投資有限公司)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangsu Hengtong”	Jiangsu Hengtong Investment Holding Co., Ltd. (江蘇亨通投資控股有限公司)
“Jiangsu Hengxin”	Jiangsu Hengxin Technology Co., Ltd. (江蘇亨鑫科技有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
“Kingevery”	Kingevery Enterprises Limited, a company incorporated in the British Virgin Islands and a substantial shareholder of the Company, holding approximately 28.06% 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
“Partnership”	Suzhou Hengtong Yongshun Venture Capital Partnership Enterprise (Limited Partnership)* (蘇州亨通永順創業投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
“Partnership Agreement”	the partnership agreement dated 19 May 2023 and entered into between Jiangsu Hengxin (as a limited partner) and Hengtong VC (as a general partner) in relation to the formation of the Partnership
“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.**  
**Peng Yinan**  
*Executive Director*

Singapore, 19 May 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*