THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Circular is issued by Hengxin Technology Ltd. (the "**Company**"). **If you are in any doubt** as to the action you should take, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser immediately.

If you have sold or transferred all your Shares in the capital of the Company, you should at once hand this Circular, the notice of the extraordinary general meeting (the "**EGM**") and attached proxy form to the purchaser or to the stockbroker or to the bank or to the agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase, or subscribe for securities of the Company.

HENGXIN TECHNOLOGY LTD.
亨鑫科技有限公司*

(carrying on business in Hong Kong as HX Singapore Ltd.)

(incorporated in Republic of Singapore with limited liability)

(Stock Code: 1085)

REVISION AND RENEWAL OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out from pages 4 to 16 of this circular. A letter from the Independent Board Committee is set out on pages IBC-1 to IBC-2 of this circular. A letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-16 of this circular.

A notice convening the EGM to be held at Unit 08, 43/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on 30 December 2025 (Tuesday) at 11:00 a.m. or any adjournment is set out from pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed.

Whether or not you are able to attend the EGM, you are requested to complete and return the proxy form accompanying this circular in accordance with the instructions printed thereon appointing the chairman of the EGM as your proxy, to the Company's Principal Share Registrar in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 (for Shareholders registered in Singapore), or to the Company's Branch Share Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong (for Shareholders registered in Hong Kong) as soon as possible and in any event not later than forty-eight (48) hours before the time of the EGM (or at any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM, or any adjournment thereof, should you so wish and in such event, the form of proxy shall be deemed to be revoked.

12 December 2025

* *For identification purpose only*

CONTENTS

Page

Definitions 1

Letter from the Board 4

Letter from the Independent Board Committee IBC-1

Letter from Gram Capital IFA-1

Appendix – General information APP-1

Notice of EGM EGM-1

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

"Announcement"	the announcement of the Company dated 31 October with respect to the Framework Agreement
"associate(s)"	has the meaning ascribed to this term under the Listing Rules
"Board"	the board of the directors of the Company
"Company"	Hengxin Technology Ltd., a company incorporated in Republic of Singapore with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1085)
"Connected Parties"	Hengtong Group, Hengtong Optic-Electric and their respective associates
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"Directors"	the directors of the Company
"Effective Date"	the date on which the conditions precedent to the New Purchases Master Agreement/the New Sales Master Agreement are fulfilled
"EGM"	an extraordinary general meeting of the Company to be held to approve the New Purchases Master Agreement and the transactions contemplated thereunder (including the New Annual Caps)
"Existing Annual Caps"	the Existing Purchases Caps and the Existing Sales Caps
"Existing Purchases Cap(s)"	the existing annual caps for the three years ending 31 December 2025 under the Existing Purchases Master Agreement
"Existing Purchases Master Agreement"	the materials purchase master agreement dated 3 January 2023 entered into among Jiangsu Hengxin, Hengtong Group and Hengtong Optic-Electric, in relation to the Purchases for a term up to 31 December 2025
"Existing Sales Caps"	the existing annual caps for the three years ending 31 December 2025 under the Existing Sales Master Agreement
"Existing Sales Master Agreement"	the products sales master agreement dated 3 January 2023 entered into among Jiangsu Hengxin, Hengtong Group and Hengtong OpticElectric, in relation to the Sales for a term up to 31 December 2025

"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)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board comprising all independent non-executive Directors to advise the Independent Shareholders in respect of the New Purchases Master Agreement, the New Sales Master Agreement and the transactions contemplated thereunder (including the New Annual Caps)
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the New Purchases Master Agreement, the New Sales Master Agreement and the transactions contemplated thereunder (including the New Annual Caps)
"Independent Shareholders"	Shareholders other than Mr. Cui Genliang and Mr. Cui Wei and their associates
"Independent Third Party(ies)"	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected persons
"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 on 26 June 2003 and a wholly-owned subsidiary of the Company
"Latest Practicable Date"	11 December 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Annual Cap(s)"	the New Purchases Caps and the New Sales Caps
"New Purchases Cap(s)"	the revised annual cap for the year ending 31 December 2025 and the new annual cap for the year ending 31 December 2026 under the New Purchases Master Agreement

"New Purchases Master Agreement"	the materials purchase master agreement dated 31 October 2025 entered into among Jiangsu Hengxin, Hengtong Group and Hengtong Optic-Electric, in relation to the Purchases for a term commencing from Effective Date to 31 December 2026, which will supersede the Existing Purchases Master Agreement
"New Sales Cap(s)"	the revised annual cap for the year ending 31 December 2025 and the new annual cap for the year ending 31 December 2026 under the New Sales Master Agreement
"New Sales Master Agreement"	the products sales master agreement dated 31 October 2025 entered into among Jiangsu Hengxin, Hengtong Group and Hengtong OpticElectric, in relation to the Sales for a term commencing from Effective Date to 31 December 2026, which will supersede the Existing Sales Master Agreement
"PRC"	the People's Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Purchases"	the purchases of materials by Jiangsu Hengxin from the Connected Parties
"RMB"	Renminbi, the lawful currency of the PRC
"Sales"	the sales of products by Jiangsu Hengxin to the Connected Parties
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of the issued share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

HENGXIN TECHNOLOGY LTD.
亨鑫科技有限公司*

(carrying on business in Hong Kong as HX Singapore Ltd.)
(incorporated in Republic of Singapore with limited liability)
(Stock Code: 1085)

Executive directors:
Mr. Peng Yinan
Mr. Lau Fai Lawrence

Non-executive directors:
Mr. Cui Wei *(Chairmain)*
Mr. Tao Shunxiao
Mr. Zeng Guowei

Independent non-executive directors:
Mr. Qian Ziyan
Ms. Lin Ting
Mr. Chan Hon Chung Johnny

Registered office:
5 Tampines Central 1
#06-05 Tampines Plaza 2
Singapore 529541

Head office and principal place of business in Singapore:
5 Tampines Central 1
#06-05 Tampines Plaza 2
Singapore 529541

12 December 2025

To: The Shareholders of Hengxin Technology Ltd.

Dear Sir/Madam,

REVISION AND RENEWAL OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTION

INTRODUCTION

Reference is made to the Announcement. The purpose of this circular is to provide the Shareholders further details of the New Purchases Master Agreement, the New Sales Master Agreement and the transactions contemplated thereunder.

BACKGROUND

On 3 January 2023, Jiangsu Hengxin (a wholly-owned subsidiary of the Company), Hengtong Group and Hengtong Optic-Electric entered into the Existing Purchases Master Agreement and the Existing Sales Master Agreement, in relation to (i) the Purchases for a term commencing from 27 February 2023, being the

* *For identification purpose only*

date of the Company's extraordinary general meeting approving the Existing Purchases Master Agreement, to 31 December 2025; and (ii) the Sales for a term commencing from 3 January 2023 to 31 December 2025, respectively.

Given the growing amount of the Purchases and the Sales, the Company anticipates that the Existing Annual Caps will not be sufficient. Accordingly, Jiangsu Hengxin (a wholly-owned subsidiary of the Company), Hengtong Group and Hengtong Optic-Electric entered into the New Purchases Master Agreement and the New Sales Master Agreement for the purpose of revision of the Existing Annual Caps for the year ending 31 December 2025 and setting the New Annual Caps for the year ending 31 December 2026 to facilitate the continuance of the Purchases and the Sales.

NEW PURCHASES MASTER AGREEMENT

The principal terms of the New Purchases Master Agreement are set out below:

Date

31 October 2025

Parties

Jiangsu Hengxin (as purchaser), Hengtong Group and Hengtong Optic-Electric (as suppliers)

Term

Effective Date to 31 December 2026

Subject Matter

Pursuant to the New Purchases Master Agreement, the Connected Parties will supply copper tape, PE (polyethylene) (聚乙烯), LSZH PO (low smoke zero halogen polyolefins) (無鹵低煙聚烯烴), PVC (polyvinyl chloride) (聚氯乙烯), fibrous web, cable clamp, iron-wooden drum, plaster drum, hybrid cables, power cables, optical module and other raw materials for production of radio frequency coaxial cables, antennas and base station (the "**Materials**") to Jiangsu Hengxin, on terms no less favourable than those offered by any Independent Third Parties.

Conditions precedent

The New Purchases Master Agreement is subject to fulfilment of the following conditions:

(a) publication of the announcement and the circular in relation to the New Purchases Master Agreement by the Company as required under the Listing Rules; and

(b) having obtained approval from the Independent Shareholders on the transactions contemplated thereunder (including the New Purchases Caps) in accordance with the Listing Rules.

Pricing policy

Pursuant to the New Purchases Master Agreement, the purchase price shall be determined in accordance with the following basis:

(a) Jiangsu Hengxin shall conduct the tender process for the purchase of raw materials and determine the price; and

(b) if there is no tender process, the purchase price (per unit) shall be determined after negotiation between the Connected Parties and Jiangsu Hengxin. The principal factor to be taken into account in fixing the market price shall be the fair price of the same or similar goods offered by Independent Third Parties in Jiangsu Province or the regions nearby or in the vicinity of the purchaser's location.

New Purchases Caps

Set out below are (i) the historical Purchases amount for the two years ended 31 December 2024 and the ten months ended 31 October 2025; (ii) the Existing Purchases Caps for the three years ending 31 December 2025; and (iii) the New Purchases Caps for the two years ending 31 December 2026:

	For the year ended 31 December 2023 ("FY2023")	**For the year ended 31 December 2024 ("FY2024")**	**For the ten months ended 31 October 2025 ("10M2025")**	
	RMB	*RMB*	*RMB*	
Historical Purchases amount	198,392,505	246,380,650	215,500,748	
	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025 ("FY2025")**	**For the year ending 31 December 2026 ("FY2026")**
	RMB	*RMB*	*RMB*	*RMB*
Existing Purchases Caps	253,000,000	253,000,000	253,000,000	N/A
New Purchases Caps	N/A	N/A	560,000,000	560,000,000

The New Purchases Caps were determined based on the following factors:

(i) The historical Purchases amount for FY2024 increased by approximately 24% as compared to that for FY2023.

(ii) The historical Purchases amount for FY2024 represented an utilisation rate of approximately 97% of the Existing Purchases Cap for FY2024.

(iii) The historical Purchases amount for 10M2025 reached approximately 85% of the Existing Purchases Cap for FY2025.

The high utilisation rates of the Existing Purchases Caps for FY2024 and FY2025 indicated the restriction on the Purchases amount.

(iv) Jiangsu Hengxin's total purchases amount of the Materials (including those from independent parties and the Connected Parties) was approximately RMB399 million for FY2023 and RMB683 million for FY2024, indicating the possible demand for the Materials by Jiangsu Hengxin. Such increase in total purchases amount of the Materials was mainly caused by change in relevant product mix and increase in copper price (the copper price increased by over 20% from the beginning of FY2023 to the end of FY2024 and further increased by approximately 9% from the end of FY2024 to end of October 2025).

(v) Given that Jiangsu Hengxin normally procures the Materials from the supplier which offered competitive prices, it is possible for Jiangsu Hengxin to procure more Materials from the Connected Parties.

(vi) The Company estimated that the Purchases amount to be approximately RMB560 million for FY2025, representing approximately 82% of Jiangsu Hengxin's total purchases amount of the Materials for FY2024. Such estimated Purchases amount reflected the Company's expectation on continuous increase in copper price and possibility of the Connected Parties to offer competitive prices. Accordingly, the New Purchases Cap for FY2025 was set at RMB560 million.

Although the New Purchases Cap for FY2025 represents a relatively high level of Jiangsu Hengxin's total purchases amount of the Materials for FY2024, the Company does not consider that this circumstance may cause reliance of the Group on the Connected Parties as (i) the New Purchases Cap for FY2025 does not impose any obligation of Jiangsu Hengxin to purchase from the Connected Parties; (ii) instead, the New Purchases Cap for FY2025 allows higher flexibility for Jiangsu Hengxin to purchase from the Connected Parties if they offer competitive prices; and (iii) Jiangsu Hengxin can switch suppliers at its own discretion without affecting its production.

(vii) As the Company expects the Connected Parties to continue offering competitive prices for the Materials, the Company estimated that the Purchases amount to be approximately RMB560 million for FY2026 remaining at the same level as FY2025.

Others

The New Purchases Master Agreement will supersede the Existing Purchases Master Agreement from the Effective Date.

NEW SALES MASTER AGREEMENT

The principal terms of the New Sales Master Agreement are set out below:

Date

31 October 2025

Parties

Jiangsu Hengxin (as seller), Hengtong Group and Hengtong Optic-Electric (as purchasers)

Term

Effective Date to 31 December 2026

Subject Matter

Pursuant to the New Sales Master Agreement, Jiangsu Hengxin 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 and scrap materials derived from the Group's production (the "**Products**") to the Connected Parties, on terms no more favourable than those offered to any Independent Third Parties.

Conditions precedent

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

(a) publication of the announcement and the circular in relation to the New Sales Master Agreement by the Company as required under the Listing Rules; and

(b) having obtained approval from the Independent Shareholders on the transactions contemplated thereunder (including the New Sales Caps) in accordance with the Listing Rules.

Pricing policy

Pursuant to the New Sales Master Agreement, the purchase price shall be determined in accordance with the following basis:

When the Connected Parties obtain quotation from Jiangsu Hengxin for purchase of a particular type of the products, the sales department of Jiangsu Hengxin will give quotation such that acceptance of the Connected Parties' order will generate a positive gross profit margin to the Group. There is no minimum or maximum gross profit margin set for the Sales as they may restrict the Group's potential to generate gross profit. If Jiangsu Hengxin receives orders from both the Connected Parties and Independent Third Parties for the same product at the same time, the order from the Connected Parties will be accepted only when the Connected Parties' order can generate a higher gross profit margin to the Group or when Jiangsu Hengxin is capable of accepting the orders from both the Connected Parties and other third party customers based on the Group's then production capacity (despite that such Sales may not generate higher gross profit margin, it is in the interest of the Group to utilise idle capacity to generate gross profit).

New Sales Caps

Set out below are (i) the historical Sales amount for the two years ended 31 December 2024 and the ten months ended 31 October 2025; (ii) the Existing Sales Caps for the three years ending 31 December 2025; and (iii) the New Sales Caps for the two years ending 31 December 2026:

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the ten months ended 31 October 2025**	
	RMB	*RMB*	*RMB*	
Historical Sales amount	44,662,581	56,139,356	56,806,884	
	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**	**For the year ending 31 December 2026**
	RMB	*RMB*	*RMB*	*RMB*
Existing Sales Caps	46,000,000	57,400,000	71,900,000	N/A
New Sales Caps	N/A	N/A	127,000,000	150,000,000

The New Sales Caps were determined based on the following factors:

(i) After Jiangsu Hengxin extending the Sales to overseas subsidiaries/associates of the Connected Parties and including scrap materials derived from the Group's production under the Products for the three years ending 31 December 2025, the Sales amount increased substantially. The historical Sales amounts for (a) the five years ended 31 December 2024 were approximately RMB8 million, RMB7 million, RMB9 million, RMB45 million, RMB56 million respectively; and (b) 10M2025 was approximately RMB57 million.

(ii) The historical Sales amount for (a) FY2023 increased by approximately 389% as compared to that for the year ended 31 December 2022; and (b) FY2024 increased by approximately 26% as compared to that for FY2023.

(iii) The historical Sales amount for FY2023 and FY2024 represented utilisation rates of approximately 97% and approximately 98% of the Existing Sales Caps for FY2023 and FY2024 respectively. The Sales amounts for FY2023 and FY2024 were restricted by the Existing Sales Caps.

(iv) The historical Sales amount for 10M2025 exceeded the historical Sales amount for FY2024 and reached approximately 79% of the Existing Sales Cap for FY2025.

The high utilisation rates of the Existing Sales Caps for FY2023, FY2024 and FY2025 indicated the restriction of the Sales amount.

(v) For FY2025, Jiangsu Hengxin estimated to sell (i) scrap materials derived from the Group's production of approximately RMB36 million to the Connected Parties; and (ii) other Products of approximately RMB91 million to the Connected Parties. Accordingly, the Company set the Proposed Sales Caps at approximately RMB127 million for FY2025.

The aforesaid estimated Sales amounts were estimated based on the Connected Parties' increasing possible demand due to their business development and expansion, and the estimated prices of the Products.

(vi) For FY2026, Jiangsu Hengxin estimated to sell (i) scrap materials derived from the Group's production of approximately RMB36 million to the Connected Parties; and (ii) other Products of approximately RMB101 million to the Connected Parties. Together with a buffer of approximately 10% (to cater for unforeseeable circumstances), the New Sales Cap was set at RMB150 million for FY2026.

Others

The New Sales Master Agreement will supersede the Existing Sales Master Agreement from the Effective Date.

INTERNAL CONTROL MEASURES

Pricing Policy

New Purchases Master Agreement

The Company adopts the following internal control measures in respect of pricing policy of the New Purchases Master Agreement:

In general, the Group adopts tender process for general materials that are required for monthly purchase and does not adopt tender process (i.e. only negotiation for pricing between parties) for one-off individual purchases.

Details of the tender process are set out below:

(i) Every year tender documents are issued to at least 2 qualified suppliers (at least one of them is Independent Third Party) for supply of the materials. These suppliers are selected by the purchasing department of Jiangsu Hengxin 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 materials, and finally conduct quality control checks on the materials and finished products by using these 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 terms and materials quality in general wins the tender.

If there is no tender process, the purchase price for the materials shall be the fair price negotiated and agreed between the parties. In such circumstance, the Group will adopt the following procedures to determine the fair price for the materials:

(i) The purchasing department of Jiangsu Hengxin will obtain quotations from the Connected Parties and at least one independent qualified supplier who supply the materials.

(ii) The purchasing department will compare the quotations and provided that the materials which have previously sold to Jiangsu Hengxin by those independent qualified suppliers and the Connected Parties are of similar quality and have passed the Group's internal quality control check, the purchasing department will purchase the materials from the supplier who has given the most favourable terms and materials quality in general.

New Sales Master Agreement

The Company adopts the following internal control measures in respect of pricing policy of the New Sales Master Agreement:

Sales to connected parties must be on normal commercial terms or better, comparable to arm's-length transactions with independent third parties.

Details of the procedures for sales to connected parties are set out below:

When the Connected Parties obtain quotation from Jiangsu Hengxin for purchase of a particular type of the products, the sales department of Jiangsu Hengxin will give quotation such that acceptance of the Connected Parties' order will generate a positive gross profit margin to the Group. If Jiangsu Hengxin receives orders from both the Connected Parties and Independent Third Parties for the same product at the same time, the order from the Connected Parties will be accepted only when the Connected Parties' order can generate a higher gross profit margin to the Group or when Jiangsu Hengxin is capable of accepting the orders from both the Connected Parties 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 of Jiangsu Hengxin is required in the event where an order (whether from the Connected Parties or other Independent Third Parties) can only generate a gross profit margin of less than 10% to the Group.

Internal Control Measures in respect of the New Annual Caps

The Company adopts the following internal control measures in respect of the New Annual Caps:

New Purchases Master Agreement

New Purchases Caps shall be monitored by the relevant departments to avoid purchase orders exceeding the New Purchases Caps on a monthly basis with a New Purchases Caps utilization summary to the management of the Company. An early warning shall be triggered at 70% utilization, prompting management for a demand forecast review, and at 90% utilization, a mandatory Board review shall be required to decide on New Purchases Caps revision or suspension of further purchases. Any revision of the New Purchases Caps will be conducted in compliance with Rule 14A.54 and all other applicable requirement under Chapter 14A of the Listing Rules. The independent non-executive Directors shall perform annual review of the New Purchases Caps utilization for the previous year. The independent non-executive Directors shall confirm in the annual report that the Purchases did not exceed the approved New Purchases Caps, and the external auditor shall also perform assurance work on the New Purchases Caps.

New Sales Master Agreement

The New Sales Caps shall be monitored by the relevant departments to avoid sales orders exceeding the New Sales Caps on a monthly basis with a New Sales Caps utilization summary to the management of the Company. An early warning shall be triggered at 70% utilization, prompting management for a supply forecast review, and at 90% utilization, a mandatory Board review shall be required to decide on New Sales Caps revision or suspension of further Sales. Any revision of the New Sales Caps will be conducted in compliance with Rule 14A.54 and all other applicable requirements under Chapter 14A of the Listing Rules. The independent non-executive Directors shall perform annual review of the New Sales Caps utilization for the previous year. The independent non-executive Directors shall confirm in the annual report that the Sales did not exceed the approved New Sales Caps, and the external auditor shall also perform assurance work on the New Sales Caps.

By implementing the above policy and procedures, the Directors consider that the Company has sufficient internal control to ensure that (i) the pricing basis for the Purchases and Sales 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; and (ii) the Purchases amount and the Sales amount will not exceed the New Annual Caps.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Company is an investment holding company. The Group is principally engaged in the provision of digital technology and digital security products and services, the provision of new energy and services and the provision of telecommunications products and services.

Jiangsu Hengxin is wholly-owned subsidiary of the Company and is principally engaged in research, design, development and manufacture of telecommunications and technological products, production of radio frequency coaxial cables for mobile communications and mobile communications systems exchange equipment.

The Purchases

Jiangsu Hengxin has been purchasing the Materials from the Connected Parties since December 2008 under its ordinary and usual course of business for the manufacturing and provision of its products.

As the historical Purchases amount was approximately RMB216 million for 10M2025, representing approximately 85% of the Existing Purchases Cap for FY2025, the Company anticipates that the Existing Purchases Cap for FY2025 will not be sufficient. In addition, as elaborated under the sub-section headed "New Purchases Caps" above, the Group requires a higher annual cap for FY2025. Given the above and to facilitate the continuity of the Purchases, Jiangsu Hengxin (a wholly-owned subsidiary of the Company), Hengtong Group and Hengtong Optic-Electric entered into the New Purchases Master Agreement for the purpose of revision of the Existing Purchases Cap for the FY2025 and setting the New Purchases Cap for FY2026.

The Directors consider that the New Purchases Master Agreement was entered into in the ordinary and usual course of business of the Group, the terms of the New Purchases Master Agreement and the transactions contemplated thereunder (including the New Purchases Caps), are fair and reasonable and are in the interest of the Company and Shareholders as a whole.

The Sales

Jiangsu Hengxin has been selling the Products to the Connected Parties since December 2008 under its ordinary and usual course of business.

As the historical Sales amount was approximately RMB57 million for 10M2025, representing approximately 79% of the Existing Sales Cap for FY2025, the Company anticipates that the Existing Sales Cap for FY2025 will not be sufficient. In addition, as elaborated under the sub-section headed "New Sales Caps" above, the Group requires a higher annual cap for FY2025. Given the above and to facilitate the continuity of the Sales, Jiangsu Hengxin (a wholly-owned subsidiary of the Company), Hengtong Group and Hengtong Optic-Electric entered into the New Sales Master Agreement for the purpose of revision of the Existing Sales Cap for the FY2025 and setting the New Sales Cap for FY2026.

The Directors consider that the New Sales Master Agreement was entered into in the ordinary and usual course of business of the Group, the terms of the New Sales Master Agreement and the transactions contemplated thereunder (including the New Sales Caps), are fair and reasonable and are in the interest of the Company and Shareholders as a whole.

INFORMATION OF THE GROUP

The Company is an investment holding company. The Group is principally engaged in the provision of digital technology and digital security products and services, the provision of new energy and services and the provision of telecommunications products and services.

Jiangsu Hengxin is wholly-owned subsidiary of the Company and is principally engaged in research, design, development and manufacture of telecommunications and technological products, production of radio frequency coaxial cables for mobile communications and mobile communications systems exchange equipment.

INFORMATION OF THE CONNECTED PARTIES

Jiangsu Hengxin is wholly-owned subsidiary of the Company and is principally engaged in research, design, development and manufacture of telecommunications and technological products, production of radio frequency coaxial cables for mobile communications and mobile communications systems exchange equipment.

Hengtong Group is a company incorporated in the PRC with limited liability and is an investment holding company with investments covering fibre optical communication, power transmission, EPC turnkey service and maintenance, as well as IoT, big data, e-commerce, new materials and new energy.

Hengtong Optic-Electric is a company incorporated in the PRC with its shares listed on the Shanghai Stock Exchange. Hengtong Optic-Electric is principally engaged in the businesses of optic-communications, marine-communications, smart grid and marine power.

LISTING RULES IMPLICATION

As at the Latest Practicable Date, Hengtong Optic-Electric is held as to approximately 23.77% by Hengtong Group, which is beneficially owned by Mr. Cui Genliang and Mr. Cui Wei as to 27% and 73% 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 Enterprises Limited). Separately, Mr. Cui Genliang directly owns approximately 3.86% 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 their associates are considered as connected persons of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the transactions under the New Purchases Master Agreement and the New Sales Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the New Purchases Master Agreement calculated on an annual basis by reference to the highest New Purchases Cap is more than 5% and the highest New Purchases Cap exceeds HK$10,000,000, the New Purchases Master Agreement is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the New Sales Master Agreement calculated on an annual basis by reference to the highest New Sales Cap is more than 5% and the highest New Sales Cap exceeds HK$10,000,000, the New Sales Master Agreement is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors confirmed that, save for Mr. Cui Wei (the chairman of the Board and a non-executive Director), none of the Directors had any material interest in the New Purchases Master Agreement and the New Sales Master Agreement. Accordingly, Mr. Cui Wei had abstained from voting on the relevant resolutions of the Board and audit committee of the Company approving the aforesaid agreements.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in relation to the New Purchases Master Agreement, the New Sales Master Agreement and the transactions contemplated thereunder (including the New Annual Caps). Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

Set out on pages EGM-1 to EGM-2 is a notice convening the EGM to be held at Unit 08, 43/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on 30 December 2025 (Tuesday) at 11:00 a.m. or any adjournment at which resolutions will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Framework Agreement and the transactions contemplated thereunder (including the Annual Caps).

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the proxy form accompanying this circular in accordance with the instructions printed thereon appointing the chairman of the EGM as your proxy, to the Company's Principal Share Registrar in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 (for Shareholders registered in Singapore), or to the Company's Branch Share Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong (for Shareholders registered in Hong Kong) as soon as possible and in any event not later than forty-eight (48) hours before the time of the EGM (or at any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM, or any adjournment thereof, should you so wish and in such event, the form of proxy shall be deemed to be revoked.

Pursuant to Article 59 of the Constitution of the Company and Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by way of poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be proposed at the EGM will be voted by way of poll by the Shareholders or the Independent Shareholders (as the case may be).

Mr. Cui Wei and his associates, which are interested in 108,868,662 Shares as at the Latest Practicable Date (representing approximately 23.38% of the total number of issued Shares), will abstain from voting on the resolutions at the EGM.

Further, as at the Latest Practicable Date, 2,326,000 unvested Shares held by the trustee under the share award scheme of the Company adopted on 21 October 2024 and the trustee will abstain from voting on the resolutions at the EGM pursuant to Rule 17.05A of the Listing Rules.

RECOMMENDATION

The Directors (including the independent non-executive Directors, having received and considered the advice from Gram Capital) are of the opinion that terms of the New Purchases Master Agreement, the New Sales Master Agreement and the transactions contemplated thereunder (including the New Annual Caps) are fair and reasonable and that the transactions contemplated under the New Purchases Master Agreement and the New Sales Master Agreement are conducted in the ordinary and usual course of business of the Group, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolutions set out in the notice of EGM enclosed to this circular.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

By Order of the Board
Hengxin Technology Ltd.
Peng Yinan
Executive Director

HENGXIN TECHNOLOGY LTD.
亨鑫科技有限公司*

(carrying on business in Hong Kong as HX Singapore Ltd.)
(incorporated in Republic of Singapore with limited liability)
(Stock Code: 1085)

12 December 2025

To: The Independent Shareholders

Dear Sir/Madam,

REVISION AND RENEWAL OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTION

We refer to the circular of the Company dated 12 December 2025 (the "**Circular**") of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used herein.

We have been appointed by the Board to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the terms of the New Purchases Master Agreement and the New Sales Master Agreement are fair and reasonable and the transactions contemplated under the New Purchases Master Agreement and the New Sales Master Agreement are conducted in the ordinary and usual course of business of the Group, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Having considered the terms of the New Purchases Master Agreement and the New Sales Master Agreement, the reasons and benefits of the entering into of the New Purchases Master Agreement and the New Sales Master Agreement as well as the advice of Gram Capital in relation to the New Purchases Master Agreement, the New Sales Master Agreement and the transactions contemplated thereunder (including the New Annual Caps) as set out on pages IFA-1 to IFA-16 of this Circular, we are of the opinion that the terms of the New Purchases Master Agreement and the New Sales Master Agreement are fair and reasonable and the transactions contemplated under the New Purchases Master Agreement and the New Sales Master Agreement are conducted in the ordinary and usual course of business of the Group, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

* *For identification purpose only*

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the New Purchases Master Agreement, the New Sales Master Agreement and the transactions contemplated thereunder (including the New Annual Caps).

Yours faithfully,
Independent Board Committee

Mr. Qian Ziyan	**Ms. Lin Ting**	**Mr. Chan Hon Chung Johnny**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

12 December 2025

To: The independent board committee and the independent shareholders of Hengxin Technology Ltd.

Dear Sirs,

REVISION AND RENEWAL OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the New Purchases Master Agreement, the New Sales Master Agreement and the transactions contemplated thereunder (including the New Annual Caps) (the "**Transactions**"), details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 12 December 2025 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 3 January 2023, Jiangsu Hengxin (a wholly-owned subsidiary of the Company), Hengtong Group and Hengtong Optic-Electric entered into the Existing Purchases Master Agreement and the Existing Sales Master Agreement, in relation to (i) the Purchases for a term commencing from 27 February 2023, being the date of the Company's extraordinary general meeting approving the Existing Purchases Master Agreement, to 31 December 2025; and (ii) the Sales for a term commencing from 3 January 2023 to 31 December 2025, respectively. Given the growing amount of the Purchases and the Sales, the Company anticipates that the Existing Annual Caps will not be sufficient. Accordingly, Jiangsu Hengxin (a wholly-owned subsidiary of the Company), Hengtong Group and Hengtong Optic-Electric entered into the New Purchases Master Agreement and the New Sales Master Agreement for the purpose of revision of the Existing Annual Caps for the year ending 31 December 2025 and setting the New Annual Caps for the year ending 31 December 2026 to facilitate the continuance of the Purchases and the Sales.

With reference to the Board Letter, the Transactions constitute continuing connected transactions of the Company and are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Qian Ziyan, Ms. Lin Ting and Mr. Chan Hon Chung Johnny (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions were entered into in the ordinary and usual course of business of the Group and on normal commercial terms; (ii) whether the Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to the Company's (i) major and connected transactions, details of which are set out in the Company's circular dated 11 April 2024; (ii) continuing connected transaction, details of which are set out in the Company's announcement dated 22 April 2024; (iii) very substantial acquisition and connected transaction, details of which are set out in the Company's circular dated 25 June 2024; and (iv) continuing connected transaction, details of which are set out in the Company's circular dated 22 August 2024 (collectively, the "**IFA Engagements**"). Save for the IFA Engagements, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the IFA Engagements, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Besides, apart from the advisory fee and expenses payable to us in connection with this engagement as the Independent Financial Adviser and the IFA Engagements, there is no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company, their subsidiaries and/or associates.

Having considered the above, in particular (i) none of the circumstances as set out under Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the IFA Engagements were only independent financial advisory engagements, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to

doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Hengtong Group, Hengtong Optic-Electric or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Transactions

Information of the Group

With reference to the Board Letter, the Company is an investment holding company. The Group is principally engaged in the provision of digital technology and digital security products and services, the provision of new energy and services and the provision of telecommunications products and services.

Set out below are the Group's consolidated financial information for the two years ended 31 December 2024 and the six months ended 30 June 2025 (with comparative figures for the corresponding period in 2024) as extracted from the Company's annual report for the year ended 31 December 2024 (the "**2024 Annual Report**") and the Company's interim report for the six months ended 30 June 2025 (the "**2025 Interim Report**"):

	For the six months ended 30 June 2025 ("1H2025")	**For the six months ended 30 June 2024 ("1H2024")**	**Year-on-year change**	**For the year ended 31 December 2024 ("FY2024")**	**For the year ended 31 December 2023 ("FY2023")**	**Year-on-year change**
	(unaudited)	(unaudited)		(audited)	(audited)	
	RMB'000	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*
Revenue	1,022,209	1,115,320	(8.35)	2,519,987	2,255,903	11.71
– Integrated circuits and digital technology	*94,677*	*78,037*	*21.32*	*238,345*	*202,671*	*17.60*
– New energy and services	*73,697*	*68,032*	*8.33*	*185,971*	*77,064*	*141.32*
– Telecommunications	*853,835*	*969,251*	*(11.91)*	*2,095,671*	*1,976,168*	*6.05*
Gross profit	187,331	210,213	(10.89)	467,305	434,698	7.50
(Loss)/profit attributable to equity shareholders of the Company	(70,420)	26,589	N/A	42,189	69,702	(39.47)

FY2023 vs FY2024

As depicted from the above table, the Group's revenue was approximately RMB2,520 million for FY2024, representing an increase of approximately 11.71% as compared to that for FY2023. With reference to the 2024 Annual Report, such increase was mainly due to (i) the increase in revenue generated from the new energy and services business segment as results of the completion of acquisition of Zhejiang Zhongguang New Energy Technology Co., Ltd. in July 2023; and (ii) the increase in revenue generated from the telecommunications business segment, which was mainly due

to the Group's increased effort on market exploration with more competitive pricing strategy and broadening its products mix width in order to maintain its market position and securing orders from major telecommunication operators in the PRC. The telecommunications business segment contributed to approximately 88% and approximately 83% of the Group's revenue for FY2023 and FY2024 respectively.

The Group's gross profit for FY2024 also increased by approximately 7.50% as compared to that for FY2023. With reference to the 2024 Annual Report, such increase was mainly due to the aforementioned increase in the Group's revenue.

Despite of the increase of the Group's gross profit from FY2023 to FY2024, the Group's profit attributable to equity shareholders of the Company for FY2024 decreased by approximately 39.47% as compared to that for FY2023. With reference to the 2024 Annual Report, such decrease was mainly due to increase in selling and distribution expenses, administrative expenses and other operating expenses.

1H2024 vs 1H2025

As depicted from the above table, the Group's revenue was approximately RMB1,022 million for 1H2025, representing a decrease of approximately 8.35% as compared to that for 1H2024. With reference to the 2025 Interim Report, such decrease was mainly due to the decrease in revenue generated from the telecommunication business segment, which was mainly due to continuous fierce market competition during 1H2025. The telecommunications business segment contributed to approximately 87% and approximately 84% of the Group's revenue for 1H2024 and 1H2025 respectively.

The Group's gross profit for 1H2025 also decreased by approximately 10.89% as compared to that for 1H2024. With reference to the 2025 Interim Report, such decrease was mainly due to the aforementioned decrease in the Group's revenue.

The loss attributable to equity shareholders of the Company was approximately RMB70 million for 1H2025 whereas the profit attributable to equity shareholders of the Company was approximately RMB27 million for 1H2024. With reference to the 2025 Interim Report, such turnaround was mainly due to (i) the aforementioned decreases in the Group's revenue and gross profit; (ii) decrease in other operating income; and (iii) increase in income tax.

With reference to 2025 Interim Report, the Group would continue to pay close attention to macroeconomic trends and industry policies, maintain strategic flexibility, and proactively capitalize on opportunities in the new energy market to lay a solid foundation for the second half of 2025 and long-term development.

Information on the Connected Parties

With reference to the Board Letter:

(i) Hengtong Group is a company incorporated in the PRC with limited liability and is an investment holding company with investments covering fibre optical communication, power transmission, engineering, procurement and construction (EPC) turnkey service and maintenance, as well as Internet of Things (IoT), big data, e-commerce, new materials and new energy; and

(ii) Hengtong Optic-Electric is a company incorporated in the PRC with its shares listed on the Shanghai Stock Exchange (stock code: SH600487). Hengtong Optic-Electric is principally engaged in the businesses of optic-communications, marine-communications, smart grid and marine power.

Each of Hengtong Group and Hengtong Optic-Electric is connected person of the Company.

Reasons for and benefits for the Transactions

With reference to the Board Letter, Jiangsu Hengxin has been purchasing the Materials (as defined below) from the Connected Parties since December 2008 under its ordinary and usual course of business for the manufacturing and provision of its products.

As the historical Purchases amount was approximately RMB216 million for the ten months ended 31 October 2025 ("**10M2025**"), representing approximately 85% of the Existing Purchases Cap for FY2025, the Company anticipates that the Existing Purchases Cap for FY2025 will not be sufficient. To facilitate the continuity of the Purchases, Jiangsu Hengxin (a wholly-owned subsidiary of the Company), Hengtong Group and Hengtong Optic-Electric entered into the New Purchases Master Agreement for the purpose of revision of the Existing Purchases Cap for the FY2025 and setting the New Purchases Cap for FY2026.

With reference to the Board Letter, Jiangsu Hengxin has been selling the Products (as defined below) to the Connected Parties since December 2008 under its ordinary and usual course of business.

As the historical Sales amount was approximately RMB57 million for 10M2025, representing approximately 79% of the Existing Sales Cap for FY2025, the Company anticipates that the Existing Sales Cap for FY2025 will not be sufficient. To facilitate the continuity of the Sales, Jiangsu Hengxin (a wholly-owned subsidiary of the Company), Hengtong Group and Hengtong Optic-Electric entered into the New Sales Master Agreement for the purpose of revision of the Existing Sales Cap for the FY2025 and setting the New Sales Cap for FY2026.

As advised by the Directors, (i) the Purchases were conducted for procurement of materials for manufacturing and provision of its products under the Group's telecommunications business segment; and (ii) the Products sold under the Sales are also products under the Group's telecommunications

business segment. As aforementioned, the telecommunications business segment contributed to over 80% of the Group's revenue for FY2023, FY2024 and 1H2025. The Purchases support the Group's major revenue contributor and the Sales also contributed revenue to this segment.

Having considered the above, we are of the view that the Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Transactions

New Purchases Master Agreement

Set out below are the key terms of the New Purchases Master Agreement, details of which are set out under the section headed "New Purchases Master Agreement" of the Board Letter.

Date:	31 October 2025
Parties:	Jiangsu Hengxin (as purchaser), Hengtong Group and Hengtong Optic-Electric (as suppliers)
Subject matter:	Pursuant to the New Purchases Master Agreement, the Connected Parties will supply copper tape, PE (polyethylene) (聚乙烯), LSZH PO (low smoke zero halogen polyolefins) (無鹵低煙聚烯烴), PVC (polyvinyl chloride) (聚氯乙烯), fibrous web, cable clamp, iron-wooden drum, plaster drum, hybrid cables, power cables, optical module and other raw materials for production of radio frequency coaxial cables, antennas and base station (the "**Materials**") to Jiangsu Hengxin, on terms no less favourable than those offered by any Independent Third Parties.
Term:	Effective Date to 31 December 2026

Pricing policy

Pursuant to the New Purchases Master Agreement, the purchase price shall be determined in accordance with the following basis:

(a) Jiangsu Hengxin shall conduct the tender process for the purchase of raw materials and determine the price; and

(b) if there is no tender process, the purchase price (per unit) shall be determined after negotiation between the Connected Parties and Jiangsu Hengxin. The principal factor to be taken into account in fixing the market price shall be the fair price of the same or similar goods offered by Independent Third Parties in Jiangsu Province or the regions nearby or in the vicinity of the purchaser's location.

For our due diligence purpose, we obtained a summary list of the transactions in relation to Purchases for the two years ended 31 December 2024 and the eight months ended 31 August 2025. We randomly selected one transaction for each period (three transactions were selected in total) from such list (the "**Selected Purchases Samples**"). As the Selected Purchases Samples were selected on random basis and covered the period for the two years ended 31 December 2024 and the eight months ended 31 August 2025, we consider that the Selected Purchases Samples are fair and representative. Upon our request, the Company provided us with the relevant documents relating to the Selected Purchases Samples, including the corresponding invoices and executed agreements, together with invoices of and executed agreements entered into between Jiangsu Hengxin and Independent Third Parties for comparable purchase transactions. We noted from the aforesaid documents that the purchase prices of the Selected Purchases Samples were lower than those offered by the Independent Third Parties for the same products.

With reference to the Board Letter, the Group adopts certain internal control measures in respect of pricing policy of the New Purchases Master Agreement. Details of the internal control measures are set out under the section headed "Internal Control Measures" of the Board Letter. Having considered that (i) the Group adopts tender process for general materials that are required for monthly purchase; and (ii) certain department of the Group will obtain and compare the quotations from the Connected Parties and independent qualified suppliers for one-off individual purchases, we consider that the effective implementation of the internal control measures would ensure the fair pricing of the Purchases.

With reference to the 2024 Annual Report, the independent non-executive Directors have reviewed the Group's continuing connected transactions (including the Purchases) for FY2024 and confirmed that such transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. Furthermore, the auditor of the Company also reviewed the Group's continuing connected transactions (including the Purchases) for FY2024 and confirmed that nothing has come to their attention which causes them to believe that: (i) the disclosed continuing connected transactions have not been approved by the Board; (ii) the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) the disclosed continuing connected transactions have exceeded their respective caps as set by the Company.

New Purchases Caps

Set out below are (i) the historical Purchases amount for the two years ended 31 December 2024 and 10M2025; (ii) the Existing Purchases Caps for the three years ending 31 December 2025; and (iii) the New Purchases Caps for the two years ending 31 December 2026:

	For the year ended 31 December 2023 *RMB*	For the year ended 31 December 2024 *RMB*	For the year ending 31 December 2025 ("FY2025") *RMB*
Historical Purchases amount	198,392,505	246,380,650	215,500,748 *(Note)*
Existing Purchases Caps	253,000,000	253,000,000	253,000,000
Utilisation rate	78%	97%	85% *(Note)*

	For the year ending 31 December 2025 *RMB*	For the year ending 31 December 2026 ("FY2026") *RMB*
New Purchases Caps	560,000,000	560,000,000

Note: The figure was for 10M2025.

With reference to the Board Letter, the New Purchases Caps for the two years ending 31 December 2026 were determined based on the following factors:

(i) The historical Purchases amount for FY2024 increased by approximately 24% as compared to that for FY2023.

(ii) The historical Purchases amount for FY2024 represented an utilisation rate of approximately 97% of the Existing Purchases Cap for FY2024 (the "**FY2024 Purchases Cap Utilisation**").

(iii) The historical Purchases amount for 10M2025 reached approximately 85% of the Existing Purchases Cap for FY2025.

(iv) Jiangsu Hengxin's total purchases amount of the Materials (including those from independent parties and the Connected Parties) was approximately RMB399 million for FY2023 and RMB683 million for FY2024, indicating the possible demand for the Materials by Jiangsu Hengxin. Such increase in total purchases amount of the Materials was mainly caused by change in relevant product mix and increase in copper price.

(v) Given that Jiangsu Hengxin normally procures the Materials from the supplier which offered competitive prices, it is possible for Jiangsu Hengxin to procure more Materials from the Connected Parties.

(vi) The Company estimated that the Purchases amount to be approximately RMB560 million for FY2025, representing approximately 82% of Jiangsu Hengxin's total purchases amount of the Materials for FY2024. Such estimated Purchases amount reflected the Company's expectation

on continuous increase in copper price and possibility of the Connected Parties to offer competitive prices. Accordingly, the New Purchases Cap for FY2025 was set at RMB560 million.

Although the New Purchases Cap for FY2025 represents a relatively high level of Jiangsu Hengxin's total purchases amount of the Materials for FY2024, the Company does not consider that this circumstance may cause reliance of the Group on the Connected Parties as (i) the New Purchases Cap for FY2025 does not impose any obligation of Jiangsu Hengxin to purchase from the Connected Parties; (ii) instead, the New Purchases Cap for FY2025 allows higher flexibility for Jiangsu Hengxin to purchase from the Connected Parties if they offer competitive prices; and (iii) Jiangsu Hengxin can switch suppliers at its own discretion without affecting its production.

(vii) As the Company expects the Connected Parties to continue offering competitive prices for the Materials, the Company estimated that the Purchases amount to be approximately RMB560 million for FY2026 remaining at the same level as FY2025.

In assessing the New Purchases Caps, we considered the followings:

(i) The high utilisation rates of the Existing Purchases Caps for FY2024 and FY2025 indicated the restriction on the Purchases amount.

(ii) The FY2023 to FY2024 year-on-year increases of approximately 24% in the historical Purchases amount and approximately 71% in Jiangsu Hengxin's total purchases amount of the Materials (including those from independent parties and the Connected Parties), indicate possible increase in demand for the Materials by Jiangsu Hengxin.

(iii) As aforementioned, copper price increase is one of the factors that causes increase in total purchases amount of the Materials. Accordingly, we searched over the internet and note from the data published by Sina Finance that the closing prices of the copper per ton as quoted on Shanghai Futures Exchange were RMB65,790 on 3 January 2023, RMB67,300 on 30 June 2023, RMB68,920 on 29 December 2023, RMB78,370 on 28 June 2024, RMB73,770 on 31 December 2024, RMB79,870 on 30 June 2025 and RMB87,010 on 31 October 2025, which demonstrated an increasing trend.

(*Note:* According to Sina's official website, Sina Finance is a financial information and financial services platform under Sina, the most influential online media corporation in the PRC. It serves as the preferred financial portal and service platform for Chinese audiences worldwide. Founded in August 1999, Sina Finance has developed over nearly two decades into PRC's premier online financial information and financial services brand.)

(iv) The FY2024 Purchases Cap Utilisation of approximately 97% indicated that the Purchases were restricted by the Existing Purchases Cap and there could be further demand of the Group for the Purchases.

(v) Jiangsu Hengxin's total purchases amount of the Materials (including those from independent parties and the Connected Parties) for FY2024 (i.e. approximately RMB683 million) indicated the possible demand for the Materials by Jiangsu Hengxin. As aforementioned, the decrease in revenue generated from the Group's telecommunication business segment from 1H2024 to 1H2025 was mainly due to continuous fierce market competition during 1H2025. Given the Group's pricing policy and internal control measures in respect of the Purchases, the Group may obtain favourable/competitive pricing for the Materials and reduce production costs for the telecommunication business segment by conducting higher proportion of the Purchases with favourable/competitive pricing. This may enhance competitiveness of this segment. Should there be no favourable/competitive pricing under the Purchases, Jiangsu Hengxin is not obligated by the New Purchases Cap for FY2025 to conduct any Purchases. Accordingly, it is reasonable for the Company to estimate that the Purchases amount to be approximately RMB560 million for FY2025, representing approximately 82% of Jiangsu Hengxin's total purchases amount of the Materials for FY2024.

Accordingly, we consider that the New Purchases Cap of RMB560 million for FY2025 is fair and reasonable.

Should the Connected Parties offer competitive prices for the Materials, it is reasonable for the Group to procure substantial portion of the Materials from the Connected Parties. Accordingly, we also consider that the New Purchases Cap of RMB560 million for FY2026 (remained at the same level of FY2025) is fair and reasonable.

Shareholders should note that as the New Purchases Caps for the two years ending 31 December 2026 are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of procurement cost to be incurred from the Purchases. Consequently, we express no opinion as to how closely the actual cost to be incurred from the Purchases will correspond with the New Purchases Caps.

Having considered the pricing of the Purchases and the New Purchases Caps for the two years ending 31 December 2026 as aforementioned, we are of the view that the terms of the Purchases (including the New Purchases Caps) are on normal commercial terms and are fair and reasonable.

New Sales Master Agreement

Set out below are the key terms of the New Sales Master Agreement, details of which are set out under the section headed "New Sales Master Agreement" of the Board Letter.

Date:	31 October 2025
Parties:	Jiangsu Hengxin (as seller), Hengtong Group and Hengtong Optic-Electric (as purchasers)

Subject matter:	Pursuant to the New Sales Master Agreement, Jiangsu Hengxin 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 and scrap materials derived from the Group's production (the "**Products**") to the Connected Parties, on terms no more favourable than those offered to any Independent Third Parties.
Term:	Effective Date to 31 December 2026

Pricing policy

Pursuant to the New Sales Master Agreement, the purchase price shall be determined in accordance with the following basis:

When the Connected Parties obtain quotation from Jiangsu Hengxin for purchase of a particular type of the products, the sales department of Jiangsu Hengxin will give quotation such that acceptance of the Connected Parties' order will generate a positive gross profit margin to the Group. If Jiangsu Hengxin receives orders from both the Connected Parties and Independent Third Parties for the same product at the same time, the order from the Connected Parties will be accepted only when the Connected Parties' order can generate a higher gross profit margin to the Group or when Jiangsu Hengxin is capable of accepting the orders from both the Connected Parties and other third party customers based on the Group's then production capacity.

For our due diligence purpose, we obtained a summary list of the transactions in relation to Sales for the two years ended 31 December 2024 and the eight months ended 31 August 2025. We randomly selected one transaction for each period (three transactions were selected in total) from such list (the "**Selected Sales Samples**"). As the Selected Sales Samples were selected on random basis and covered the period for the two years ended 31 December 2024 and the eight months ended 31 August 2025, we consider that the Selected Sales Samples are fair and representative. Upon our request, the Company provided us with the relevant documents relating to the Selected Sales Samples, including the corresponding invoices and executed agreements, together with invoices of and executed agreements entered into between Jiangsu Hengxin and Independent Third Parties for comparable sale transactions. We noted from the aforesaid documents that the selling prices of the Selected Sales Samples were higher than those offered by Jiangsu Hengxin to the Independent Third Parties for the same products.

With reference to the Board Letter, the Group adopts certain internal control measures in respect of pricing policy of the New Sales Master Agreement. Details of the internal control measures are set out under the section headed "Internal Control Measures" of the Board Letter. Having considered that certain department of the Group will (i) give quotations such that acceptance of the Connected Parties' order will generate a positive gross profit margin to the Group; and (ii) compare the gross profit margin of orders from both Connected Parties and Independent Third Parties if Jiangsu

Hengxin receives orders from both the Connected Parties and Independent Third Parties for the same product at the same time, we consider that the effective implementation of the internal control measures would ensure the fair pricing of the Sales.

With reference to the 2024 Annual Report, the independent non-executive Directors have reviewed the Group's continuing connected transactions (including the Sales) for FY2024 and confirmed that such transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. Furthermore, the auditor of the Company also reviewed the Group's continuing connected transactions (including the Sales) for FY2024 and confirmed that nothing has come to their attention which causes them to believe that: (i) the disclosed continuing connected transactions have not been approved by the Board; (ii) the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) the disclosed continuing connected transactions have exceeded their respective caps as set by the Company.

New Sales Caps

Set out below are (i) the historical Sales amount for the two years ended 31 December 2024 and 10M2025; (ii) the Existing Sales Caps for the three years ending 31 December 2025; and (iii) the New Sales Caps for the two years ending 31 December 2026:

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
	RMB	*RMB*	*RMB*
Historical Sales amount	44,662,581	56,139,356	56,806,884 *(Note)*
Existing Sales Caps	46,000,000	57,400,000	71,900,000
Utilisation rate	97%	98%	79%

	For the year ending 31 December 2025	**For the year ending 31 December 2026**
	RMB	*RMB*
New Sales Caps	127,000,000	150,000,000

Note: The figure was for the 10M2025.

With reference to the Board Letter, the New Sales Caps for the two years ending 31 December 2026 were determined based on the following factors:

(i) After Jiangsu Hengxin extending the Sales to overseas subsidiaries/associates of the Connected Parties and including scrap materials derived from the Group's production under the Products for the three years ending 31 December 2025, the Sales amount increased substantially. The historical Sales amounts for (a) the five years ended 31 December 2024 were approximately RMB8 million, RMB7 million, RMB9 million, RMB45 million, RMB56 million respectively; and (b) 10M2025 was approximately RMB57 million.

(ii) The historical Sales amount for (a) FY2023 increased by approximately 389% as compared to that for the year ended 31 December 2022; and (b) FY2024 increased by approximately 26% as compared to that for FY2023 (the "**Historical Growths**").

(iii) The historical Sales amount for FY2023 and FY2024 represented utilisation rates of approximately 97% and approximately 98% of the Existing Sales Caps for FY2023 and FY2024 respectively. The Sales amounts for FY2023 and FY2024 were restricted by the Existing Sales Caps.

(iv) The historical Sales amount for 10M2025 exceeded the historical Sales amount for FY2024 and reached approximately 79% of the Existing Sales Cap for FY2025.

(v) For FY2025, Jiangsu Hengxin estimated to sell (i) scrap materials derived from the Group's production of approximately RMB36 million to the Connected Parties; and (ii) other Products of approximately RMB91 million to the Connected Parties (the "**FY2025 Sales Estimation**"). Accordingly, the Company set the Proposed Sales Caps at approximately RMB127 million for FY2025.

(vi) For FY2026, Jiangsu Hengxin estimated to sell (i) scrap materials derived from the Group's production of approximately RMB36 million to the Connected Parties; and (ii) other Products of approximately RMB101 million to the Connected Parties (the "**FY2026 Sales Estimation**"). Together with a buffer of approximately 10% (to cater for unforeseeable circumstances), the New Sales Cap was set at RMB150 million for FY2026.

In assessing the New Sales Caps, we considered the followings:

(i) Given the Historical Growths and that the historical Sales amount for 10M2025 exceeded the historical Sales amount for FY2024, it is possible for the Sales to further increase in FY2025.

(ii) The utilisation rates of approximately 97% and approximately 98% of the Existing Sales Caps for FY2023 and FY2024 respectively are strong indicators that the Sales amounts for FY2023 and FY2024 were restricted by the Existing Sales Caps. In other words, the Existing Sales Caps for FY2023 and FY2024 restricted the Group's revenue contributed by the Sales.

(iii) For our due diligence purpose, we obtained calculation of the FY2025 Sales Estimation and the FY2026 Sales Estimation from the Company which was derived from:

(a) scrap materials sales of approximately RMB36 million for FY2025 based on scrap materials sales of approximately RMB32 million for the eight months ended 31 August 2025;

(b) other Products sales of approximately RMB91 million for FY2025 based on (1) a list of projects that the Connected Parties are expected to undertake; and (2) the Connected Parties' demand of the other Products for each of the projects and other business operations;

(c) scrap materials sales of approximately RMB36 million for FY2026 based on the estimated amount for FY2025; and

(d) other Products sales of approximately RMB101 million for FY2026 based on a moderate growth of approximately 8% from FY2025.

(iv) Given that the historical Sales amount for 10M2025 reached approximately 79% of the Existing Sales Cap for FY2025; and the FY2025 Sales Estimation, it is reasonable for the Company to set the New Sales Cap at RMB127 million for FY2025.

(v) The FY2026 Sales Estimation represented a moderate growth of approximately 8% as compared to the FY2025 Sales Estimation. We noted from other Hong Kong listed companies' circulars regarding continuing connected transactions that the incorporation of buffer of 10% or less in the proposed annual caps is not uncommon. Accordingly, we consider that it is reasonable for the Company to set the New Sales Cap at RMB150 million for FY2026 after considering the FY2026 Sales Estimation with 10% buffer.

Accordingly, we consider the New Sales Caps for the two years ending 31 December 2026 to be fair and reasonable.

Shareholders should note that as the New Sales Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of revenue to be generated from the Sales. Consequently, we express no opinion as to how closely the actual revenue to be generated from the Sales will correspond with the New Sales Caps.

3. Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of Transactions must be restricted by their respective proposed annual caps for the period concerned; (ii) the terms of the Transactions (including their respective proposed annual caps) must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group (for the products sale and service provision); (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the proposed annual caps. In the event that the total amounts of the Transactions are anticipated to exceed their respective proposed annual caps, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are conducted in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares and underlying shares of the Company:

Name of Directors	Capacity and nature of interests	Number of Shares	Approximate percentage of the Company's issued share capital
Mr. Cui Wei[Note1]	Interest in controlled corporation	108,868,662	23.38%

Note:

1. Mr. Cui Wei, the Chairman and non-executive Director of the Company, beneficially owns the entire share capital of Kingever Enterprises Limited ("**Kingever**") and accordingly is deemed to be interested in the Shares as held by Kingever by virtue of the SFO. Mr. Cui Wei also has full control to exercise control over the voting right in respect of the Shares held by Kingever.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, the chief executive of the Company nor their associates, had any other interests or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were

required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required to be notified to the Company or the Stock Exchange, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies contained in the Listing Rules.

(b) Substantial Shareholders and persons having 5% or more shareholding

As at the Latest Practicable Date, the register of substantial shareholders maintained under Section 336 of the SFO shown that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and the chief executive of the Company.

Long positions in the Company:

Name of substantial shareholders	Capacity and nature of interests	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
Kingever*(Note)*	Beneficial owner	108,868,662	23.38%
Mr. Cui Wei*(Note)*	Deemed interest and interest in controlled corporation	108,868,662	23.38%

Note: Kingever is a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Cui Wei. Mr. Cui Wei has full control to exercise control over the voting right in respect of the Shares held by Kingever. Save for Mr. Cui Wei in his capacity as the sole director of Kingever, none of the Company's other directors are directors or employees of Kingever.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who had any other interests or short positions in the Shares or underlying Shares and debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing service contract or proposed service contract with any member of the Group which will not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date:

(a) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement subsisting which was significant in relation to the business of the Group; and

(b) none of the Directors nor their respective associates had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business which competes or may compete with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder of the Company).

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

7. EXPERT

The following is the qualification of the expert who has given opinions or advice which are contained in this circular:

Name	Qualification
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Gram Capital did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Gram Capital did not have, directly or indirectly, any interest in any assets which had since 31 December 2024 (being the date to which the latest published consolidated audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. DOCUMENTS ON DISPLAY

Copies of the New Purchases Master Agreement and the New Sales Master Agreement is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hengxin.com.sg) from the date of this circular up to and including the date of the EGM.

9. MISCELLANEOUS

The English text of this circular and the accompanying form of proxy shall prevail over the Chinese text in the event of inconsistency.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, 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 notice.

HENGXIN TECHNOLOGY LTD.
亨鑫科技有限公司*

(carrying on business in Hong Kong as HX Singapore Ltd.)
(incorporated in Republic of Singapore with limited liability)
(Stock Code: 1085)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**Meeting**") of Hengxin Technology Ltd. (the "**Company**") will be held at 11 a.m., on 30 December 2025 (Tuesday) at Unit 08, 43/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong. The Meeting will be convened for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolutions as ordinary resolutions:

Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 12 December 2025.

AS ORDINARY RESOLUTIONS

1. To (i) approve and confirm the New Purchases Master Agreement dated 31 October 2025 entered into between Jiangsu Hengxin, a wholly-owned subsidiary of the Company, as purchaser, and Hengtong Group and Hengtong Optic-Electric, as supplier (a copy of which shall be produced at the meeting marked "A" for identification purpose) and the terms and conditions thereof, and the transactions contemplated thereunder (including the proposed annual caps for the period to 31 December 2026) and the performance and implementation thereof; and (ii) approve, ratify and confirm the authorisation to any one director of the Company ("**Director**") and on behalf of the Company, among other things, to sign, execute, perfect and/or deliver or to authorise signing, executing, perfecting and/or delivering (and to affix the Company's common seal to, if necessary, in accordance with the Constitution of the Company) the New Purchases Master Agreement and all such documents, instruments, agreements or deeds and to do or authorise doing all such other acts or things which he/she may in his/her discretion consider necessary, expedient or desirable in connection with or incidental to any of the matters contemplated under the New Purchases Master Agreement and the respective annual caps thereunder or to give effect to and implement the New Purchases Master Agreement, and to waive compliance from or make and agree such variations of a non-material nature

to the terms of the New Purchases Master Agreement that the Directors may in their discretion consider to be desirable and in the interests of the Company and Shareholders as a whole and all the Directors' acts as aforesaid.

2. To (i) approve and confirm the New Purchases Sales Agreement dated 31 October 2025 entered into between Jiangsu Hengxin, a wholly-owned subsidiary of the Company, as purchaser, and Hengtong Group and Hengtong Optic-Electric, as supplier (a copy of which shall be produced at the meeting marked "B" for identification purpose) and the terms and conditions thereof, and the transactions contemplated thereunder (including the proposed annual caps for the period to 31 December 2026) and the performance and implementation thereof; and (ii) approve, ratify and confirm the authorisation to any one Director and on behalf of the Company, among other things, to sign, execute, perfect and/or deliver or to authorise signing, executing, perfecting and/or delivering (and to affix the Company's common seal to, if necessary, in accordance with the Constitution of the Company) the New Sales Master Agreement and all such documents, instruments, agreements or deeds and to do or authorise doing all such other acts or things which he/she may in his/her discretion consider necessary, expedient or desirable in connection with or incidental to any of the matters contemplated under the New Sales Master Agreement and the respective annual caps thereunder or to give effect to and implement the New Sales Master Agreement, and to waive compliance from or make and agree such variations of a non-material nature to the terms of the New Sales Master Agreement that the Directors may in their discretion consider to be desirable and in the interests of the Company and Shareholders as a whole and all the Directors' acts as aforesaid.

By order of the Board
Hengxin Technology Ltd.
Peng Yinan
Executive Director

Hong Kong, 12 December 2025

Notes:

1. A member of the Company (the "**Member**") entitled to attend and vote at the Meeting is entitled to appoint no more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a Member. Where a Member appoints more than one (1) proxy, the Member shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

2. The instrument appointing a proxy, and if the instrument appointing a proxy is signed by an attorney, the letter or power of attorney or a duly certified copy thereof, must be deposited at the Company's Principal Share Registrar in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 (for Shareholders registered in Singapore), or at the office of the Company's Branch Share Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong (for Shareholders registered in Hong Kong), as soon as possible and in any event not later than forty-eight (48) hours before the time appointed for holding the Meeting (or at any adjournment thereof).

3. If the Member is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4. Completion and return of the proxy form will not preclude a Member from attending and voting in person at the Meeting or any adjournment thereof should he/she so wish, and in such event, the proxy form shall be deemed to be revoked.

5. The Principal Share Registrar and Branch Share Registrar of the Company will be closed from 24 December 2025 (Wednesday) to 30 December 2025 (Tuesday) (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending the Meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Principal Share Registrar in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 (for Shareholders registered in Singapore), or at the office of the Company's Branch Share Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong (for Shareholders registered in Hong Kong) not later than 4:30 p.m. on 23 December 2025 (Tuesday). Any removal of Shares from the Company's Principal Share Registrar in Singapore to the Branch Share Registrar in Hong Kong for the purpose of attending the EGM shall be made not later than 4:30 p.m. on 18 December 2025 (Thursday). The record date for determining the eligibility of the Shareholders for attending and voting at the EGM is 30 December 2025 (Tuesday).

As at the date of this notice, the executive directors of the Company are Mr. Peng Yinan and Mr. Lau Fai Lawrence; the non-executive directors of the Company are Mr. Cui Wei, Mr. Tao Shunxiao and Mr. Zeng Guowei; and the independent non-executive directors of the Company are Mr. Qian Ziyan, Ms. Lin Ting and Mr. Chan Hon Chung Johnny.

* *For identification purpose only*