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)
(Hong Kong Stock Code: 1085)

MAJOR AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF 39% EQUITY INTEREST IN TARGET COMPANY

Financial adviser to the Company

邁時資本
MAXA CAPITAL

Independent financial adviser to the Independent Board Committee and Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

THE DISPOSAL

The Board is pleased to announce that on 7 December 2025, the Company, the Purchaser and Jiangsu Hengxin entered into the Equity Transfer Agreement pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Equity, representing the 39% equity interest in the Target Company at the Consideration of RMB500.0 million in cash.

As at the date of this announcement, the Company directly holds 100% equity interest in the Target Company. Upon Completion, the Target Company will become a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated with the results of the Company.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholder's approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Hengtong Group 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). In this regard, each of Mr. Cui Wei, Mr. Cui Genliang and Hengtong Group is a connected person of the Company under Rule 14A.07 of the Listing Rules. The Disposal therefore also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Disposal. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, pass resolution(s) to approve the Disposal.

As Mr. Cui Wei has a material interest in the Disposal, he and his associates are required to abstain from voting at the EGM on the resolution(s) approving the same. Save for the aforementioned and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no other Shareholder has a material interest in the Disposal and is required to abstain from voting on the resolution(s) approving the Equity Transfer Agreement and the transactions contemplated thereunder at the EGM.

DESPATCH OF CIRCULAR

A circular containing, among others, (i) further information on the Disposal; (ii) the letter of recommendation from the Independent Board Committee in respect of the Disposal; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal; (iv) other information as required under the Listing Rules; and (v) a notice of the EGM and the proxy form for the EGM, is expected to be despatched to the Shareholders on or before 31 December 2025.

Completion may or may not proceed as it is subject to a number of conditions precedent which may or may not be fulfilled, Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 7 December 2025, the Company, the Purchaser and Jiangsu Hengxin entered into the Equity Transfer Agreement pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Equity, representing the 39% equity interest in the Target Company, at the Consideration of RMB500.0 million in cash.

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarized below:

Date

7 December 2025

Parties

(1) the Company;

(2) the Purchaser; and

(3) Jiangsu Hengxin

Equity interests to be disposed

Pursuant to the Equity Transfer Agreement, the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Equity at the Consideration of RMB500.0 million in cash. The Sale Equity represents 39% equity interest in the Target Company as at the date of the Equity Transfer Agreement. The Disposal Group is principally engaged in the 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 "**Telecommunication Business**").

Consideration

The Consideration of RMB500.0 million shall be payable by the Purchaser to the Company in cash in accordance with the following manner:

(i) RMB350.0 million, representing 70% of the Consideration, shall be paid to the Company's designated account within 5 Business Days from the date of signing of the Equity Transfer Agreement; and

(ii) RMB150.0 million, representing 30% of the Consideration, shall be paid to the Company's designated accounts within 5 Business Days after all conditions precedent set out in the Equity Transfer Agreement are fulfilled or waived (as the case may be) and the registration of the industrial and commercial change of Sale Equity by parties in relation to the Disposal is completed (subject to the Target Company obtaining the business licenses after the industrial and commercial change).

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the parties to the Equity Transfer Agreement by taking into consideration various factors, including but not limited to (i) the historical financial performance of the Disposal Group as well as the market capitalisation of the Shares in the past years; (ii) a valuation prepared by the Independent Valuer in respect of the 39% equity interest of the Target Company with market value of approximately RMB491.0 million as at 30 September 2025 (the "**Valuation Date**") under market approach, which is mainly based on the enterprise value-to-earnings before interest, taxes, depreciation and amortization ("**EV/EBITDA**") multiples of the comparable companies (the "**Valuation**"); and (iii) the factors as described under the section headed "REASONS AND BENEFITS OF THE DISPOSAL" in this announcement.

The Valuation was conducted on the following basis:

Methodology

In arriving at the assessed value, the Independent Valuer had considered three generally accepted approaches, namely, market approach, income approach and cost approach. In its opinion, the market approach was more appropriate than the income approach or the cost approach for valuing the Target Company because (i) the income approach is not the most optimal approach as it involves long-term financial projections and the adoption of numerous assumptions, not all of which can be easily quantified or ascertained; and (ii) the cost approach is inappropriate for valuing the Target Company, as it does not directly incorporate information about the economic benefits contributed by the Target Company.

Market approach determines the value of underlying assets based on comparable listed companies or comparable transaction cases. Given that the lack of sufficient recent market transactions with similar nature as the Target Company, the Independent Valuer considered that valuing the Target Company based on comparable listed companies was more appropriate.

In determining the benchmark multiples to be used in the Valuation, the Independent Valuer had considered different benchmark multiples and selected the EV/EBITDA multiple because it is suitable for profitable companies and can factor in the differences in balance sheet positions between the Target Company and the comparable companies.

In this case, the Independent Valuer used the adjusted EV/EBITDA multiple of the comparable companies, which were calculated based on the financial information as publicly disclosed and adjusted to reflect the difference in size between the comparable companies and the Disposal Group as well as the lack of marketability of the Target Company as an unlisted company, to determine the market value of the Target Company by multiplying the EBITDA of the Disposal Group with the median of the adjusted EV/EBITDA ratios of the comparable companies.

Assumptions

In determining the Valuation, the following general assumptions were adopted:

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company;
- The operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- The facilities and systems proposed are sufficient for future expansion in order to realize the growth potential of the business and maintain a competitive edge; and
- The Independent Valuer has assumed that there are no hidden or unexpected conditions associated with the Target Company that might adversely affect the reported values. Further, the Independent Valuer assumed no responsibility for changes in market conditions after the Valuation Date.

Selection basis of the comparable companies

The comparable companies were selected based on criteria such as public listing exchanges and duration, industry relevance, geographic focus, profitability, and data availability. These criteria are mainly used to match the business activities and operating status of the Target Company, ensuring that the selected comparable companies closely align with the Target Company. For the valuation of Target Company, the Independent Valuer had selected 6 comparable companies.

Nature and source of information relied upon

During the Valuation, the Independent Valuer relied on (i) the financial statements of prior years provided by the Company and the Target Company; and (ii) the financial data of the comparable companies as extracted from public source, such as Bloomberg, Capital IQ, annual reports of the comparable companies, etc.

Conditions Precedent

Completion is conditional upon fulfilment or waiver (as decided by the Purchaser) of, among other things, the following conditions precedent:

(i) the Transaction Documents have been duly executed, delivered and become effective; and each party signing the Transaction Documents has fulfilled the relevant procedures such as internal approvals and authorizations of the corresponding shareholders' meeting (or the sole shareholder) of such party and its direct or indirect parent companies and board of directors, approvals by competent authorities (if required), approvals by government authorities (if required) in accordance with its constitution and the requirements of applicable laws and regulations;

(ii) the representations and warranties made by the Company and the Target Company in the Equity Transfer Agreement are true, accurate, complete and not misleading. The obligations, commitments and covenants set forth in the Equity Transfer Agreement which are to be performed by the Disposal Group or the Company on or before the Completion Date have been performed;

(iii) the Target Company and its shareholders have executed all necessary written documents for the purpose of filing the change of registration with the competent registration authority for the Disposal in form and substance satisfactory to the Purchaser; including but not limited to (i) the Company has approved the transaction, the signing and performance of the Transaction Documents, and the matters planned in the Transaction Document; (ii) the amended articles of association of the Target Company;

(iv) the absence of one or more events (including the absence of any event of default under the Equity Transfer Agreement) prior to the Completion Date that would have a material adverse effect and no evidence of the occurrence of such event(s) that could have a material adverse effect;

(v) the Company has sent to the Purchaser a notice of payment containing information about the Company's designated collection accounts in accordance with the relevant agreement;

(vi) the Company and the Target Company have delivered a completion satisfaction letter in the form as specified in the Equity Transfer Agreement confirming the conditions precedent set out in the Equity Transfer Agreement have been satisfied or waived; and

(vii) the Company has obtained Independent Shareholders' approval of the Equity Transfer Agreement and the transactions contemplated thereunder at its general meeting.

Save for the condition precedent (vii) above could not be waived, all other conditions precedent could be waived by the Purchaser.

Completion

The Completion shall take place on the Completion Date, being a date which falls within three (3) days after the satisfaction or waiver (where applicable) of the conditions precedent set out in the Equity Transfer Agreement or such later date as may be agreed by the Company and the Purchaser.

Upon Completion, the Target Company will become a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated with the results of the Company.

FINANCIAL EFFECTS OF THE DISPOSAL

The Company is estimated to record an unaudited loss before tax as a result of the Disposal of approximately RMB10.2 million, being the difference between the Consideration of RMB500.0 million; and (i) the attributable unaudited consolidated net asset value of the Sale Equity as at 30 June 2025 of approximately RMB488.9 million; and (ii) the estimated transaction costs of approximately RMB21.3 million to be incurred from the Disposal, subject to finalisation as at the Completion Date. The above figures are for illustrative purpose only. The actual gain or loss in connection with the Disposal will be determined based on the net proceeds received, the financial position of the Disposal Group at Completion and subject to the review and final audit by the independent auditors of the Company.

USE OF PROCEEDS

The Directors consider the strategic divestment of the Sale Equity for the Telecommunication Business will enhance the overall cash position of the Group in preparation of further development of the Growing Businesses. The net proceeds from the Disposal of approximately RMB478.7 million (after deducting expenses and related taxes) is intended to be used as follows:

(i) approximately RMB300.0 million, representing approximately 62.7% of the net proceeds, will be used in the development of Qinghai Project (as defined below), which is expected to be fully utilized by the end of 2027;

(ii) approximately RMB140.0 million, representing approximately 29.2% of the net proceeds, will be used for the establishment of the advanced packaging facility (including (a) the procurement of production equipment, testing equipment, and factory IT systems; and (b) general working capital), which is expected to be fully utilized by the end of 2027;

(iii) approximately RMB20.0 million, representing approximately 4.2% of the net proceeds, will be used for the repayment of loans, which is expected to be fully utilized by the end of 2026; and

(iv) approximately RMB18.7 million, representing approximately 3.9% of the net proceeds will be used for the general working capital of the Group, which is expected to be fully utilized by the end of 2026.

INFORMATION ABOUT THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

Information of the Group and the Company

The Company is an investment holding company. The Group is principally engaged in (i) the chips research, design, sales and supply chain services, semiconductor, intellectual property authorization business, and digital security products and services; (ii) the supply of electricity with a focus on the production and sales of solar power as well as the provision of development consultation and technical services of the solar thermal power generation technology; and (iii) the 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 Disposal Group

Jiangsu Hengxin is a company established under the PRC laws with limited liability and principally engaged in the 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. As at the date of this announcement, Jiangsu Hengxin is a direct wholly-owned subsidiary of the Company.

As at the date of the announcement, Hengxin Wireless, Hengxin Technology and Zhonglian Technology are the subsidiaries of Jiangsu Hengxin, of which (i) Hengxin Wireless is principally engaged in the research, design, development, manufacturing, sales and technical services of antennas and related telecommunications products for mobile communications system; (ii) Hengxin Technology is principally engaged in trading and investment holding; and (iii) Zhonglian Technology is principally engaged in the research, design, development, manufacturing, sales and technical services of telecommunication products for mobile communications systems.

Set out below are the financial information of the Disposal Group for the two years ended 31 December 2024 and the six months ended 30 June 2025, which were prepared in accordance with International Financial Reporting Standards:

	For the year ended 31 December		For the six months ended 30 June
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
	(unaudited)	*(unaudited)*	*(unaudited)*
Profit before taxation	89,397	87,748	11,413
Profit after taxation	83,036	78,779	10,657

Based on the unaudited consolidated financial statements of the Disposal Group, the net assets of the Disposal Group as at 30 June 2025 were approximately RMB1,253.5 million.

Information of the Purchaser

Hengtong Group is a company established under the PRC laws 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. As at the date of this announcement, Hengtong Group is beneficially owned by Mr. Cui Genliang and Mr. Cui Wei as to 27% and 73% respectively.

REASONS FOR AND BENEFITS OF THE DISPOSAL

To enter into the Disposal, the Board has mainly considered the following factors:

(i) Strategic disposal of part of the Telecommunication Business to address underperformance of the Share and focus on high-growth opportunities

Over the past two years leading up to the Last Trading Date, the Share price has consistently underperformed compared with the Hang Seng Index. The Board considers that the sluggish performance of the Share price is primarily attributable to the limited growth prospects and uncertainty surrounding the Group's Telecommunication Business. For the year ended 31 December 2024, while the integrated circuits and digital technology business segment achieved a year-on-year growth of approximately 17.6% and the new energy and services business segment achieved a year-on-year growth of approximately 141.3%, the Telecommunication Business recorded a comparatively modest revenue increase of approximately 6.0%. Amid persistent trade frictions and escalating geopolitical tensions, the overseas market demand has been volatile, and the Company is anticipated to encounter growing challenges in its exploration and expansion efforts in international markets moving forward. Additionally, with the construction of 5G networks in both domestic and overseas developed markets nearing completion, the demand in the wireless segment of mobile communications networks has also been experiencing slow growth. For the six months ended 30 June 2025, the Telecommunication Business recorded a decrease in revenue of approximately RMB115.4 million or 11.9%, from

RMB969.3 million for the six months ended 30 June 2024 to RMB853.8 million for the six months ended 30 June 2025. Such decline occurred despite the Group's increased efforts in market exploration, including the implementation of a more competitive pricing strategy and the broadening of its product mix, aimed at maintaining its market position and securing orders from major telecommunication operators in the PRC. In contrast, for the six months ended 30 June 2025, the integrated circuits and digital technology business segment achieved a period-on-period growth of approximately 21.4%, while the new energy and services business segment achieved a period-on-period growth of approximately 8.4%.

The Board periodically conducts strategic reviews of its businesses to maximize returns to Shareholders. Considering (i) the prevailing market valuation of the Company; (ii) the business outlook of the Telecommunication Business, including the resources needed to sustain the Disposal Group's market competitiveness and prospects; and (iii) the overall business strategy of the Group, the Board believes that the Disposal represents an attractive opportunity to realise partial value from the Disposal Group at an opportune time and to reallocate the proceeds towards technology-driven products and services, as well as policy-supported industries that offer higher growth potential. This strategic reallocation of capital is expected to accelerate the development of the Group's Growing Businesses, thereby enhancing overall profitability and creating greater potential to increase the Company's market valuation over the medium to long term.

As at the date of this announcement, the Company had no intention, arrangement, agreement, understanding or negotiation to further dispose of its interest in the Target Company. The Company will continue to monitor and review the Group's business and operations from time to time, and may take steps that it deems necessary or appropriate to optimise the value of the Group.

(ii) The growth prospects of the Growing Businesses

The Company is confident that the Growing Businesses have significant growth potential.

In respect of the integrated circuits and digital technology business,

a. the year 2025 is poised to mark the beginning of a significant surge in AI terminal applications, driving comprehensive growth in the semiconductor market. According to the World Semiconductor Trade Statistics (WSTS), the global semiconductor market is projected to reach US$697 billion in 2025, reflecting a robust growth rate of 11.2%. Furthermore, according to Statista, the global semiconductors market is anticipated to experience compound annual growth rate (CAGR) of 10.24% from 2025 to 2030, leading to a robust market volume of US$1.29 trillion by 2030, indicating the sustained interest and investment in semiconductor technology. Concurrently, the Chinese government is actively advancing initiatives to achieve independent control of the semiconductor industry, supported by the rapid expansion of emerging technology sectors such as artificial intelligent, the Internet of Things (IoT), big data, and new energy vehicles. These developments collectively indicate a highly promising outlook for the integrated circuits and digital technology market, positioning it as a key driver of global technological and economic progress. As of 30 June 2025, the integrated circuits and digital technology business segment has an order backlog of over RMB178.3 million, laying a solid foundation for the Group's operations in the second half of 2025;

b. Mr. Peng Yinan, an executive Director, and Shanghai Zhangyu Information Technology Co., Ltd., a wholly-owned subsidiary of the Company, have played pivotal roles as one of the drafters and primary drafting entities, respectively, in the formulation of the national standard for Metaverse-Reference Architecture (the "**Standard**"). The Standard falls under the purview of the National Technical Committee on Information Technology Standardization (SAC/TC 28) and is overseen by the National Standards Committee. Leveraging its deep understanding of the Standard and technological expertise in blockchain (particularly in decentralized identity/DID and trusted data exchange) and digital security, the Company is well-positioned to lead the development of key components and solutions that align with the Standard, such as trusted identity authentication, data privacy protection, and system security safeguards; and

c. the Company has established a joint laboratory for intelligent security cryptographic chips with East China Normal University. The Company and East China Normal University will collaborate on applying for national-level research programs, including the National Key Research and Development Program and key projects under the National Natural Science Foundation, as well as major and key research projects issued by Shanghai. The collaboration will also involve joint talent cultivation and the sharing of technological achievements. The Board considers that the collaboration will significantly enhance the Group's capabilities in foundational research, key technology breakthroughs, and industrial applications of cryptographic chips, further strengthening its core competitiveness in the field of high-end digital security.

In respect of the new energy and services business,

a. under the guidance of China's "dual carbon goals" (carbon emissions peak by 2030 and carbon neutrality by 2060), China's energy industry is accelerating its transformation and upgrading, which propels the renewable energy industry into a new stage of high-quality development. As an important part of renewable energy, solar thermal power is gaining increasing importance in the transformation of energy structure due to its reliability and sustainability. In particular, the Energy Law of the People's Republic of China implemented on 1 January 2025 explicitly advocates for "active development of solar thermal power generation", providing robust legal support for the development of the solar thermal power generation industry. According to the China Photovoltaic Industry Association (CPIA), the global photovoltaic newly added installed capacities are expected to reach 570-630 gigawatts ("**GW**") in 2025. Among them, driven by both policy and market forces, China's newly added installed capacities are projected to reach 270-300GW, accounting for more than 40% of the world's total, reflecting the sustained robust demand in the domestic market;

b. the Delingha 350 megawatts ("**MW**") solar thermal project ("**Qinghai Project**"), participated by Zhejiang Zhongguang New Energy Technology Co., Ltd. ("**Zhongguang New Energy**"), has been successfully designated as a 2024 solar thermal power demonstration (pilot) project in Qinghai Province. Notably, Qinghai Project is currently the largest tower-type solar thermal project in terms of installed capacity among the completed, planned and under-construction projects in the world. The Board believes that this selection will significantly enhance the Company's competitive edge in securing bids for projects utilizing similar solar thermal power technologies. Based on the feasibility report prepared by Northwest Electric Power Design Institute Co., Ltd. of China Power Engineering Consulting Group, it is expected that the Qinghai Project will operate in full capacity in the third quarter of 2027. The Board considers that the Qinghai Project will generate stable long-term revenue and enhance the Group's market reputation and competitiveness in the solar thermal power generation sector;

c. the Delingha 50MW Tower-type Molten Salt Thermal Storage Solar Thermal Project in Qinghai Province, wholly owned by Zhongguang New Energy, has been successfully included in the Green Technology Promotion Catalog (2024 Edition) (《綠色技術推廣目錄(2024年版)》), jointly prepared by the National Development and Reform Commission of the PRC and seven other government departments, as a benchmark application case. This inclusion signifies the formal acknowledgment by the PRC government authority of Zhongguang New Energy's advanced molten salt thermal storage technology, thereby reinforcing its strategic position and contributing significantly to the long-term development of the Group;

d. leveraging over a decade of practical experience and accumulated expertise in the construction, operation, and maintenance of solar thermal power plants, Zhongguang New Energy has strategically deployed its capabilities to provide standardized and systematic operation and maintenance solutions tailored to the entire life cycle of solar thermal power plants. These solutions ensure the smooth and efficient operation of power plants. As of 30 June 2025, Zhongguang New Energy has secured six external contracts for the operation and maintenance of solar thermal power stations, with the cumulative value of these contracts reaching RMB230 million, underscoring its leadership and reliability in the industry.

(iii) The fairness and reasonableness of the Consideration

Given that (a) the implied value of the Target Company of RMB1,282.1 million (the "**Implied Value**"), which is deduced from the Consideration for the Sale Equity, represents a premium of approximately 54.7% to the market capitalization of the Company as at the Last Trading Date; (b) the Implied Value represents a slight premium of approximately 2.3% to the net assets value of the Disposal Group as at 30 June 2025; and (c) the Consideration represents a slight premium of approximately 1.8% to the market value of the Sale Equity as appraised under the Valuation, the Directors consider that the Disposal provides an opportunity for the Company to realise a portion of the underlying value of the Telecommunication Business at a reasonable valuation, thereby enabling the Group to reallocate resources towards its Growing Businesses with higher-growth potential and enhance long-term shareholder value.

Having taken into consideration of the reasons for and benefits of the Disposal as set out above, the Board is of the view that the terms of Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholder's approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Hengtong Group 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). In this regard, each of Mr. Cui Wei, Mr. Cui Genliang and Hengtong Group is a connected person of the Company under Rule 14A.07 of the Listing Rules. The Disposal therefore also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Disposal. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, pass resolution(s) to approve the Disposal.

As Mr. Cui Wei has a material interest in the Disposal, he and his associates are required to abstain from voting at the EGM on the resolution(s) approving the same. Save for the aforementioned and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no other Shareholder has a material interest in the Disposal and is required to abstain from voting on the resolution(s) approving the Equity Transfer Agreement and the transactions contemplated thereunder at the EGM.

DESPATCH OF CIRCULAR

A circular containing, among others, (i) further information on the Disposal; (ii) the letter of recommendation from the Independent Board Committee in respect of the Disposal; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal; (iv) other information as required under the Listing Rules; and (v) a notice of the EGM and the proxy form for the EGM, is expected to be despatched to the Shareholders on or before 31 December 2025.

Completion may or may not proceed as it is subject to a number of conditions precedent which may or may not be fulfilled, Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following terms and expressions used herein shall have the following meanings unless the context otherwise requires:

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day excluding Saturdays, Sundays and statutory holidays in the PRC
“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)
“Completion”	completions of the Disposal in accordance with the Equity Transfer Agreement
“Completion Date”	a date which falls within three (3) days after the satisfaction or waiver (where applicable) of the conditions precedent set out in the Equity Transfer Agreement or such later date as may be agreed by the Company and the Purchaser
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB500 million, being the consideration of the Disposal

"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Equity as contemplated under the Equity Transfer Agreement
"Disposal Group"	the Target Company and its subsidiaries, namely Hengxin Wireless, Hengxin Technology and Zhonglian Technology
"EGM"	the extraordinary general meeting of the Company to be held for the Independent Shareholders to, among other things, consider and, if thought fit, approve the transactions contemplated under the Equity Transfer Agreement
"Equity Transfer Agreement"	the conditional equity transfer agreement dated 7 December 2025 and entered into between the Purchaser, the Company and the Target Company in respect of the Disposal
"Group"	the Company and its subsidiaries from time to time
"Growing Businesses"	collectively, integrated circuits and digital technology business and new energy and services business
"Hengxin Technology"	Hengxin Technology International Co., Ltd. (亨鑫科技國際有限公司), a company established under Hong Kong laws with limited liability and is a direct wholly-owned subsidiary of the Target Company
"Hengxin Wireless"	Jiangsu Hengxin Wireless Technology Co., Ltd.* (江蘇亨鑫無線技術有限公司), a company established under the PRC laws with limited liability and is a direct wholly-owned subsidiary of the Target Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administration Region of the People's Republic of China
"Independent Board Committee"	the independent committee of the Board formed by the Company comprising all the independent non-executive Directors to advise the Independent Shareholders in respect of the Disposal

"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 Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong), being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal
"Independent Shareholders"	shareholders who do not have any material interest in the transactions contemplated under the Equity Transfer Agreement, namely the Shareholders other than Mr. Cui Wei and his associates
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning of the Listing Rules
"Independent Valuer"	Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professional valuer appointed to appraise the valuation of 39% equity interest of the Target Company as at 30 September 2025
"Kingever"	Kingever Enterprises Limited, a company incorporated in the British Virgin Islands and a substantial shareholder of the Company, holding approximately 23.38% of the issued share capital of the Company as at the date of this announcement
"Last Trading Date"	5 December 2025, being the last trading date on which the Shares were traded on the Stock Exchange prior to the issue and publication of this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Purchaser" or "Hengtong Group"	Hengtong Group Co., Ltd. (亨通集團有限公司)
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Equity"	39% equity interest in the Target Company

"Share(s)"	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Target Company" or "Jiangsu Hengxin"	Jiangsu Hengxin Technology Co., Ltd (江蘇亨鑫科技有限公司), a company established in the PRC with limited liability and is a direct wholly-owned subsidiary of the Company
"Transaction Documents"	collectively, the Equity Transfer Agreement, the articles of association of the Target Company (if required by the Purchaser) and other agreements or documents relating to the Disposal
"US$"	United States dollars, the lawful currency of the United States
"Yixing Tianyue"	Yixing Tianyue Enterprise Management Consulting Partnership (Limited Partnership)* (宜興市天躍企業管理諮詢合夥企業), a partnership established under the PRC laws with limited liability. As at the date of this announcement, Yixing Tianyue was owned as to approximately 33.33% by Wang Jin Ling (王金靈) and approximately 66.67% by 14 individuals (each held less than 30% of the equity interest of Yixing Tianyue). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Yixing Tianyue and its ultimate beneficial owners are Independent Third Parties
"Zhonglian Technology"	Jiangsu Hengxin Zhonglian Communication Technology Co., Ltd.* (江蘇亨鑫眾聯通信技術有限公司), a company established under the PRC laws with limited liability and is a direct non-wholly-owned subsidiary of the Target Company. As at the date of this announcement, Zhonglian Technology was owned as to 70% by the Target Company and 30% by Yixing Tianyue

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

Singapore, 8 December 2025

As at the date of this announcement, 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.*