
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)

MAJOR AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF 39% EQUITY INTEREST IN TARGET COMPANY; AND NOTICE OF THE EGM

Financial Adviser to the Company



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



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 5 to 16 of this circular. A letter from the Independent Board Committee is set out from pages 17 to 18 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out from pages 19 to 37 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 20 January 2026 (Tuesday) at 11:00 a.m. or any adjournment is set out from pages EGM-1 to EGM-2 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 (a) 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); or (b) submit the form of proxy electronically at <https://spot-meeting.tricor.hk/#/485> in accordance with the instructions printed on the accompanying notification letter, in each case 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.

31 December 2025

* For identification purpose only

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DEFINITIONS

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

| | |
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| “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, as amended and supplemented by the Supplemental Agreement |
| “Group” | the Company and its subsidiaries from time to time |

DEFINITIONS

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|---|---|
| “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 |
| “Kingevery” | Kingevery 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 Latest Practicable Date |

DEFINITIONS

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| “Latest Practicable Date” | 30 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 |
| “PRC” | the People’s Republic of China which, for the purpose of this circular, 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 |
| “Supplemental Agreement” | the supplemental agreement dated 30 December 2025 entered into by the Company, the Purchaser and Jiangsu Hengxin in relation to the amendment of the payment arrangement for the Consideration under the Equity Transfer Agreement |
| “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 |

DEFINITIONS

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| “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 Latest Practicable Date, 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 Latest Practicable Date, Zhonglian Technology was owned as to 70% by the Target Company and 30% by Yixing Tianyue |

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

LETTER FROM THE BOARD



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 (Chairman)
Mr. Tao Shunxiao
Mr. Zeng Guowei

Independent non-executive directors:

Mr. Qian Ziyang
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

31 December 2025

To: The Shareholders of Hengxin Technology Ltd.

Dear Sir/Madam,

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO
DISPOSAL OF 39% EQUITY INTEREST IN TARGET COMPANY;
AND
NOTICE OF THE EGM**

INTRODUCTION

Reference are made to the announcements of the Company dated 8 December 2025 and 30 December 2025 in relation to the Disposal. 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. On 30 December 2025, the Company, the Purchaser and Jiangsu Hengxin entered into the supplemental agreement to the Equity Transfer Agreement in relation to the amendment of the payment arrangement of the Consideration.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, 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 Gram Capital 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.

THE EQUITY TRANSFER AGREEMENT

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

7 December 2025 (as supplemented on 30 December 2025 by the Supplemental Agreement)

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 (the “**First Tranche**”), shall be paid as a refundable prepayment (the “**Prepayment**”) to the Company’s designated account within 15 Business Days from the date of signing of the Supplemental Agreement, and the Prepayment shall be applied towards the settlement of the First Tranche upon the Company obtaining Independent Shareholders’ approval of the Equity Transfer Agreement and the transactions contemplated thereunder at its general meeting. If, within 30 days after the signing of the Supplemental Agreement, the Company fails to obtain the Independent Shareholders’ approval of the Equity Transfer Agreement and the transactions contemplated thereunder at its general meeting, then the Equity Transfer Agreement and the Supplemental Agreement shall be terminated. In such event, the Company shall, within 15 days after termination of the agreements, refund in full (without interest) the Prepayment already paid by the Purchaser (based on the amount actually paid by the Purchaser); and

LETTER FROM THE BOARD

- (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).

The Company has agreed to waive any liability of the Purchaser for breach of contract arising from late payment of the First Tranche under the original terms of the Equity Transfer Agreement. The payment arrangement for the First Tranche shall be governed by the terms of the Supplemental Agreement and as stated above.

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 FOR AND BENEFITS OF THE DISPOSAL**" in this letter. For further details of the valuation report, please refer to Appendix II to this circular.

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;

LETTER FROM THE BOARD

- (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. As at the Latest Practicable Date, save for conditions precedent (vi) and (vii), all other conditions precedent had been fulfilled or waived.

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

Upon Completion, the Target Company will be owned as to 61% and 39% by the Company and the Purchaser, respectively. Accordingly, members of the Disposal Group will remain as subsidiaries of the Company, and their results, assets and liabilities will continue to be consolidated into the consolidated financial statements of the Company.

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.

LETTER FROM THE BOARD

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) to support the integrated circuits and digital technology business segment, 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 Latest Practicable Date, Jiangsu Hengxin is a direct wholly-owned subsidiary of the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, 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 | | For the six |
|------------------------|---------------------------|--------------------|---------------------|
| | 31 December | | months ended |
| | 2023 | 2024 | 30 June |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| 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 Latest Practicable Date, 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 Latest Practicable 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-

LETTER FROM THE BOARD

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 Latest Practicable Date, the Company had no intention, arrangement, agreement, understanding or negotiation to further dispose of its interest in the Target Company, to cease the Target Company's business or to dispose of its major assets. 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 optimize 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

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

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; and
- 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 88.6% to the market capitalization of the Company as at the Latest Practicable 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

LETTER FROM THE BOARD

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. As Mr. Cui Wei has a material interest in the Disposal, he has abstained from voting on the relevant resolutions of the Board and audit committee of the Company approving the Disposal and the appointment of Gram Capital.

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 Latest Practicable Date, 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.

Saved for Mr. Cui Wei, no other Director has a material interest in the transaction contemplated under the Disposal and is required to abstain from voting on the relevant resolutions of the Board.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

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

Set out from 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 20 January 2026 (Tuesday) at 11:00 a.m. or any adjournment at which resolution will be proposed to the Independent Shareholders to consider and, if thought fit, approve the transactions contemplated under the Disposal.

LETTER FROM THE BOARD

For determining the entitlement to attend and vote at the EGM, the record date is 20 January 2026 (Tuesday) and the Principal Share Registrar and Branch Share Registrar of the Company will be closed from 15 January 2026 (Thursday) to 20 January 2026 (Tuesday) (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending the EGM, 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 14 January 2026 (Wednesday). 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 9 January 2026 (Friday). The record date for determining the eligibility of the Shareholders for attending and voting at the EGM is 20 January 2026 (Tuesday).

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 resolution 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 resolution at the EGM. Mr. Cui Wei has full authority to exercise control over the voting right in respect of the Shares held by Kingever.

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 resolution at the EGM pursuant to Rule 17.05A of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the opinion that terms of the Equity Transfer Agreement are fair and reasonable and that although the Disposal is not entered into in the ordinary and usual course of business of the Group, the Disposal is on normal commercial terms and 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 resolution 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 appendices to this circular.

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.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

31 December 2025

To: The Independent Shareholders

Dear Sir/Madam,

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

We refer to the circular of the Company dated 31 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 Equity Transfer Agreement (as amended and supplemented by the Supplemental Agreement) are fair and reasonable and that the Disposal is entered into in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Having considered the terms of the Equity Transfer Agreement (as amended and supplemented by the Supplemental Agreement) and the advice of Gram Capital in relation to the Equity Transfer Agreement (as amended and supplemented by the Supplemental Agreement) as set out from pages 19 to 37 of this Circular, we are of the opinion that the terms of the Equity Transfer Agreement (as amended and supplemented by the Supplemental Agreement) are fair and reasonable and that although the Disposal is not entered into in the ordinary and usual course of business of the Group, the Disposal is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Equity Transfer Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Yours faithfully,
Independent Board Committee

Mr. Qian Ziyang
*Independent non-executive
Director*

Ms. Lin Ting
*Independent non-executive
Director*

Mr. Chan Hon Chung Johnny
*Independent non-executive
Director*

LETTER FROM GRAM CAPITAL

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 Disposal for the purpose of inclusion in this circular.



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

31 December 2025

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

Dear Sir/Madam,

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

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 Disposal, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 31 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 7 December 2025, the Company, the Purchaser and Target Company 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. On 30 December 2025, the Company, the Purchaser and the Target Company entered into the Supplemental Agreement in relation to the amendment of the payment arrangement of the Consideration.

With reference to the Board Letter, the Disposal constitutes a major and connected transaction of the Company and is subject to, among others, announcement, circular and independent shareholders’ approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Qian Ziyang, Ms. Lin Ting and Mr. Chan Hon Chung Johnny (being all independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Disposal are on normal commercial terms and are fair and reasonable; (ii) whether the Disposal is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent

LETTER FROM GRAM CAPITAL

Shareholders should vote in respect of the resolution to approve the Disposal 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; (iv) continuing connected transaction, details of which are set out in the Company's circular dated 22 August 2024; and (v) continuing connected transactions, details of which are set out in the Company's circular dated 12 December 2025 (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 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

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undisclosed private agreement/arrangement or implied understanding with anyone concerning the Disposal. 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.

We have not made an independent evaluation or appraisal of the assets and liabilities of Disposal Group and we have not been furnished with any such evaluation or appraisal, save as and except for the valuation report on the market value of the Sale Equity (the “**Valuation**”) prepared by the Independent Valuer (the “**Valuation Report**”), which is set out in Appendix II to the Circular. Since we are not experts in the valuation of assets or business, we have relied solely upon the Valuation Report for the Valuation as at the 30 September 2025 (i.e. “**Valuation Date**”).

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 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 therein 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, the Purchaser or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Disposal. 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, save as and except for any material change that may arise up to the date of the EGM, affect and change our opinion, 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 and such sources are reliable.

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

Information on the Group

With reference to the Board Letter, 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

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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.

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 (<i>"1H2025"</i>) (<i>unaudited</i>) RMB'000 | For the six months ended 30 June 2024 (<i>"1H2024"</i>) (<i>unaudited</i>) RMB'000 | Year-on-year change % | For the year ended 31 December 2024 (<i>"FY2024"</i>) (<i>audited</i>) RMB'000 | For the year ended 31 December 2023 (<i>"FY2023"</i>) (<i>audited</i>) RMB'000 | Year-on-year change % |
|--|---|---|---------------------------------|---|---|---------------------------------|
| Revenue | 1,022,209 | 1,115,320 | (8.35) | 2,519,987 | 2,255,903 | 11.71 |
| – <i>Integrated circuits and digital technology</i> | 94,677 | 78,037 | 21.32 | 238,345 | 202,671 | 17.60 |
| – <i>New energy and services</i> | 73,697 | 68,032 | 8.33 | 185,971 | 77,064 | 141.32 |
| – <i>Telecommunications</i> | 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. ("**Zhongguang New Energy**") 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.

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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.

Information on the Disposal Group

With reference to the Board Letter, Target Company 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 Latest Practicable Date, Target Company is a direct wholly-owned subsidiary of the Company.

As at the Latest Practicable Date, Hengxin Wireless, Hengxin Technology and Zhonglian Technology are the subsidiaries of Target Company, 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 1H2025, which were prepared in accordance with International Financial Reporting Standards:

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| | For the six months ended 30 June 2025 | For the year ended 31 December 2024 | For the year ended 31 December 2023 |
|------------------------|--|--|--|
| | <i>RMB million (unaudited)</i> | <i>RMB million (unaudited)</i> | <i>RMB million (unaudited)</i> |
| Profit before taxation | 11,413 | 87,748 | 89,397 |
| Profit after taxation | 10,657 | 78,779 | 83,036 |

With reference to the Board Letter, the net assets of the Disposal Group as at 30 June 2025 were approximately RMB1,253.5 million.

Information on the Purchaser

With reference to the Board Letter, 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, engineering, procurement, construction (EPC) turnkey service and maintenance, as well as IoT, big data, e-commerce, new materials and new energy. As at the Latest Practicable Date, 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

With reference to the Board Letter, 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 Latest Practicable 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 FY2024, 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 1H2025, the Telecommunication Business recorded a decrease in revenue of approximately RMB115.4 million or 11.9%, from approximately RMB969.3 million for 1H2024 to approximately RMB853.8 million for 1H2025. Such decline occurred despite the Group's increased efforts in market exploration, including the implementation of a more competitive pricing

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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 1H2025, 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.

(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 artificial intelligence (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 AI, 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/

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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 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 (the "**Feasibility Report for Qinghai Project**"), 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;

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- (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; and
- (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.

In addition, we also noted from an article titled 《中共中央關於制定國民經濟和社會發展第十五個五年規劃的建議》 (“Proposals of the Central Committee of the Communist Party of China for Formulating the 15th Five-Year Plan for National Economic and Social Development*”) as published on the official website of the State Council of the PRC on 28 October 2025 that the PRC government should (i) accelerate high-level scientific and technological self-reliance and self-strengthening, lead the development of new quality productive forces, enhance original innovation and breakthroughs in key core technologies, and comprehensively drive decisive breakthroughs in key core technologies in key areas such as integrated circuits across the entire chain; (ii) accelerate the comprehensive green transformation of economic and social development, expedite the establishment of a new energy system, continuously increase the proportion of new energy supply, and adhere to the coordinated development of multiple energy sources such as wind, solar, hydro, and nuclear power.

Having considered above, we are of the view that the Growing Businesses have significant growth potential.

(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 Latest Practicable 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.

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Use of proceeds

With reference to the Board Letter, 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 (the “**Proceeds for Qinghai Project**”), 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 (the “**Advanced Packaging Project**”) (including (a) the procurement of production equipment, testing equipment, and factory IT systems; and (b) general working capital to support the integrated circuits and digital technology business segment) (the “**Proceeds for Advanced Packaging Project**”), 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.

In respect of the Qinghai Project, we obtained the Feasibility Report for the Qinghai Project from the Company together with the corresponding breakdown of the Proceeds for Qinghai Project. We noted from the aforesaid breakdown that Proceeds for Qinghai Project will be applied for equipment procurement and construction work of the Qinghai Project. As advised by the Directors, the revenue to be generated from the Qinghai Project will be categorized as the revenue generated from new energy and services business of the Group, being one of the Growing Businesses of the Group.

In respect of the Advanced Packaging Project, we obtained the project plan for the Advanced Packaging Project from the Company together with the corresponding breakdown for the Proceeds for Advanced Packaging Project. We noted from the aforesaid breakdown that the Proceeds for Advanced Packaging Project will be applied for (a) the procurement of production equipment, testing equipment, and factory IT systems; and (b) general working capital. As advised by the Directors, the revenue to be generated from the Advanced Packaging Project will be categorized as the revenue generated from integrated circuits and digital technology business of the Group, being one of the Growing Businesses of the Group.

With reference to the 2025 Interim Report and the Company’s interim report for the six months ended 30 June 2024, we noted that the Group’s gearing ratios (calculated as total liabilities divided by total assets) were approximately 57%, 50%, 38% and 36% as at 30 June 2025, 31 December 2024, 30 June 2024 and 31 December 2023 respectively, indicating that the Group’s gearing ratio increased continuously since 2024. The net proceeds of approximately RMB20.0 million from the Disposal to be used for the repayment of loans is expected to improve the Group’s gearing level.

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In addition, we consider that the net proceeds of approximately RMB18.7 million from the Disposal to be used for the general working capital of the Group will support the Group's business operation and development.

Based on the above, we are of the view that the proposed use of proceeds from the Disposal is in line with the Group's development strategy and beneficial to the Group.

In light of the above, in particular, (i) the Disposal represents an opportunity to realise partial value from the Disposal Group at an opportune time and to reallocate the proceeds towards the Group's Growing Businesses; (ii) the Growing Businesses have significant growth potential; (iii) the 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; and (iv) the proposed use of proceeds from the Disposal is in line with the Group's development strategy and beneficial to the Group, we consider that although the Disposal is not conducted in the ordinary and usual course of business of the Group, the Disposal is in the interests of the Company and the Shareholders as a whole.

Principal terms of the Disposal

Set out below is the principal terms of the Equity Transfer Agreement, details of which are set out under the section headed "THE EQUITY TRANSFER AGREEMENT" of the Board Letter.

Date

7 December 2025 (as supplemented by the Supplemental Agreement dated 30 December 2025)

Parties

- (i) the Company
- (ii) the Purchaser; and
- (iii) Target Company

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 (i.e. the Telecommunication Business).

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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 (i.e. the First Tranche), shall be paid as a refundable prepayment (i.e. the Prepayment) to the Company's designated account within 15 Business Days from the date of signing of the Supplemental Agreement, and the Prepayment shall be applied towards the settlement of the First Tranche upon the Company obtaining Independent Shareholders' approval of the Equity Transfer Agreement and the transactions contemplated thereunder at its general meeting. If, within 30 days after the signing of the Supplemental Agreement, the Company fails to obtain the Independent Shareholders' approval of the Equity Transfer Agreement and the transactions contemplated thereunder at its general meeting, then the Equity Transfer Agreement and the Supplemental Agreement shall be terminated. In such event, the Company shall, within 15 days after termination of the agreements, refund in full (without interest) the Prepayment already paid by the Purchaser (based on the amount actually paid by the Purchaser); 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 (i.e. the Valuation) with market value of approximately RMB491.0 million as at 30 September 2025 (i.e. 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; and (iii) the factors as described under the section headed “REASONS FOR AND BENEFITS OF THE DISPOSAL” of the Board Letter.

The Valuation

To assess the fairness and the reasonableness of the Consideration, we obtained the Valuation Report prepared by the Independent Valuer and noted that the Valuation was approximately RMB490,978,000 as at the Valuation Date. The Consideration (i.e. RMB500.0 million) represents a premium of approximately 1.84% as compared to the Valuation.

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Qualification and Independence

For our due diligence purpose, we reviewed and enquired into (i) the terms of engagement of the Independent Valuer with the Company; (ii) the Independent Valuer's qualification in relation to the preparation of the Valuation Report; and (iii) the steps and due diligence measures taken by the Independent Valuer for conducting the Valuation Report. From the mandate letter and other relevant information provided by the Independent Valuer and based on our interview with them, we were satisfied with the terms of engagement of the Independent Valuer as well as their qualification for preparation of the Valuation Report. The Independent Valuer also confirmed that they are independent to the Group, the Purchaser and Target Company.

Valuation approach

With reference to the Valuation Report:

- In arriving the market value of the Sale Equity, the Independent Valuer have considered three generally accepted approaches, namely market approach, cost approach and income approach.
- Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach.

Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used.

- Cost Approach considers the cost to reproduce or replace in new condition of the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market.

Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

- Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile.

This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

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- To select the most appropriate approach, the Independent Valuer has considered the purpose of the valuation engagement and the resulting basis of value as well as the availability and reliability of information provided to the Independent Valuer to perform an analysis. The Independent Valuer has also considered the relative advantages and disadvantages of each approach to the nature and circumstances of the Target Company. In the Independent Valuer's opinion, 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. 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. Given that there are sufficient publicly listed companies that are comparable to the Target Company in terms of industry relevance, profitability and geographic focus, the Independent Valuer relied on the market approach in determining their opinion of value.

As the applicability of each of the three commonly adopted valuation approaches were considered before adopting market approach; and having considered the limitations of cost approach and income approach as detailed above, we concur with the Independent Valuer on the adoption of market approach for the purpose of conducting the Valuation. As the other fundamental valuation approaches were not appropriate for assessing the market value of the Sale Equity, we did not cross-check the market value of the Sale Equity using other valuation methodologies.

Valuation methodology

With reference to the Valuation Report, there are two common methods under market approach, namely, guideline public companies method and guideline transaction method. Guideline public companies method requires identifying suitable guideline public companies and selection of appropriate trading multiples, while guideline transaction method takes reference to recent mergers and acquisitions transactions between unrelated parties and ratio of transaction price to Target Company's financial metrics. In this exercise, the market value of equity interest in the Target Company was developed through the guideline public company method. The guideline transaction method is not adopted due to lack of sufficient recent market transactions with similar nature as the Target Company. The guideline public company method requires the research of comparable companies' benchmark multiples and selection of an appropriate multiple.

The Independent Valuer considered price-to-earnings ("P/E"), price-to-book ("P/B"), price-to-sales ("P/S"), enterprise value-to-sales ("EV/S"), and enterprise value-to-earnings before interests, taxes, depreciation and amortisation ("EV/EBITDA") ratios and finally adopted EV/EBITDA ratio for the Valuation due to the reasons below:

- P/E ratio is not selected as it does not capture the financial leverage and other related risk feature across the companies.
- P/B ratio is not selected as P/B fails to capture the intangible company-specific competencies and advantages so in general, the equity's book value has little bearing with its fair value.
- P/S & EV/S ratios are not used in the Valuation as P/S & EV/S do not take into account a company's profitability.

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- EV/EBITDA ratio is suitable for profitable companies and can factor in differences in balance sheet positions between the subject and the comparable companies.

Having considered the abovementioned reasons and that (i) the Disposal Group's earnings before interests, taxes, depreciation and amortisation (“**EBITDA**”) for the last twelve months as at the Valuation Date is positive; and (ii) EV/EBITDA ratio is used in order to reflect the latest financial and operation status of the Disposal Group, we consider the adoption of EV/EBITDA ratio for the Valuation is fair and reasonable.

With reference to the Valuation Report, the comparable companies are often of significantly different size from the target. Larger companies are generally perceived as less risky in relation to business operation and financial performance, and thus the expected returns are lower and resulting in higher multiples. Therefore, the base multiples were adjusted to reflect the difference in size between the comparable companies and the target.

The adjusted EV/EBITDA Ratios were calculated using the following formula:

$$\text{Adjusted EV/EBITDA Ratio} = 1/((1/M) + \alpha * \varepsilon * \theta)$$

Where:

M = The base EV/EBITDA ratio

α = The scale factor, which converts the base measure of the benefits to an alternative measure of benefits for the comparable companies

ε = The ratio of the equity value to the enterprise value of the comparable company

θ = Required adjustment in the equity discount rate for difference in size

M is the base EV/EBITDA ratio and we take the reciprocal of M to come up with 1/M. The logic behind the pricing multiple adjustments is that the reciprocal of the base multiple represents a capitalization rate. In the Valuation, the reciprocal of the base EV/EBITDA multiple represents a capitalization rate of the enterprise value.

For the parameter θ , it was used as a desired adjustment to reflect the difference in natures between the comparable companies and the target. With reference to 2025 Kroll Cost of Capital Navigator, an interactive, web-based platform which is a widely used source by valuation analysts to determine the size premium differentials, size premium differentials of 0.00%-2.14% were adopted to capture how much the market capitalization of each of the comparable companies is larger than the market value of the target. For our due diligence purpose, we obtained from the Independent Valuer the data extracted by the Independent Valuer from 2025 Kroll Cost of Capital Navigator and noted relevant references therefrom that substantiated the aforesaid size premium differentials adopted.

The ratio of the market capitalization to enterprise value ε was adopted as a weighting factor. As aforesaid, the logic behind this formula is that a pricing multiple is the reciprocal of the capitalization rate. In the case of an enterprise value multiple, the capitalization rate is driven by the weighted average cost of capital

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(“WACC”) of the valuation subject. Since the size and country risk premium differentials “ θ ” are applicable only to the equity portion (for a listed company, market capitalization represents the market value of its equity) but not to the debt portion of the WACC, the Independent Valuer only adjust the equity portion of the capitalization rate in this pricing multiple adjustment formula. The ratio ε was used to apply an appropriate weighting on the parameter θ so that the capitalization rate was adjusted only to the extent of its equity portion. In other words, the ratio ε takes into account of the varying capital structures among the comparable companies. Market capitalization and enterprise value of comparable companies are obtained from Capital IQ. For our due diligence purpose, we obtained the calculation of applied parameter ε for each of the Comparable Companies (as defined below) from the Independent Valuer. After cross-checking and discussion of the aforesaid calculation with the Independent Valuer, nothing had come to our attention that caused us to doubt the calculation.

The ratio of EBITDA to net operating profit after tax (“NOPAT”) was used as a scale factor α , which is applied in the adjustment of the EV/EBITDA multiple. It is considered that the base measure of the benefits for enterprise value to be NOPAT (Hitchner, 2017), which is a financial measure that shows how well a company performed through its core operations net of taxes and it excludes tax savings from existing debt and one-time losses or charges. As EV/EBITDA was adopted as the pricing multiple in this valuation, EBITDA becomes an alternative measure of the benefits for enterprise value in the pricing multiple adjustment formula. Hence, α was used as a scale factor for the alternative measure of benefit. EBITDA and NOPAT of comparable companies are obtained from Capital IQ. For our due diligence purpose, we obtained the calculation of applied parameter α for each of the Comparable Companies (as defined below) from the Independent Valuer. After cross-checking and discussion of the aforesaid calculation with the Independent Valuer, nothing had come to our attention that caused us to doubt the calculation.

In light of the above, we consider the adoption of adjusted EV/EBITDA ratio (based on the adjustment formula together with the parameters as aforementioned) for the Comparable Companies (as defined below) for conducting the Valuation is fair and reasonable.

Furthermore, we noted that the Independent Valuer applied discount on lack of marketability (“DLOM”) to reflect the cost and time lag associated with locating interested and capable buyers of interests in privately-held companies given that there is no established market of readily available buyers and sellers. With reference to the Valuation Report, the indicated DLOM for adjustment in the valuation multiple adopted on the Target Company is 15.60% as at the Valuation Date, based on a study “2024 edition of the Stout Restricted Stock Study Companion Guide” issued by Stout Risius Ross, LLC (the “2024 Stout Study”). For our due diligence purpose, we obtained the 2024 Stout Study from the Independent Valuer and noted that the applied DLOM in the Valuation equals to the median marketability discount rate across the spectrum of industries as stated in the 2024 Stout Study. Hence, we consider the adoption of DLOM (being 15.60%) for the Valuation is fair and reasonable.

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Valuation assumption

With reference to the Valuation Report, under guideline public company method, which requires identifying suitable guideline public companies and selection of appropriate trading multiples, in determining the financial multiple, a list of comparable companies was identified. The selection criteria, which are based on the business nature and operation status of the Target Company include the followings (the “**Selection Criteria**”):

- The companies are publicly listed on the Stock Exchange;
- The companies have been listed no fewer than six months;
- The companies derive at least 50% of their revenues from the same industry of the Target Company (i.e. principally engaged in the manufacture and sales of telecommunications and mobile communications equipment);
- The companies mainly operate in the PRC and derive at least 50% of their revenues from customers in the PRC, which is the same as the Target Company;
- The companies have positive enterprise value and trailing 12 months EBITDA and NOPAT, which is the same as the Target Company.

To assess the fairness and reasonableness of the Selection Criteria, we consider the following factors:

- (i) the Selection Criteria were set with comprehensive consideration of financial data reliability and availability, business congruence with the Target Company (i.e. the selected companies generate at least 50% of their revenue from the same industry of the Target Company (i.e. principally engaged in the manufacture and sales of telecommunications and mobile communications equipment) and mainly operate in the PRC and derive at least 50% of their revenues from customers in the PRC, which is the same as the Target Company) and the Target Company’s operating conditions;
- (ii) the Selection Criteria would allow the Independent Valuer to identify companies that operate within the same industry as the Target Company with sufficient information for the purpose of conducting the Valuation.

Given that above, we consider the Selection Criteria adopted by the Independent Valuer to be fair and reasonable.

As we have concluded that the Selection Criteria is fair and reasonable, we did not set other selection criteria to search for comparable companies. Based on the Selection Criteria, the Valuer identified 6 comparable companies (the “**Comparable Companies**”) and as confirmed by the Valuer, the Comparable Companies are exhaustive. Hence, we consider that the Comparable Companies are fair and representative.

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Having considered (i) the shareholding structure of the Target Company; (ii) the business of the Target Company; (iii) the valuation approach, methodologies and assumptions as discussed above; and (iv) the qualification and independence of the Independent Valuer, we consider the adoption of the market approach (with EV/EBITDA ratio), and DLOM (being 15.60%) to be justifiable.

Based on our due diligence on the Valuation as detailed above, including (i) reviewing the Independent Valuer's terms of engagement and qualification; (ii) assessing the applicability of valuation approach and methodology; (iii) assessing the Comparable Companies; and (iv) cross-checking relevant underlying parameters and calculation of the Valuation, and during our discussion with the Independent Valuer, we did not identify any major factor which caused us to doubt the fairness and reasonableness of the methodology, principal bases, assumptions and parameters adopted for the Valuation Report.

Our conclusion on the Consideration

Having considered (i) our independent work performed on the Valuation Report; and (ii) that the Consideration (i.e. RMB500.0 million) represents a premium of approximately 1.84% as compared to the Valuation, we are of the view that the Consideration is fair and reasonable.

Completion

With reference to the Board Letter, 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 (details of which are set out under the section headed "Conditions Precedent" of the Board Letter) 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.

Our conclusion on terms of the Disposal

Having reviewed and considered the terms of the Equity Transfer Agreement in particular the key terms as listed above, we are of the view that the terms of the Disposal are on normal commercial terms and are fair and reasonable.

Possible financial effects

With reference to the Board Letter, upon Completion, the Target Company will be owned as to 61% and 39% by the Company and the Purchaser, respectively. Accordingly, members of the Disposal Group will remain as subsidiaries of the Company, and their results, assets and liabilities will continue to be consolidated into the consolidated financial statements of the Company.

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

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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.

RECOMMENDATION

Having taken into account the above factors and reasons, we are of the opinion that (i) the terms of the Disposal are on normal commercial terms and are fair and reasonable; and (ii) although the Disposal is not conducted in the ordinary and usual course of business of the Group, the Disposal is 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 resolution to be proposed at the EGM to approve the Equity Transfer Agreement and the Disposal and we recommend the Independent Shareholders to vote in favour of the resolution 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. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements, together with the accompanying notes to the financial statements, of the Group for the three years ended 31 December 2022, 31 December 2023 and 31 December 2024, the unaudited consolidated financial information of the Group for the six months ended 30 June 2025, are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and on the website of the Company (www.hengxin.com.sg).

- 2025 Interim Report, pages 2 to 29:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0323/2022032301037.pdf>
- 2024 Annual Report, pages 107 to 200:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042902552.pdf>
- 2023 Annual Report, pages 89 to 180:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0328/2024032805268.pdf>
- 2022 Annual Report, pages 75 to 160:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0324/2023032401049.pdf>

2. SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful enquiries, are of the opinion that following the Completions, after taking into account the effect of the Disposal, the financial resources available to the Group, including the presently available banking facilities, the internally generated funds from operations, and cash and bank balances of the Group, the Group has sufficient working capital to satisfy its requirements for at least 12 months from the date of this circular.

3. INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2025, being the most recent practicable date for the purpose of indebtedness statement of the Group prior to the publication of this circular, the Group had the following outstanding indebtedness:

| | <i>RMB'000</i> |
|--|----------------|
| Unsecured and unguaranteed bank loans | 136,180 |
| Secured and guaranteed bank loans | 822,784 |
| Unsecured and guaranteed bank loans | 650,906 |
| Secured and unguaranteed bank loan | 97,600 |
| Secured and unguaranteed lease liabilities | 1,746 |
| Unsecured and unguaranteed lease liabilities | 351 |
| | 1,709,567 |
| | 1,709,567 |

As at the close of business on 31 October 2025, being the latest practicable date for the purpose of this statement of indebtedness, the Group had outstanding balance of lease liabilities of approximately RMB1,746,000 were secured by rental deposits, and secured bank loans of approximately RMB920,384,000, of which (1) RMB489,380,000 were secured by the Group's the income receipts right in relation to the sales of electricity and the certain property, plant and equipment of stations; (2) RMB97,600,000 were secured by the Group's pledged deposits amounting to RMB35,000,000 and the sales of electricity; and (3) RMB333,404,000 were secured by subsidiaries of the Group.

Save as aforesaid and apart from intra-group liabilities, as at 31 October 2025, the Group did not have any debt securities issued and outstanding, any authorised or otherwise created but unissued, term loans, other borrowings, indebtedness in nature of borrowings including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments, debentures, mortgages, charges, recognised lease liabilities, which are either guaranteed, unguaranteed, secured, or unsecured, or other contingent liabilities or guarantees outstanding at the close of business.

4. NO MATERIAL ADVERSE CHANGE

The Directors confirmed that there was no material adverse change in the financial or trading position or outlook of the Group since 31 December 2024 (being the date to which the latest audited consolidated financial statements of the Group were made up) and up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The year 2025 is the concluding year of China's "14th Five-Year Plan". Under the synergistic effects of strategic layout and macro policies, China's economy is steadily advancing on the path of high-quality development. The Chinese government has created a more favourable development environment for manufacturing enterprises by enhancing the guiding layout of strategic emerging industries and supporting enterprises in R&D innovation, green development and digital transformation, which has brought broad development space for the integrated circuits, new energy and telecommunications industries in which the Group operates.

In terms of the integrated circuits and digital technology business segment, the Chinese government is vigorously promoting independent control of the semiconductor industry. Coupled with the rapid development of emerging technology areas such as the Internet of Things, big data and new energy vehicles, this has led to promising prospects for the integrated circuits and digital technology market. Going forward, the Group will seize the opportunities for market development in the industry, continue to increase R&D investment in the fields of integrated circuit design, advanced manufacturing processes and intelligent solutions, strengthen collaborative innovation with upstream and downstream enterprises in the industry chain and accelerate breakthroughs in cutting-edge technologies such as artificial intelligence, the Internet of Things and high-performance computing to build a more competitive product line. The Group will further optimise supply chain management, actively expand into the overseas market, and build its own FCBGA (Flip Chip Ball Grid Array) packaging production line to meet the growing packaging demands from existing customers for high-performance CPUs, GPUs and AI chips. The Group will position the integrated

circuits and digital technology businesses as important engines for the overall development of the Group. As of the Latest Practicable Date, the integrated circuits and digital technology business segment has an order backlog of over RMB190 million.

In terms of the new energy and services business segment, the Group will continue to deepen its focus on the field of solar thermal power generation, increase investment in the research and development of key technologies such as high-efficiency collectors and new molten salt formulations and explore the in-depth integration with energy storage technology to effectively address the challenges of intermittent solar thermal power generation. By expanding the application scenarios of solar thermal power generation projects and formulating differentiated marketing strategies, the Group will actively strive for domestic and international high-quality solar thermal power generation projects to promote the scaled development of its business. For instance, the construction of Qinghai Project is expected to commence in December 2025 and be connected to the grid by the end of 2027. Upon completion, Qinghai Project is expected to generate stable long-term revenue and enhance the Group's market reputation and competitiveness in the solar thermal power generation sector. Meanwhile, the Group will further expand its presence in new energy services, introduce AI and big data technologies and build an intelligent operation-and-maintenance platform, with a view to improving the efficiency and accuracy of operation and maintenance and providing one-stop solutions from project design and construction to operation and maintenance. The Group will also actively participate in large-scale solar thermal power generation projects at home and abroad to further increase its market share and create an important growth point for the Group's future green development. As of the Latest Practicable Date, Zhongguang New Energy has contracted a total of six external orders for operation and maintenance of solar thermal power stations and the cumulative amount of contractual orders amounted to approximately RMB227.1 million. There were more than two potential cooperative customers in the process of commercial negotiations and follow-up communication with total expected contract amount exceeding RMB500 million.

In terms of the telecommunications business segment, with the ongoing development of 5G networks and the continued deployment of related infrastructure, demand for coaxial cables and related components remains stable. As of the Latest Practicable Date, the Group won the biddings in centralized procurement tender projects with amount of more than RMB1.2 billion from major telecom operators in Chinese mainland, and telecom operators in various provinces in China together with a number of enterprise level customers. Going forward, the Group will maintain its existing product portfolio in the telecommunications sector, focus on operational efficiency, and continue to supply high-quality products to meet current customer requirements. The Group expects that 5G network construction in China will largely reach maturity, while early discussions on 5G-Advanced and 6G standards continue at the industry level. As a well-established supplier of coaxial cables, antennas and base station equipment, the Group will continue to serve its existing customer base through its traditional product lines, ensure reliable delivery and quality standards, and manage the telecommunications business in a prudent and efficient manner.

Having considered the above and the factors mentioned in the section headed "REASONS FOR AND BENEFITS OF THE DISPOSAL" in the letter from the board of this circular, the Directors are of the view that the Disposal is an important and pivotal move that aligns with the Group's long-term

business development strategy and asset allocation strategy to further strengthen the business layout in the Growing Businesses, and that the Disposal is expected to have a positive impact on the Group's future development and the sustainability of its profitability.

The following is the text of a letter and valuation report, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 30 September 2025 of the 39% equity interests in the Target Company.

31 December 2025

The Board of Directors

Hengxin Technology Ltd.

6th Floor, The Chinese Club Building

21-22 Connaught Road Central, Hong Kong

Dear Sirs,

In accordance with the instructions received from Hengxin Technology Ltd. (“**Hengxin Technology**” or the “**Company**”), we have undertaken a valuation exercise which requires us to express an independent opinion on the market value of 39 Percent Equity Interest in Jiangsu Hengxin Technology Co., Ltd. (“**Jiangsu Hengxin**” or “**Target**”) as at 30 September 2025 (the “**Valuation Date**”). The report which follows is dated 31 December 2025 (the “**Report Date**”).

The purpose of this valuation is for internal reference by the Company and inclusion in its public disclosure.

Our valuation was carried out on a market value basis. Market value is defined as “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”.

We have conducted our valuation with reference to the International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject assets. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

The conclusion of value is based on the accepted valuation procedures and practices that rely substantially on our use of numerous assumptions and our consideration of various factors that are relevant to the operation of the Target. We have also considered various risks and uncertainties that have potential impact on the Target.

We do not intend to express any opinion in matters which require legal or other specialised expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Target over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

Based on the results of our investigations and analyses outlined in this report, we are of the opinion that the market value of 39 percent interest in the Target as at the Valuation Date is RMB490,978,000.

The following pages outline the factors considered, methodology and assumptions employed in formulating our opinions and conclusions. Any opinions are subject to the assumptions and limiting conditions contained therein.

Yours faithfully,

For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Simon M.K. Chan

Executive Director

INTRODUCTION

In accordance with the instructions received from Hengxin Technology Ltd. (“**Hengxin Technology**” or the “**Company**”), we have undertaken a valuation exercise which requires us to express an independent opinion on the market value of 39 percent equity interest in Jiangsu Hengxin Technology Co., Ltd. (“**Jiangsu Hengxin**” or “**Target**”) as at 30 September 2025 (the “**Valuation Date**”). The report which follows is dated 31 December 2025 (the “**Report Date**”).

PURPOSE OF VALUATION

The purpose of this valuation is for internal reference by the Company and inclusion in its public disclosure.

BASIS OF OPINION

Our valuation was carried out on a market value basis. Market value is defined as “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”.

We have conducted our valuation with reference to the International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject assets. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

BACKGROUND

Jiangsu Hengxin Technology Co., Ltd. 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 in China. As at the Valuation Date, Jiangsu Hengxin is a direct wholly-owned subsidiary of the Company.

According to the management of the Target, in 2024, Jiangsu Hengxin derived 100% of its revenue from the manufacture and sales of telecommunications and mobile communication equipment and derived 93.22% of its revenue from customers in China.

Set out below are the financial information of the Target 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 Years ended | | For the six |
|------------------------|---------------------|-------------|--------------|
| | 31 December | | months ended |
| | 2023 | 2024 | 30 June |
| | RMB'000 | RMB'000 | 2025 |
| | (unaudited) | (unaudited) | RMB'000 |
| | | | (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 Target, the net assets of the Target as at 30 June 2025 were approximately RMB1,253.5 million.

The Company and Hengtong Group, a connected party of the Company, have entered into an equity transfer agreement pursuant to which the Company has conditionally agreed to sell, and Hengtong Group has conditionally agreed to acquire the 39% equity interest in the Target at the Consideration of RMB500 million in cash.

APPROACH AND METHODOLOGY

In arriving the market value of 39 percent equity interest in the Target, we have considered three generally accepted approaches, namely market approach, cost approach and income approach.

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach.

Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used.

However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost Approach considers the cost to reproduce or replace in new condition of the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market.

Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile.

This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Selection of Valuation Approach and Methodology

To select the most appropriate approach, we have considered the purpose of the valuation engagement and the resulting basis of value as well as the availability and reliability of information provided to us to perform an analysis. We have also considered the relative advantages and disadvantages of each approach to the nature and circumstances of the Target. In our opinion, the cost approach is inappropriate for valuing the Target, as it does not directly incorporate information about the economic benefits contributed by the Target. 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. Given that there are sufficient publicly listed companies that are comparable to the Target in terms of industry relevance, profitability and geographic focus, we have relied on the market approach in determining our opinion of value.

There are two common methods under market approach, namely, guideline public companies method and guideline transaction method. Guideline public companies method requires identifying suitable guideline public companies and selection of appropriate trading multiples, while guideline transaction method takes reference to recent mergers and acquisitions transactions between unrelated parties and ratio of transaction price to Target's financial metrics.

In this exercise, the market value of equity interest in the Target was developed through the guideline public company method. The guideline transaction method is not adopted due to lack of sufficient recent market transactions with similar nature as the Target. The guideline public company method requires the research of comparable companies' benchmark multiples and selection of an appropriate multiple. In this valuation, we have considered the following commonly used benchmark multiples:

| Benchmark multiple | Abbreviation | Analysis |
|---------------------------|---------------------|---|
| Price to earnings | P/E | Not used. P/E is not selected as it does not capture the financial leverage and other related risk feature across the companies. |
| Price to book | P/B | Not used. P/B multiple is not selected as P/B fails to capture the intangible company-specific competencies and advantages so in general, the equity's book value has little bearing with its fair value. |

| Benchmark multiple | Abbreviation | Analysis |
|--|--------------|--|
| Price to sales & Enterprise Value to Sales | P/S & EV/S | Not used. P/S & EV/S are not used in the valuation as P/S & EV/S do not take into account a company's profitability. |
| Enterprise Value to EBITDA | EV/EBITDA | Adopted. EV/EBITDA is suitable for profitable companies and can factor in differences in balance sheet positions between the subject and the comparable companies. |

In this valuation, the EV/EBITDA Ratio is defined as the current enterprise value to the trailing 12 months earnings before interest, tax, depreciation and amortization of the Target as at the Valuation Date. The EV/EBITDA Ratio is a capital structure neutral ratio since it takes into account the debt and earnings before interest expenses. It allows us to compare the Target against the comparable companies without considering how each comparable company finances its operations.

Adjustment of EV/EBITDA Ratios

Size adjustment

The comparable companies are often of significantly different size from the target. Larger companies are generally perceived as less risky in relation to business operation and financial performance, and thus the expected returns are lower and resulting in higher multiples. Therefore, the base multiples were adjusted to reflect the difference in size between the comparable companies and the target.

The adjusted EV/EBITDA Ratios were calculated using the following formula:

$$\text{Adjusted EV/EBITDA Ratio} = 1 / ((1/M) + \alpha * \varepsilon * \theta)$$

Where:

M = The Base EV/EBITDA Ratio

α = The scale factor, which converts the base measure of the benefits to an alternative measure of benefits for the comparable companies

ε = The ratio of the equity value to the enterprise value of the comparable company

θ = Required adjustment in the equity discount rate for difference in size

M is the base EV/EBITDA ratio and we take the reciprocal of M to come up with 1/M. The logic behind the pricing multiple adjustments is that the reciprocal of the base multiple represents a capitalization rate. In this valuation, the reciprocal of the base EV/EBITDA multiple represents a capitalization rate of the enterprise value.

For the parameter θ , it was used as a desired adjustment to reflect the difference in natures between the comparable companies and the target. With reference to 2025 Kroll Cost of Capital Navigator, an interactive, web-based platform which is a widely used source by valuation analysts to determine the size premium differentials, the size premium differentials of 0.00%-2.14% were adopted to capture how much the market capitalization of each of the comparable companies is larger than the market value of the Target.

The ratio of the market capitalization to enterprise value ε was adopted as a weighting factor. As aforesaid, the logic behind this formula is that a pricing multiple is the reciprocal of the capitalization rate. In the case of an enterprise value multiple, the capitalization rate is driven by the weighted average cost of capital (“WACC”) of the valuation subject. Since the size and country risk premium differentials “ θ ” are applicable only to the equity portion (for a listed company, market capitalization represents the market value of its equity) but not to the debt portion of the WACC, we only adjust the equity portion of the capitalization rate in this pricing multiple adjustment formula. The ratio ε was used to apply an appropriate weighting on the parameter θ so that the capitalization rate was adjusted only to the extent of its equity portion. In other words, the ratio ε takes into account of the varying capital structures among the comparable companies. Market capitalization and enterprise value of comparable companies are obtained from Capital IQ.

The ratio of EBITDA to net operating profit after tax (“NOPAT”) was used as a scale factor α , which is applied in the adjustment of the EV/EBITDA multiple. It is considered that the base measure of the benefits for enterprise value to be NOPAT (Hitchner, 2017), which is a financial measure that shows how well a company performed through its core operations net of taxes and it excludes tax savings from existing debt and one-time losses or charges. As EV/EBITDA was adopted as the pricing multiple in this valuation, EBITDA becomes an alternative measure of the benefits for enterprise value in the pricing multiple adjustment formula. Hence, α was used as a scale factor for the alternative measure of benefit. EBITDA and NOPAT of comparable companies are obtained from Capital IQ.

Discount for Lack of Marketability (DLOM)

Another factor to be considered in valuing closely held companies such as the Target is the marketability of an interest in such businesses. Marketability is defined as the ability to convert the business interest into cash quickly, with minimum transaction and administrative costs, and with a high degree of certainty as to the amount of net proceeds. There is usually a cost and a time lag associated with locating interested and capable buyers of interests in privately-held companies, because there is no established market of readily-available buyers and sellers. All other factors being equal, an interest in a publicly traded company is worth more because it is readily marketable. Conversely, an interest in a private-held company is worth less because no established market exists.

For this exercise, the indicated discount for lack of marketability for adjustment in the valuation multiple adopted on the Target is 15.60% as at the Valuation Date, based on a study “2024 edition of the Stout Restricted Stock Study Companion Guide” issued by Stout Risius Ross, LLC. The study represents the most widely used and accepted database available to valuers for DLOM determination.

ASSUMPTIONS

In this exercise, we have applied the following assumptions as at the Valuation Date in deriving the market value of the 39 percent equity interest in the Target.

General Assumptions

- 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;
- 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
- We have assumed that there are no hidden or unexpected conditions associated with the Target that might adversely affect the reported values. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

Market Multiple

Under guideline public company method, which requires identifying suitable guideline public companies and selection of appropriate trading multiples, in determining the financial multiple, a list of comparable companies was identified. The selection criteria, which are based on the business nature and operation status of Jiangsu Hengxin as discussed in the background, include the followings:

- The companies are publicly listed on HKEX;
- The companies have been listed no fewer than six months;
- The companies derive at least 50% of their revenues from the same industry of Jiangsu Hengxin, i.e. is principally engaged in the manufacture and sales of telecommunications and mobile communications equipment;
- The companies mainly operate in China and derive at least 50% of their revenues from customers in China, which is the same as Jiangsu Hengxin;
- The companies have positive enterprise value and trailing 12 months EBITDA and NOPAT, which is the same as Jiangsu Hengxin.

Based on the abovementioned selection criteria, an exhaustive list of Comparable Companies is identified. Details of the Comparable Companies are listed as follows:

| Ticker | Name | Business Description | Percentage of Revenue from telecommunications and mobile communications equipment ¹ | Percentage of Revenue from China ¹ |
|----------------|---|---|--|---|
| 6869 HK Equity | Yangtze Optical Fibre and Cable Joint Stock Limited Company | Yangtze Optical Fibre and Cable Joint Stock Limited Company is principally engaged in the provision of optical fiber preform, optical fiber, optical fiber cables and other relevant products in telecommunication industry. | 81.85% | 66.21% |
| 1720 HK Equity | Putian Communication Group Limited | Putian Communication Group Ltd is a company principally engaged in the production and sales of optical fibers and optical cables, communication copper cables and integrated wiring products. | 100.00% | 96.37% |
| 1729 HK Equity | Time Interconnect Technology Limited | Time Interconnect Technology Ltd is mainly engaged in the manufacture and sales of cable assembly business. | 56.85% | 56.66% |
| 1300 HK Equity | Trigiant Group Limited | Trigiant Group Ltd is a company principally engaged in the manufacture and sales of feeder cable series, optical fiber cable series and related products, flame-retardant flexible cable series, new-type electronic components and others. | 94.66% | 100.00% |
| 1617 HK Equity | Nanfang Communication Holdings Limited | Nanfang Communication Holdings Ltd is principally engaged in the manufacture and sale of optical fiber cable products business. | 100.00% | 100.00% |
| 1085 HK Equity | Hengxin Technology Ltd. | Hengxin Technology Ltd is mainly engaged in the manufacture and sales of integrated antennas and feeder cables for mobile communications. | 83.16% | 95.13% |

Note:

1. Source: segmental information from the annual reports of the comparable companies

Some key financial information of the comparable companies as at the Valuation Date are listed below:

| Ticker | Name | Market | | | |
|----------------|---|---|---|---------------------------------------|--------------------------------------|
| | | Capitalization (HKD Millions) ¹ | Enterprise Value (HKD Millions) ¹ | EBITDA (HKD Millions) ¹ | NOPAT (HKD Millions) ¹ |
| 6869 HK Equity | Yangtze Optical Fibre and Cable Joint Stock Limited Company | 61,418 | 71,316 | 2,064 | 858 |
| 1720 HK Equity | Putian Communication Group Limited | 179 | 506 | 75 | 29 |
| 1729 HK Equity | Time Interconnect Technology Limited | 30,561 | 31,971 | 753 | 575 |
| 1300 HK Equity | Trigiant Group Limited | 567 | 1,517 | 34 | 13 |
| 1617 HK Equity | Nanfang Communication Holdings Limited | 211 | 254 | 26 | 17 |
| 1085 HK Equity | Hengxin Technology Ltd. | 801 | 1,503 | 187 | 72 |

Note:

1. Source: Capital IQ

The details of the adjustments and the size adjusted EV/EBITDA ratios of the comparable companies are as follows:

| Ticker | Name | EV/EBITDA | Total | Size adjusted |
|----------------|---|-------------------------|---|-----------------|
| | | Ratio before adjustment | Adjustment ($\alpha * \varepsilon * \theta$) | EV/EBITDA Ratio |
| 6869 HK Equity | Yangtze Optical Fibre and Cable Joint Stock Limited Company | 34.56 | 4.43% | 13.65 |
| 1720 HK Equity | Putian Communication Group Limited | 6.71 | 0.00% | 6.71 |
| 1729 HK Equity | Time Interconnect Technology Limited | 42.45 | 2.05% | 22.68 |
| 1300 HK Equity | Trigiant Group Limited | 44.98 | 0.00% | 44.98 |
| 1617 HK Equity | Nanfang Communication Holdings Limited | 9.61 | 0.00% | 9.61 |
| 1085 HK Equity | Hengxin Technology Ltd. | 8.06 | 0.00% | 8.06 |

The median of the size adjusted EV/EBITDA Ratio is calculated at 11.63. It is further discounted for the Target's lack of marketability and the adjusted EV/EBITDA after DLOM (15.6%) is 9.82.

CALCULATION OF VALUATION RESULT

Under the guideline public company method, the market value depends on the adjusted market multiples of the comparable companies as at the Valuation Date. The calculation of the market value of the 39 percent equity interest in Jiangsu Hengxin as at the Valuation Date is as follows:

| | As at 30 September 2025 RMB |
|---|--|
| Trailing 12 months EBITDA of Jiangsu Hengxin* | 40,960,364 |
| Adjusted EV/EBITDA Ratio | 9.82 |
| Enterprise Value of Jiangsu Hengxin | 402,047,636 |
| <i>Add:</i> Cash and Cash Equivalents* | 304,103,553 |
| <i>Add:</i> Excess Assets* | 965,114,494 |
| <i>Less:</i> Debt and Lease Liabilities* | (412,346,684) |
| 100 Percent Equity Interest in Jiangsu Hengxin (non-marketable, non-controlling) | 1,258,918,998 |
| Percentage of equity interest in Target to be disposed | 39% |
| 39 Percent Equity Interest in Jiangsu Hengxin (non-marketable, non-controlling, rounded) | 490,978,000 |

Note: * Financial data of the Target is extracted from its management accounts as at the Valuation Date. Excess Assets included: restricted cash of RMB 509,276,685, financial assets available-for-sale of RMB 3,730,000, financial assets at fair value through profit and loss of RMB 40,28,822, and long-term receivable due from related party of RMB 411,878,986. Excess assets are non-operating in nature and are added to the valuation derived from the EV/EBITDA multiple in the market approach.

VALUATION COMMENTS

The valuation of the market value of equity interest in the Target requires consideration of all relevant factors affecting the operation of the business related to the Target and its ability to generate future investment returns. The factors considered in the valuation included, but were not limited to, the following:

- The nature of the business;
- The financial condition of the business and the economic outlook in general; and
- The financial and business risk of the enterprise including the continuity of income and the projected future results.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. In particular, details about the assumptions can be found under the heading “Assumptions” in this Report. Further, while the assumptions and consideration of such matters are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

OPINION OF VALUE

Based on the results of our investigations and analyses outlined in this report, we are of the opinion that the market value of 39 percent equity interest in the Target as at the Valuation Date is reasonably stated as follows:

| Jiangsu Hengxin | Market Value <i>(RMB)</i> |
|----------------------------|-------------------------------------|
| 39 percent equity interest | 490,978,000 |

LIMITING CONDITIONS

This report and opinion of value are subject to our Limiting Conditions as attached.

Yours faithfully,

For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Simon M.K. Chan

Executive Director

Note: Mr. Simon M.K. Chan is a fellow (FCPA) of the Hong Kong Institute of Certified Public Accountants (HKICPA) and CPA Australia. He is also fellow of the Royal Institution of Chartered Surveyors (FRICS). He is an International Certified Valuation Specialist (ICVS) and a Chartered Valuer and Appraiser (Singapore). He oversees the business valuation services of JLL and has over 20 years of accounting, auditing, corporate advisory and valuation experiences. He has provided a wide range of valuation services to numerous listed and listing companies of different industries in the PRC, Hong Kong, Singapore and the United States.

LIMITING CONDITIONS

1. In the preparation of our reports, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Company/engagement parties and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. Our reports were used as part of the Company's/engagement parties' analysis in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of the derived value of the subject property rests solely with the Company/engagement parties.
2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.
3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.
4. The management and the Board of the Company/engagement parties have reviewed and agreed on the report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.
5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.
6. No opinion is intended to be expressed for matters which require legal or other specialised expertise, which is out of valuers' capacity.
7. The use of and/or the validity of the report is subject to the terms of engagement letter/proposal and the full settlement of the fees and all the expenses.
8. Our conclusions assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued.
9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation/Reference Date. We cannot provide assurance on the achievability of the results forecasted by the Company/engagement parties (if any) because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results (if any) is dependent on actions, plans and assumptions of management.

10. This report has been prepared solely for internal use purpose. The report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any their party without our prior written consent. Even with our prior written consent for such, we are not liable to any third party except for our client for this report. Our client should remind of any third party who will receive this report and the client will need to undertake any consequences resulted from the use of this report by the third party. We shall not under any circumstances whatsoever be liable to any third party.
11. This report is confidential to the client and the calculation of values expressed herein is valid only for the purpose stated in the engagement letter/or proposal as of the Valuation/Reference Date. In accordance with our standard practice, we must state that this report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents.
12. Where a distinct and definite representation has been made to us by party/parties interested in the assets valued, we are entitled to rely on that representation without further investigation into the veracity of the representation.
13. You agree to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fee paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.
14. We are not environmental, structural or engineering consultants or auditors, and we take no responsibility for any related actual or potential liabilities exist, and the effect on the value of the asset is encouraged to obtain a professional assessment. We do not conduct or provide such kind of assessments and have not considered the potential impact to the subject property.
15. This exercise is premised in part on the historical financial information and future forecast (if any) provided by the management of the Company/engagement parties and/or its representatives. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.
16. This report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the report and conclusion of values are not intended by the author, and should not be construed by the reader, to be investment advice or as financing or transaction reference in any manner whatsoever. The conclusion of values represents the consideration based on the information furnished by the Company/engagement parties and other

sources. Actual transactions involving the subject assets/business might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivation of the buyers and sellers at that time.

17. The management or staff of the Company/engagement parties and/or its representatives have confirmed to us that the transaction or themselves or the parties involved in the pertained assets or transaction are independent to our firm and Jones Lang LaSalle Corporate Appraisal and Advisory Limited in this valuation or calculation exercise. Should there be any conflict of interest or potential independence issue that may affect our independency in our work, the Company/engagement parties and/or its representatives should inform us immediately and we may need to discontinue our work and we may charge our fee to the extent of our work performed or our manpower withheld or engaged.

VALUERS' PROFESSIONAL DECLARATION

The following valuers certify, to the best of their knowledge and belief, that:

- Information has been obtained from sources that are believed to be reliable. All facts which have a bearing on the value concluded have been considered by the valuers and no important facts have been intentionally disregarded.
- The reported analyses, opinions, and conclusions are subject to the assumptions as stated in the report and based on the valuers' personal, unbiased professional analyses, opinions, and conclusions. The valuation exercise is also bounded by the limiting conditions.
- The reported analyses, opinions, and conclusions are independent and objective.
- The valuers have no present or prospective interest in the asset that is the subject of this report, and have no personal interest or bias with respect to the parties involved.
- The valuers' compensation is not contingent upon the quantum of the value assessed, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.
- The analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the International Valuation Standards published by the International Valuation Standards Council.
- The under mentioned persons provided professional assistance in the compilation of this report.

Simon M.K. Chan
Executive Director

Hunter Z.W. He
Senior Director

Eugene Y.Z.Zhou
Senior Manager

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 ^{Note 1} | Interest in controlled corporation | 108,868,662 | 23.38% |

Note:

- 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.

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 share 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 authority 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, save and except for Mr. Cui Wei has material interest in the conditional framework agreement dated 1 August 2024, the material purchase master agreement dated 31 October 2025 and the products sales master agreement dated 31 October 2025, referred to in the paragraphs (h), (j) and (k) respectively in "Part 9. Material Contracts" below; 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, save and except for the material interest of Mr. Cui Wei and his associates in the Disposal as disclosed in this circular.

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. EXPERT

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

| Name | Qualification |
|--|---|
| Jones Lang LaSalle Corporate Appraisal and Advisory Limited | Independent Valuer |
| Gram Capital Limited | a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO |

Each of the above experts 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, each of the above experts 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, each of the above experts 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.

7. DOCUMENTS ON DISPLAY

Electronic copies of the following documents are available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hengxin.com.sg) for a period of 14 days from the date of this circular:

- (a) the Equity Transfer Agreement;
- (b) the Supplemental Agreement;
- (c) the material contracts referred to in the paragraph headed “9. Material Contracts” below in this appendix;
- (d) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out from pages 17 to 18 of this circular;
- (e) the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out from pages 19 to 37 of this circular;
- (f) the written consents from the experts referred to in the paragraph headed “6. Expert” above in this appendix; and
- (g) this circular.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and, so far as the Directors are aware, no litigation, arbitration or claim of material importance was pending or threatened against any member of the Group.

9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) had been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the loan extension agreement dated 7 March 2024 entered into between Xin Ke Xin (Suzhou) Technology Co., Ltd.* (鑫科芯(蘇州)科技有限公司), (as the lender) and Nanjing Zhangyu Information Technology Co., Ltd* (南京掌御信息科技有限公司), (as the borrower) in relation

- to the extension of the first loan in the principal amount of RMB40,000,000 granted by the lender to the borrower in the loan agreement dated 28 April 2023 and entered into between the lender and the borrower;
- (b) the loan extension agreement dated 7 March 2024 entered into between Xin Ke Xin (Suzhou) Technology Co., Ltd.* (鑫科芯(蘇州)科技有限公司), (as the lender) and Nanjing Zhangyu Information Technology Co., Ltd.* (南京掌御信息科技有限公司), (as the borrower) in relation to the extension of the second loan in the principal amount of RMB210,000,000 granted by the lender to the borrower in the loan agreement dated 31 May 2023 and entered into between the lender and the borrower;
- (c) the operation and maintenance technical service contract dated 22 April 2024 and entered into between Zhejiang Zhongguang New Energy Technology Co., Ltd.* (浙江中光新能源科技有限公司) and Cosin Solar Technology Co., Ltd. (浙江可勝技術股份有限公司) in respect of the services in relation to the production, operation and maintenance of Jinta Photo-thermal Project provided by Zhejiang Zhongguang New Energy Technology Co., Ltd.* (浙江中光新能源科技有限公司) to Cosin Solar Technology Co., Ltd. (浙江可勝技術股份有限公司), with the total service fee being RMB90.2 million;
- (d) the conditional equity purchase agreement dated 20 May 2024 and entered into between Xin Ke Xin (Suzhou) Technology Co., Ltd.* (鑫科芯(蘇州)科技有限公司), Xuzhou Jinkan Management Consulting Partnership (Limited Partnership)* (徐州錦瞰管理諮詢合夥企業(有限合夥)), Mr. Bai Yuanliao, Nanjing Zhangyu Information Technology Co., Ltd.* (南京掌御信息科技有限公司) and Shanghai Zhangyu Information Technology Co., Ltd.* (上海掌御信息科技有限公司), in respect of the acquisition of the 49% equity interest in Nanjing Zhangyu Information Technology Co., Ltd.* (南京掌御信息科技有限公司) and 49% equity interest in Shanghai Zhangyu Information Technology Co., Ltd.* (上海掌御信息科技有限公司) from Xuzhou Jinkan Management Consulting Partnership (Limited Partnership)* (徐州錦瞰管理諮詢合夥企業(有限合夥)) and Mr. Bai Yuanliao by Xin Ke Xin (Suzhou) Technology Co., Ltd.* (鑫科芯(蘇州)科技有限公司) at the aggregate consideration of RMB522 million pursuant to the terms and conditions of the equity purchase agreement;
- (e) the subscription documents dated 17, 18 and 22 July 2024 executed by Zhejiang Zhongguang New Energy Technology Co., Ltd.* (浙江中光新能源科技有限公司) in relation to the subscription of wealth management product issued and managed by Huaan Securities Co., Ltd 華安證券股份有限公司 at the aggregate subscription amount of RMB15 million;
- (f) the subscription document dated 23 July 2024 executed by Zhejiang Zhongguang New Energy Technology Co., Ltd.* (浙江中光新能源科技有限公司) in relation to the subscription of wealth management product issued and managed by Huaan Securities Co., Ltd 華安證券股份有限公司 at the subscription amount of RMB30 million;
- (g) the subscription document dated 29 July 2024 executed by Zhejiang Zhongguang New Energy Technology Co., Ltd.* (浙江中光新能源科技有限公司) in relation to the subscription of wealth management product issued and managed by Huaan Securities Co., Ltd 華安證券股份有限公司 at the subscription amount of RMB68 million;

- (h) the conditional framework agreement dated 1 August 2024 entered into between Jiangsu Hengxin Technology Co., Ltd. and Jiangsu Hengtong International Logistics Company Limited* (江蘇亨通國際物流有限公司) in relation to the procurement of the transportation services by Jiangsu Hengxin Technology Co., Ltd. from Hengtong International Logistics Company Limited* (江蘇亨通國際物流有限公司), with annual cap for the year ending 31 December 2025 being RMB39.3 million;
- (i) the subscription document dated 3 September executed by Zhejiang Zhongguang New Energy Technology Co., Ltd.* (浙江中光新能源科技有限公司) in relation to the subscription of wealth management product issued and managed by China International Capital Corporation Limited 中國國際金融股份有限公司 at the subscription amount of RMB40 million;
- (j) the materials purchase master agreement dated 31 October 2025 entered into between Jiangsu Hengxin Technology Co., Ltd., Hengtong Group Co., Ltd. and Hengtong Optic-Electric Co., Ltd.* (江蘇亨通光電股份有限公司), in relation to the purchases of materials by Jiangsu Hengxin Technology Co., Ltd. from Hengtong Group Co., Ltd. and Hengtong Optic-Electric Co., Ltd.* (江蘇亨通光電股份有限公司), which proposes to (a) revise the purchase cap for the year ending 31 December 2025 from RMB253 million to RMB560 million and (b) set the purchase cap for the year ending 31 December 2026 at RMB560 million;
- (k) the products sales master agreement dated 31 October 2025 entered into between Jiangsu Hengxin Technology Co., Ltd., Hengtong Group Co., Ltd. and Hengtong Optic-Electric Co., Ltd.* (江蘇亨通光電股份有限公司), in relation to the sales of products by Jiangsu Hengxin Technology Co., Ltd. to Hengtong Group Co., Ltd. and Hengtong Optic-Electric Co., Ltd.* (江蘇亨通光電股份有限公司), which proposes to (a) revise the sales cap for the year ending 31 December 2025 from RMB71.9 million to RMB127 million and (b) set the sales cap for the year ending 31 December 2026 at RMB150 million;
- (l) the construction consultation service contract dated 24 December 2025 entered into between Qinghai Zhongkong Solar Power Co., Ltd. (青海眾控太陽能發電有限公司) (an indirect non-wholly-owned subsidiary of the Company) and Cosin Solar Technology Co., Ltd. (浙江可勝技術股份有限公司) in relation to the provision of the services for the construction of the Qinghai Project by Cosin Solar Technology Co., Ltd. (浙江可勝技術股份有限公司) to Qinghai Zhongkong Solar Power Co., Ltd. (青海眾控太陽能發電有限公司) for the total service fee of RMB120 million (tax inclusive);
- (m) the land use compensation agreement concerning the Qinghai Project dated 29 December 2025 entered into between Qinghai Zhongkong Solar Power Co., Ltd. (青海眾控太陽能發電有限公司) (an indirect non-wholly-owned subsidiary of the Company) and Village Committee of Chahansha Village, Keluke Town, Delingha City, Qinghai Province, the People's Republic of China (中華人民共和國青海省德令哈市柯魯柯鎮茶漢沙村村民委員會) in relation to the lease of 9,450.9376 mu of natural grassland within the jurisdiction of Chahansha Village, Keluke Town, Delingha City, Qinghai Province, the People's Republic of China (中華人民共和國青海省德令哈市柯魯柯鎮茶漢沙村), at the lease amount of RMB17,200,706.432; and

- (n) the land use compensation agreement concerning the Qinghai Project dated 29 December 2025 entered into between Qinghai Zhongkong Solar Power Co., Ltd. (青海眾控太陽能發電有限公司) (an indirect non-wholly-owned subsidiary of the Company) and Village Committee of Taositu Village, Xuji Township, Delingha City, Qinghai Province, the People's Republic of China (中華人民共和國青海省德令哈市蓄集鄉陶斯圖村村民委員會) in relation to the lease of 11,413.1448 mu of natural grassland within the jurisdiction of Taositu Village, Xuji Township, Delingha City, Qinghai Province, the People's Republic of China (中華人民共和國青海省德令哈市蓄集鄉陶斯圖村), at the lease amount of RMB20,771,923.536.

10. MISCELLANEOUS

Ms. Lin Yubin, Esther (who is qualified as a certified corporate secretary in the Republic of Singapore) and Mr. Chan Ting (who is qualified to practise as solicitor in Hong Kong) are the joint company secretaries of the Company.

The registered office of the Company is at 5 Tampines Central 1, #06-05 Tampines Plaza 2, Singapore 529541. The principal share registrar and transfer agent of the Company in Singapore is Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632. The branch share registrar and transfer office of the Company in Hong Kong is Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong. The head office and principal place of business of the Company in Singapore is 5 Tampines Central 1, #06-05 Tampines Plaza 2, Singapore 529541.

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

NOTICE OF EGM



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 an extraordinary general meeting (the “**Meeting**”) of Hengxin Technology Ltd. (the “**Company**”) will be held at 11:00 a.m., on 20 January 2026 (Tuesday) at Unit 08, 43/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for the purpose of considering, and if thought fit, passing (with or without modifications) the following resolution as an ordinary resolution:

Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 31 December 2025.

ORDINARY RESOLUTION

“To (i) approve, confirm and ratify the Equity Transfer Agreement dated 7 December 2025 entered into between the Group as vendor, Hengtong Group as purchaser, and the Target Company, (a copy of which has been produced at the Meeting and marked “A”, and initialed by the chairman of the Meeting for identification purpose); the Supplemental Agreement dated 30 December 2025 entered into between the Group, as vendor, Hengtong Group, as purchaser, and the Target Company, (a copy of which has been produced at the Meeting and marked “B”, and initialed by the chairman of the Meeting for identification purpose) and the transactions contemplated thereunder; and (ii) approve, ratify and confirm the authorisation to any one director of the Company on behalf of the Company, among other things, to sign, seal, execute and deliver all such documents as he/she may consider necessary, desirable or expedient for the purpose of or in connection with or to give effect to the Equity Transfer Agreement, the Supplemental Agreement and the transactions contemplated thereby, and to waive compliance from or agree and make such amendments of non-material nature to the terms of any of the Equity Transfer Agreement (as amended and supplemented by the Supplemental Agreement) that he/she may in his/her discretion consider to be desirable and in the interests of the Company and its shareholders as a whole.”

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

Hong Kong, 31 December 2025

NOTICE OF EGM

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. For determining the entitlement to attend and vote at the Meeting, the record date is 20 January 2026 (Tuesday) and the Principal Share Registrar and Branch Share Registrar of the Company will be closed from 15 January 2026 (Thursday) to 20 January 2026 (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 14 January 2026 (Wednesday). 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 9 January 2026 (Friday).

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.