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HENGXIN TECHNOLOGY LTD.

亨 鑫 科 技 有 限 公 司 *

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

(Incorporated in Singapore with limited liability)

(Hong Kong Stock Code: 1085)

PROFIT WARNING

This announcement is made by the board of directors (the “**Board**”) of Hengxin Technology Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 (the “**Reporting Period**”) and other information currently available to the Company, notwithstanding the impact of the COVID-19 pandemic, the Group remained profitable from continuing operations for the Reporting Period. However, such unaudited net profit is anticipated to decline by around 60% to 70% as compared with unaudited consolidated net profit of approximately RMB 73.4 million for the six months ended 30 June 2019.

The decrease in net profit was mainly attributable to the negative impact caused by the outbreak of COVID-19 in mainland China during the first quarter of 2020. Further, restrictive measures such as the lockdowns were adopted by various countries had affected the sentiment on the demand, and the reduced number of purchase orders had also brought downward pressures on the demand for the Group’s products. Nonetheless, with the gradual resumption of business and economic activities in mainland China during the second quarter of 2020, the Group has been able to generate positive contribution from its production activities and business, recovering

the loss incurred during the first quarter of 2020. In view of the continuing strong demand for telecommunication products in mainland China, especially the 5G-related equipment, the Group is confident that market demand for the Group's products remains strong.

The information contained in this announcement is only a preliminary assessment by the Board with reference to the unfinalized and unaudited consolidated management accounts of the Group and other information currently available to the Company. Such information has not been audited or reviewed by the auditors or the audit committee of the Company. As the Company is still in the process of finalizing its financial results for the Reporting Period, the Group's final results for the Reporting Period may be subject to changes and may differ from the information disclosed in this announcement. The actual results of the Company for the Reporting Period and other operating details of the Group will be disclosed in the interim results announcement of the Company for the Reporting Period, which is expected to be released on around 21 August 2020.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Hengxin Technology Ltd.
Cui Wei
Chairman

Singapore, 31 July 2020

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

* *For identification purpose only*