Gram Capital Limited
嘉林資本有限公司

14 August 2026

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

Dear Sir/Madam,

MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION IN RELATION TO DEPOSIT SERVICES

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 Deposit Services (including the Deposit Caps), details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 14 August 2026 (the "**Circular**") issued by the Company to the Shareholders, 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 26 June 2026 (after trading hours of the Stock Exchange), the Company entered into the Financial Services Framework Agreement with HT Finance, pursuant to which HT Finance will provide, among others, the Deposit Services to the Group for a term commencing on the Effective Date and expiring on 31 December 2027.

With reference to the Board Letter, the Deposit Services constitute major and continuing connected transactions of the Company and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirement under Chapters 14 and 14A of the Listing Rules.

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

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

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) continuing connected transaction, details of which are set out in the Company's circular dated 22 August 2024; (ii) continuing connected transactions, details of which are set out in the Company's circular dated 12 December 2025; and (iii) major and connected transaction, details of which are set out in the Company's circular dated 31 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 OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Deposit Services. We consider that we have taken sufficient and necessary steps (including review of the Group's financial information, the Financial Services Framework Agreement, discussion with the Company regarding the Deposit Caps) on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement in this 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, HT Finance or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the entering into the Financial Services Framework Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Deposit Services, 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, digital security products and services and the development of computing power infrastructure and AI-enabled 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 the coordinated development of computing power and green electricity supply; 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 audited consolidated financial information of the Group for the two years ended 31 December 2025 as extracted from the Company's annual report for the year ended 31 December 2025 (the "**2025 Annual Report**"):

	For the year ended 31 December 2025 ("FY2025") *RMB'000*	For the year ended 31 December 2024 ("FY2024") *RMB'000*	Year-on-year change %
Revenue	2,247,199	2,519,987	(10.82)
– Integrated circuits and digital technology	*267,059*	*238,345*	*12.05*
– New energy and services	*205,195*	*185,971*	*10.34*
– Telecommunications	*1,774,945*	*2,095,671*	*(15.30)*
Gross profit	462,665	467,305	(0.99)
(Loss)/profit for the year attributable to owners of the Company	(42,426)	42,189	N/A

	As at 31 December 2025 *RMB'000*	As at 31 December 2024 *RMB'000*	Year-on-year change %
Time deposits *(Note)*	129,908	154,649	(16.00)
Pledged deposits *(Note)*	911,757	438,659	107.85
Bank balances and cash	402,643	861,904	(53.28)

Note: The time deposits and pledged deposits shown in the table above include amounts classified under both current and non-current assets

As depicted from the above table, the Group's revenue was approximately RMB2,247 million for FY2025, representing a decrease of approximately 10.82% as compared to that for FY2024. With reference to the 2025 Annual Report, such decrease was mainly due to the decrease in revenue generated from the telecommunications business segment due to the fierce market competition, as partially offset by the increase in revenue generated from the integrated circuits and digital technology business segment and the new energy and services business segment.

Despite the aforementioned decrease in the Group's revenue, the Group's gross profit remained relatively stable. With reference to the 2025 Annual Report, the Group achieved an overall gross profit margin of approximately 20.6% for FY2025 compared to approximately 18.5% for FY2024, representing an increase of approximately 2.1 percentage points year-on-year.

The Group recorded loss attributable to owners of the Company of approximately RMB42 million for FY2025 in contrast to profit attributable to owners of the Company of approximately RMB42 million for FY2024. With reference to the 2025 Annual Report, such turnaround was mainly due to (i) increase in the Group's impairment loss on trade and other receivables, which was mainly attributable to the additional

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

impairment loss made for the long outstanding trade receivables relating to the state-owned telecommunication enterprises in the PRC of the telecommunications business segment; and (ii) increase in the Group's income tax, which was mainly attributable to the increase in withholding tax paid for the intra-group dividend payment made in the PRC during the first half of FY2025.

As at 31 December 2025, the aggregated amount of the Group's time deposits, pledged deposits and bank balances and cash (the "**Total Deposits & Cash**") was approximately RMB1,444 million (as at 31 December 2024: approximately RMB1,455 million).

Information on HT Finance

With reference to the Board Letter, HT Finance is a non-bank financial institution approved to commence business by the banking regulatory authority under the State Council and its principal business activities include various financial services such as accepting deposits from, grant loans to, discounting bills for, handling fund settlement and receipts/payments of, providing entrusted loans, bond underwriting, non-financing guarantees, financial advisory services, credit verification, and consulting agency services to, member entities under Hengtong Group.

Reasons for and benefit of the Deposit Services

With reference to the Board Letter, HT Finance is regulated by NFRA. In the past years, it has been maintaining satisfactory operating results and financial position with good risks control and well-regulated management to ensure the safety of fund deposits. As the terms (including interest rates and fees charged) in respect of financial services (including the Deposit Services) contemplated under the Financial Services Framework Agreement shall be no less favourable than the terms offered by major independent commercial banks or financial institutions in the PRC for provision of similar services to the Group, and considering that the Financial Services Framework Agreement does not prevent the Group from obtaining services from other commercial banks or financial institutions, the Group may still at its discretion choose other major independent commercial banks or financial institutions in the PRC as it deems appropriate and beneficial to the Group as its financial service provider. Therefore, the Financial Services Framework Agreement allows the Group to enjoy benefits and flexibility of diversified financing channels without posing any adverse effect on the assets and liabilities of the Group. In addition, the Group could also diversify its deposit placement and enjoy interest rate which shall be no less favourable than those offered by independent third party banks/financial institutions.

Moreover, as advised by the Directors, HT Finance is familiar with the Group's business, including the Group's capital structure, business operations, funding needs, cash flow pattern, cash management and the overall financial administrative system, which enables HT Finance to offer more expedient, efficient and flexible services to the Group than independent third party banks/financial institutions.

In light of the above factors, we consider that the Deposit Services are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

Principal terms of the Deposit Services

Set out below are the key terms of the Deposit Services, details of which are set out under the section headed "Financial Services Framework Agreement" of the Board Letter.

Date:	26 June 2026
Parties:	(1) the Company; and (2) HT Finance
Subject matter:	HT Finance will provide the Group with deposit services as approved by NFRA
Term:	From the Effective Date to 31 December 2027
Pricing principles:	The deposit interest rates will be determined with reference to the prevailing deposit interest rates promulgated by the PBOC for the same type of deposit and for the same period or at a rate not lower than the interest rates of the same type of deposit provided by major commercial banks in the PRC. In addition, the deposit interest rates offered by HT Finance under the Deposit Services shall not be lower than the interest rates offered by HT Finance to other member entities under Hengtong Group for deposits of the same type.

Based on our independent research on continuing connected transactions conducted by other companies listed on the Stock Exchange involving provision of deposit services by group finance companies to listed issuers, we noted that taking into account the deposit interest rates promulgated by the PBOC and comparing interest rates of similar deposits offered by major commercial banks in the PRC is a commonly adopted pricing policy. Therefore, we consider that the pricing policy contemplated under the Financial Services Agreement is in line with market practice.

As confirmed by the Directors, there was no historical transaction relating to deposit services between the Group and HT Finance as the Group and HT Finance did not previously engage in any transactions relating to deposit services. Hence, we could not make comparison between the interest rates relating to deposit services as offered by HT Finance and independent third party banks/financial institutions.

With reference to the Board Letter, the Group has adopted certain internal approval and monitoring procedures (the "**IC Measures**") relating to the Deposit Services. The relevant finance department of the Company (including the relevant finance manager responsible for the treasury function) and senior management of the Company (such as the chief financial officer and executive Director(s) of the Company) shall be responsible for the operations and monitoring of the Deposit Services. Details of the IC Measures were set out under the section headed "Risk Management and Internal Control Measures in relation to the Deposit Services" of the Board Letter. Given that there will be interest rates comparison steps for the Deposit Services, we consider that the IC Measures are sufficient for the fair interest rate determination for the Deposit Services.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

We further noted from the IC Measures that the relevant finance department of the Company shall be responsible for closely monitoring the balance of the deposits of the Group with HT Finance on a daily basis, and controlling the Group's daily maximum deposits balance and total accrued interest therefrom to ensure that the relevant amount will not exceed the annual caps. Given the aforesaid, we consider that there are sufficient measures for monitoring the Deposit Caps.

For our due diligence purpose, we also interviewed the Group's financial controller regarding the IC Measures who also confirmed that the Company's relevant finance department and the designated personnel who are responsible for the Deposit Services (i) were aware of the IC Measures relating to the Deposit Services; and (ii) will comply with the IC Measures before entering into any separate transactions with HT Finance pursuant to the Financial Services Framework Agreement. Having considered the above, we do not doubt the effectiveness and implementation of the IC Measures.

The Deposit Caps

Set out below are the Deposit Caps (i) for the period from the Effective Date to 31 December 2026 (the "**2026 Period**"); and (ii) for the year ending 31 December 2027.

	For the period from the Effective Date to 31 December 2026 *(RMB'000)*	**For the year ending 31 December 2027 ("FY2027")** *(RMB'000)*
The Deposit Caps	200,000	200,000

Details of the bases for determining the Deposit Caps for the 2026 Period and FY2027 are set out under the section headed "Basis of Determining the Deposit Caps" of the Board Letter.

As stated under the section headed "Information on the Group" above and with reference to the Board Letter, as at 31 December 2025, the Group's Total Deposits & Cash amounted to approximately RMB1,444 million, and an appropriate portion of which that are not immediately required for operational or investment purposes could be deposited with HT Finance to earn competitive interest returns. The amount of the Group's Total Deposits & Cash as at 31 December 2025 is much larger than the Deposit Caps, which indicates the Group's possible demand of deposit services to be provided by commercial banks in the PRC and HT Finance.

The Deposit Caps of RMB200 million for the 2026 Period and FY2027 represents less than 15% of the Group's Total Deposits & Cash as at 31 December 2025, which is not a significant proportion. We consider the Deposit Caps could (i) allow the Group to utilize the Deposit Services and generate more interest income therefrom when the interest rates offered by HT Finance are higher than those offered by independent banks; and (ii) avoid over-reliance on HT Finance for the Deposit Services and limit the credit risks therefrom.

Having considered the above and the Group's demand for deposit services (including the Deposit Services and deposit services to be provided by independent banks) as indicated by the Group's Total Deposits & Cash of approximately RMB1,444 million as at 31 December 2025, we are of the view that the Deposit Caps are fair and reasonable.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong

Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the maximum amounts of the Deposit Services must be restricted by the Deposit Caps for the period concerned under the Financial Services Framework Agreement; (ii) the terms of the Deposit Services must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the transactions contemplated under the Financial Services Agreement must be included in the Company's subsequent published annual reports. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Deposit Services (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the Deposit Caps. In the event that the maximum amounts of the Deposit Services are anticipated to exceed the Deposit Caps, or that there is any proposed material amendment to the terms of the Financial Services Framework Agreement, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

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

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Deposit Services (including the Deposit Caps) are on normal commercial terms and are fair and reasonable; and (ii) the Deposit Services are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. 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 Deposit Services 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.

香港中环干诺道中88号/德辅道中173号南丰大厦12楼1209室
Room 1209, 12th Floor, Nan Fung Tower, 88 Connaught Road Central / 173 Des Voeux Road Central, Hong Kong