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**HENGXIN TECHNOLOGY LTD.**  
**亨鑫科技有限公司\***

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

*(incorporated in Singapore with limited liability)*

*(Singapore Company Registration Number 200414927H)*

**(Hong Kong Stock Code: 1085)**

**(Singapore Stock Code: I85)**

**ANNOUNCEMENT OF FINAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**FINANCIAL HIGHLIGHTS**

1. Revenue decreased by 20.1% to RMB1,134.3 million
2. Gross profit decreased by 20.5% to RMB208.4 million
3. Net profit attributable to equity holders of the parent decreased by 34.2% to RMB67.3 million
4. Basic earnings per share was RMB0.17
5. No dividend has been recommended by the Company for the financial year ended 31 December 2012

The board of directors (the “**Board**”) of Hengxin Technology Ltd. (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiary (collectively hereinafter referred as the “**Group**”) for the year ended 31 December 2012 and for the three months ended 31 December 2012 together with the comparative figures for the corresponding periods in 2011 as follows:

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2012*

	<i>Notes</i>	<b>2012</b> <i>RMB'000</i>	2011 <i>RMB'000</i>
<b>Revenue</b>	5	<b>1,134,343</b>	1,419,327
Cost of sales		<b>(925,952)</b>	(1,157,224)
<b>Gross profit</b>		<b>208,391</b>	262,103
Other income	6	<b>12,135</b>	7,405
Selling and distribution expenses		<b>(62,899)</b>	(62,522)
Administrative expenses		<b>(38,539)</b>	(41,108)
Other operating expenses		<b>(17,436)</b>	(27,147)
Finance costs	7	<b>(20,507)</b>	(13,203)
<b>Profit before income tax</b>	8	<b>81,145</b>	125,528
Income tax expense	9	<b>(13,867)</b>	(23,279)
<b>Net profit attributable to equity holders of parent</b>		<b>67,278</b>	102,249
Other comprehensive income:			
Exchange difference arising from consolidation of foreign operations		<b>(804)</b>	(290)
<b>Total comprehensive income attributable to equity holders of the parent</b>		<b>66,474</b>	101,959
<b>Earnings per share attributable to equity holders of the parent</b>			
<b>Basic and diluted</b> ( <i>RMB cents</i> )	12	<b>17.3</b>	26.4
<b>Dividends per share</b> ( <i>RMB cents</i> )	10	—	—

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the 3 months ended 31 December (“4Q”) 2012*

	<b>4Q ended 2012 RMB'000</b>	4Q ended 2011 RMB'000
<b>Revenue</b>	<b>243,315</b>	314,523
Cost of sales	<b>(196,260)</b>	(254,885)
<b>Gross profit</b>	<b>47,055</b>	59,638
Other income	<b>963</b>	3,669
Selling and distribution expenses	<b>(21,357)</b>	(16,065)
Administrative expenses	<b>(11,432)</b>	(9,680)
Other operating expenses	<b>(5,408)</b>	(7,593)
Finance costs	<b>(4,665)</b>	(3,286)
<b>Profit before income tax</b>	<b>5,156</b>	26,683
Income tax expense	<b>(931)</b>	(5,597)
<b>Net profit attributable to equity holders of parent</b>	<b>4,225</b>	21,086
Other comprehensive income:		
Exchange difference arising from consolidation of foreign operations	<b>(249)</b>	(112)
<b>Total comprehensive income attributable to equity holders of the parent</b>	<b>3,976</b>	20,974
<b>Earnings per share attributable to equity holders of the parent</b>		
<b>Basic and diluted (RMB cents)</b>	<b>1.1</b>	5.4

Profit before income tax is determined after charging (crediting) the following:

	Group			Group		
	3 mths ended 31 Dec		Change %	Full year ended 31 Dec		Change %
	2012 RMB'000	2011 RMB'000		2012 RMB'000	2011 RMB'000	
Allowance (Reversal) for inventory obsolescence	<b>501</b>	(318)	N.M.	<b>438</b>	(67)	N.M.
Depreciation of property, plant and equipment	<b>4,976</b>	4,209	18.2%	<b>18,550</b>	16,612	11.7%
Gain on disposal of available-for-sale investments	<b>(61)</b>	—	N.M.	<b>(178)</b>	(690)	-74.2%
Loss on disposal of property, plant and equipment	<b>2</b>	5	-60.0%	<b>13</b>	702	-98.1%
Amortisation of prepaid lease payments	<b>140</b>	140	0.0%	<b>560</b>	560	0.0%
Foreign exchange losses (gains)	<b>1,107</b>	3,545	-68.8%	<b>(2,292)</b>	11,825	N.M.
Interest expense	<b>4,665</b>	3,286	-74.3%	<b>20,507</b>	13,203	56.7%
Interest income	<b>(1,422)</b>	(1,543)	3.7%	<b>(4,640)</b>	(3,590)	34.2%
Research and development expenses	<b>5,398</b>	4,042	33.5%	<b>16,790</b>	14,119	18.9%

N.M.: Not meaningful

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	2012 RMB'000	2011 RMB'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances		265,853	323,710
Pledged cash deposits		20,170	52,883
Trade receivables	14	618,352	734,596
Other receivables and prepayments		24,296	28,256
Inventories		108,241	135,911
Prepaid lease payment		560	560
Total current assets		<u>1,037,472</u>	<u>1,275,916</u>
<b>Non-current assets</b>			
Prepaid lease payment		18,902	19,461
Available-for-sale investment		10,000	10,000
Property, plant and equipment		151,957	157,889
Other receivables and prepayments		5,760	5,760
Deferred tax assets		3,618	2,523
Total non-current assets		<u>190,237</u>	<u>195,633</u>
<b>Total assets</b>		<u>1,227,709</u>	<u>1,471,549</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Short term loans		41,999	230,000
Trade payables	15	156,293	258,489
Other payables		19,074	28,719
Income tax payable		1,916	12,771
Total current liabilities		<u>219,282</u>	<u>529,979</u>
<b>NET CURRENT ASSETS</b>		<u>818,190</u>	<u>745,937</u>

	<i>Notes</i>	<b>2012</b> <i>RMB'000</i>	2011 <i>RMB'000</i>
<b>Non-current liability</b>			
Deferred tax liabilities		<u>2,979</u>	<u>2,596</u>
<b>TOTAL LIABILITIES</b>		<u>222,261</u>	<u>532,575</u>
<b>NET ASSETS</b>		<u><b>1,005,448</b></u>	<u>938,974</u>
<b>Equity attributable to equity holders of the parent</b>			
Share capital		295,000	295,000
General reserves		134,381	122,889
Special reserve		(6,017)	(6,017)
Translation reserve		(1,098)	(294)
Accumulated profits		<u>583,182</u>	<u>527,396</u>
<b>TOTAL EQUITY</b>		<u><b>1,005,448</b></u>	<u>938,974</u>

**STATEMENT OF FINANCIAL POSITION — COMPANY LEVEL***As at 31 December 2012*

	<b>2012</b>	2011
	<i>RMB'000</i>	<i>RMB'000</i>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and bank balances	<b>22,863</b>	63,085
Other receivables and prepayments	<b>154</b>	128
Amount due from subsidiaries	<b>5,342</b>	9,955
	<hr/>	<hr/>
Total current assets	<b>28,359</b>	73,168
<b>Non-current assets</b>		
Subsidiaries	<b>392,386</b>	354,793
Property, plant and equipment	<b>—</b>	5
	<hr/>	<hr/>
Total non-current assets	<b>392,386</b>	354,798
	<hr/>	<hr/>
<b>Total assets</b>	<b>420,745</b>	427,966
<b>LIABILITIES AND EQUITY</b>		
<b>Current liability</b>		
Other payables	<b>3,663</b>	2,126
	<hr/>	<hr/>
Total current liability	<b>3,663</b>	2,126
	<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>	<b>24,696</b>	71,042
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>3,663</b>	2,126
	<hr/>	<hr/>
<b>NET ASSETS</b>	<b>417,082</b>	425,840
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<b>Equity attributable to equity holders of the parent</b>		
Share capital	<b>295,000</b>	295,000
Accumulated profits	<b>122,082</b>	130,840
	<hr/>	<hr/>
<b>TOTAL EQUITY</b>	<b>417,082</b>	425,840
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# CONSOLIDATED STATEMENT OF CASH FLOWS

For the period/year ended 31 December 2012

Group	1 Oct 12 to 31 Dec 12	1 Oct 11 to 31 Dec 11	1 Jan 12 to 31 Dec 12	1 Jan 11 to 31 Dec 11
<i>RMB'000</i>				
<b>Cash flows from operating activities</b>				
Profit before tax	5,156	26,683	81,145	125,528
Adjustments for:				
Depreciation of property, plant and equipment	4,976	4,209	18,550	16,612
Amortisation of leasehold land	140	140	560	560
Allowance (Reversal) for stock obsolescence	501	(318)	438	(67)
Forfeiture of a customer deposit	—	988	—	988
Loss on disposal of property, plant and equipment	2	5	13	702
Interest expense	4,665	3,286	20,507	13,203
Interest income	(1,422)	(1,543)	(4,640)	(3,590)
Gain on disposal of available-for-sale investments	(61)	—	(178)	(690)
Exchange differences arising on foreign currency translation	298	1,125	(1,764)	4,780
Operating profit before working capital changes	14,255	34,575	114,631	158,026
Trade receivables	118,944	106,019	116,244	(107,894)
Other receivables and prepayments	29,945	(4,354)	3,960	(15,298)
Inventories	(1,061)	(7,155)	27,233	(7,467)
Trade and bill payables	(97,759)	(157,641)	(102,196)	(65,762)
Other payables and accruals	5,848	4,950	(9,645)	3,243
Cash generated from (used in) operations	70,172	(23,606)	150,227	(35,152)
Interest paid	(4,665)	(3,286)	(20,507)	(13,203)
Interest income received	1,422	1,543	4,640	3,590
Income tax paid	(3,367)	(50)	(25,434)	(16,017)
Net cash generated from (used in) operating activities	63,562	(25,399)	108,926	(60,782)
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(3,921)	(14,828)	(12,631)	(34,668)
Proceeds from disposal of property, plant and equipment	—	—	—	443
Acquisition of available-for-sale investments	(15,000)	—	(45,000)	(10,000)
Proceeds from disposal of available-for-sale investments	15,061	—	45,178	2,690
Net cash used in investing activities	(3,860)	(14,828)	(12,453)	(41,535)
<b>Cash flows from financing activities</b>				
Dividend paid	—	—	—	(15,694)
Repayment of short-term bank loans	(180,195)	(130,000)	(320,000)	(190,000)
Proceeds from short-term bank loans	—	260,000	131,999	380,000
Decrease in pledged bank deposits	34,493	42,539	32,713	9,713
Net cash (used in) generated from financing activities	(145,702)	172,539	(155,288)	184,019
Net (decrease) increase in cash and cash equivalents	(86,000)	132,312	(58,815)	81,702
Effects of foreign exchange translation	(545)	(1,240)	958	(5,070)
Cash and cash equivalents at the beginning of the financial period/year	352,398	192,638	323,710	247,078
Cash and cash equivalents at the end of the financial period/year	265,853	323,710	265,853	323,710



**STATEMENT OF CHANGES IN EQUITY***Consolidated Statement of Changes in Equity for the year ended 31 December 2012*

<b>GROUP</b> <i>RMB'000</i>	<b>Share capital</b>	<b>General reserve</b>	<b>Special reserve</b>	<b>Translation reserve</b>	<b>Accumulated profits</b>	<b>Total</b>
<b>Balance at 1 January 2012</b>	<b>295,000</b>	<b>122,889</b>	<b>(6,017)</b>	<b>(294)</b>	<b>527,396</b>	<b>938,974</b>
Total comprehensive income for the year	—	—	—	<b>(804)</b>	<b>67,278</b>	<b>66,474</b>
Transfer to reserves	—	<b>11,492</b>	—	—	<b>(11,492)</b>	—
<b>Balance at 31 December 2012</b>	<b>295,000</b>	<b>134,381</b>	<b>(6,017)</b>	<b>(1,098)</b>	<b>583,182</b>	<b>1,005,448</b>

*Consolidated Statement of Changes in Equity for the year ended 31 December 2011*

<b>GROUP</b> <i>RMB'000</i>	<b>Share capital</b>	<b>General reserve</b>	<b>Special reserve</b>	<b>Translation reserve</b>	<b>Accumulated profits</b>	<b>Total</b>
<b>Balance at 1 January 2011</b>	295,000	104,839	(6,017)	(4)	458,891	852,709
Total comprehensive income for the year	—	—	—	(290)	102,249	101,959
Transfer to reserves	—	18,050	—	—	(18,050)	—
Dividends	—	—	—	—	(15,694)	(15,694)
<b>Balance at 31 December 2011</b>	<b>295,000</b>	<b>122,889</b>	<b>(6,017)</b>	<b>(294)</b>	<b>527,396</b>	<b>938,974</b>

## STATEMENT OF CHANGES IN EQUITY

*Statement of Changes in Equity of the Company for the year ended 31 December 2012*

<b>COMPANY</b> <i>RMB'000</i>	<b>Share capital</b>	<b>Accumulated profits</b>	<b>Total</b>
<b>Balance at 1 January 2012</b>	<b>295,000</b>	<b>130,840</b>	<b>425,840</b>
Total comprehensive income for the year	—	(8,758)	(8,758)
<b>Balance at 31 December 2012</b>	<b>295,000</b>	<b>122,082</b>	<b>417,082</b>

*Statement of Changes in Equity of the Company for the year ended 31 December 2011*

<b>COMPANY</b> <i>RMB'000</i>	<b>Share capital</b>	<b>Accumulated profits</b>	<b>Total</b>
<b>Balance at 1 January 2011</b>	295,000	131,648	426,648
Total comprehensive income for the year	—	14,886	14,886
Dividends	—	(15,694)	(15,694)
<b>Balance at 31 December 2011</b>	<b>295,000</b>	<b>130,840</b>	<b>425,840</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Singapore on 18 November 2004 under the Singapore Companies Act and its shares are dual primarily listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and The Stock Exchange of Hong Kong Limited (the “SEHK”) since 11 May 2006 and 23 December 2010 respectively. The registered office of the Company is located at 10 Anson Road #15-07, International Plaza, Singapore 079903. The principal place of business of the Group is located at No. 138 Taodu Road, Dingshu Town, Yixing City, Jiangsu Province, the People’s Republic of China (the “PRC”).

The Company is an investment holding company, and the principal activities of the subsidiaries are 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 Group’s operations are principally conducted in the PRC.

The consolidated financial statements are presented in Renminbi (“RMB”), being the functional currency of the Group.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

The report has been prepared in accordance with the recognition and measurement criteria of Singapore Financial Reporting Standards (“SFRS”). The report also include the applicable disclosure requirements of the Hong Kong Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and the Rules Governing the Listing of Securities on the SEHK (the “Listing Rules”).

The report is presented in RMB and all values are rounded to the nearest thousand (“RMB’000”) except when otherwise indicated.

### Accounting policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period reported on, as in the recently audited consolidated financial statements for the financial year ended 31 December 2011.

## 3. APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS

The Group adopted the new and revised SFRS that are mandatory for the periods beginning on or after 1 January 2012.

The adoption of new and revised SFRS did not have any impact on the results of the Group for the current and prior financial years.

#### 4. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products, and currently has three reportable operating segments as follows:

- Manufacturing and sale of RF Coaxial Cable Series for mobile communications (“**RF Coaxial Cables**”)
- Coaxial Cables for telecommunications equipment and accessories (“**Accessories**”)
- Others (includes Antennas and High Temperature Resistant Cables (“**HTRC**”))

An analysis by principal activity of contribution to the results is as follows:

##### Segment revenues and results

For management purpose, the Group is currently organised into two distinct core product lines — radio frequency coaxial cables, and other telecommunication equipment. These product lines are the basis on which the Group report its primary segment information.

Segment revenue and expense include the operating revenue and expenses which are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

##### GROUP

Year ended 31 December	Radio frequency coaxial cables <i>RMB'000</i>	Telecommunication equipment and accessories <i>RMB'000</i>	Others <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
<b>2012</b>					
Revenue	<u>875,414</u>	<u>252,675</u>	<u>6,254</u>	<u>—</u>	<u>1,134,343</u>
<b>Segment Results</b>					
Segment profit	76,217	22,001	1,374	(9,430)	90,162
Interest income	3,214	932	—	672	4,640
Finance costs	(16,037)	(4,648)	—	—	(20,507)
Other income					7,496
Other expenses*					<u>(646)</u>
<b>Profit before income tax</b>					<b>81,145</b>
Income tax					<u>(13,867)</u>
<b>Net profit for the year</b>					<u><b>67,278</b></u>
<b>2011</b>					
Revenue	<u>1,194,923</u>	<u>224,404</u>	<u>—</u>	<u>—</u>	<u>1,419,327</u>
<b>Segment Results</b>					
Segment profit	130,632	24,677	—	(10,955)	144,354
Interest income	2,954	554	—	82	3,590
Finance costs	(11,117)	(2,086)	—	—	(13,203)
Other income					3,815
Other expenses*					<u>(13,028)</u>
<b>Profit before income tax</b>					<b>125,528</b>
Income tax					<u>(23,279)</u>
<b>Net profit for the year</b>					<u><b>102,249</b></u>

\* *excludes research and development expenses*

Other segment information

GROUP

Year ended 31 December	Radio frequency coaxial cables <i>RMB'000</i>	Telecommunication equipment and accessories <i>RMB'000</i>	Others <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
<b>2012</b>					
Capital expenditure	2,552	740	9,339	—	12,631
Depreciation expense	13,601	3,941	1,003	5	18,550
Amortisation of leasehold land	434	126	—	—	560
Allowance for inventory obsolescence	340	98	—	—	438
<b>2011</b>					
Capital expenditure	26,300	4,935	3,433	—	34,668
Depreciation expense	13,980	2,623	—	9	16,612
Amortisation of leasehold land	472	88	—	—	560
Allowance for inventory obsolescence	(53)	(14)	—	—	(67)
<b>Statement of net assets</b>					
As at 31 December	Radio frequency coaxial cables <i>RMB'000</i>	Telecommunication equipment and accessories <i>RMB'000</i>	Others <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
<b>2012</b>					
<b>Assets:</b>					
Segment assets	925,282	267,092	12,318	—	1,204,692
Unallocated assets				23,017	23,017
Total assets					1,227,709
<b>Liabilities:</b>					
Segment liabilities	167,294	48,291	3,013	—	218,598
Unallocated liabilities				3,663	3,663
Total liabilities					222,261
<b>2011</b>					
<b>Assets:</b>					
Segment assets	1,174,067	220,327	3,982	—	1,398,376
Unallocated assets				73,173	73,173
Total assets					1,471,549
<b>Liabilities:</b>					
Segment liabilities	447,043	83,406	—	—	530,449
Unallocated liabilities				2,126	2,126
Total liabilities					532,575

## Geographical segment

The segmented information for geographical regions is based on the locations of customers and the location of the assets. In line with the group's business strategy, the market is currently grouped into three geographical regions, namely People's Republic of China, India and Others.

	For the year ended 31 December			
	Revenue from external customer		Non-current assets*	
	2012	2011	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
People's Republic of China	<b>1,050,741</b>	1,287,874	<b>179,186</b>	195,588
India	<b>57,482</b>	121,795	<b>1,051</b>	45
Others	<b>26,120</b>	9,658	—	—
Total	<b>1,134,343</b>	1,419,327	<b>180,237</b>	195,633

\* excluding available-for-sale investment

## 5. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after deduction of relevant taxes and allowances for returns and trade discounts. An analysis of the Group's revenue, other income and gains is as follows:

	For the year ended 31 December	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Sale of goods	<b>1,134,343</b>	1,419,327

The sales and net profit generated for each of the 6 months period are as follow:

Group	2012	2011	Change %
	<i>RMB'000</i>	<i>RMB'000</i>	
(a) Sales reported for first half	<b>635,816</b>	675,436	-5.9%
(b) Net profit reported for first half	<b>46,340</b>	48,986	-5.4%
(c) Sales reported for second half	<b>498,527</b>	743,891	-33.0%
(d) Net profit reported for second half	<b>20,938</b>	53,263	-60.7%
Total Sales:	<b>1,134,343</b>	1,419,327	-20.1%
Total Net Profit:	<b>67,278</b>	102,249	-34.2%

## 6. OTHER INCOME

	For the year ended 31 December	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income	4,640	3,590
Forfeiture of a customer deposit	—	988
Compensation claims received	565	1,086
Foreign exchange gains	2,292	—
Government grants	4,411	994
Government grants — Job credit scheme	—	26
Gain on disposal of available-for-sale investments	178	690
Others	49	31
Total	<u>12,135</u>	<u>7,405</u>

## 7. FINANCE COSTS

	For the year ended 31 December	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on short term bank borrowings	<u>20,507</u>	<u>13,203</u>

## 8. PROFIT BEFORE INCOME TAX

Profit before tax is arrived at after charging/(crediting) the following during the year:

	For the year ended 31 December	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories recognised as expense (including allowance of (reversal of) inventory obsolescence)	925,514	1,157,291
Depreciation of property, plant and equipment	18,550	16,612
Amortisation of leasehold land	560	560
Auditors' remuneration	1,418	1,267
Employee benefits expense	47,739	47,174
Cost of defined contribution plans	3,069	3,834
Directors' fees — directors of the Company	1,616	1,666
Directors' remuneration:		
Directors of the Company	1,840	2,640
Directors of the subsidiaries	381	1,176
Total staff costs	<u>54,645</u>	<u>56,490</u>
Research and development expenses (included in Other Operating Expenses)	16,790	14,119
Net foreign exchange (gains) losses	(2,292)	11,825
Loss on disposal of property, plant and equipment	13	702
Fair value gain on sale of available-for-sale financial assets	(178)	(690)

## 9. INCOME TAX EXPENSE

	For the year ended 31 December	
	2012	2011
	RMB'000	RMB'000
Current	14,256	22,589
Under provision of current tax in prior years	323	97
Deferred	(712)	593
	<u>13,867</u>	<u>23,279</u>

The Company is incorporated in Singapore and is subject to income tax rate of 17% for the year ended 31 December 2012 (2011: 17%).

Under the law of the People's Republic of China on Enterprise Income Tax (the "EIT Law"), applicable income tax rate of Jiangsu Hengxin Technology Co. Ltd, the Group's PRC incorporated key subsidiary, in 2012 is 15% (2011: 15%).

Taxes on profits elsewhere have been calculated at the rates of tax prevailing in the country in which the Group operates.

## 10. DIVIDENDS

No dividend has been proposed for the current financial year.

## 11. SHARE CAPITAL

Details of the changes in the Company's share capital are as follows:

Share capital — Ordinary Shares	No. of shares '000	RMB'000	SS'000
Balance as at 31 December 2011 and 2012	<u>388,000</u>	<u>295,000</u>	<u>58,342</u>

In accordance with the memorandum of association and articles of association of the Company, treasury shares are not allowed in the Company.

## 12. EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's net profit attributable to shareholders for the period/year by the weighted average number of ordinary shares outstanding during the year.

	Group 3 months ended		Group Full year ended	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
Earning per share (RMB)				
— Basic	<u>0.01</u>	0.05	<u>0.17</u>	0.26
— Diluted	<u>0.01</u>	0.05	<u>0.17</u>	0.26
Weighted average no. of shares applicable to basic EPS ('000)	<b>388,000</b>	388,000	<b>388,000</b>	388,000
Weighted average no. shares based on fully diluted basis ('000)	<b>388,000</b>	388,000	<b>388,000</b>	388,000

There were no potential dilutive ordinary shares in existence during the two years ended 31 December 2011 and 2012.



### 13. PROPERTY, PLANT AND EQUIPMENT

During the financial year ended 31 December 2012, the Group's capital expenditure was approximately RMB12.6 million (2011: RMB34.7 million).

### 14. TRADE RECEIVABLES

	As at 31 December	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	581,661	666,807
Allowance for doubtful debts	(15,762)	(15,762)
	<u>565,899</u>	<u>651,045</u>
Notes receivable	<u>52,453</u>	<u>83,551</u>

The Group allows credit period of 180 days to its trade customers. The aging of trade receivables, net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period, is as follows:

	As at 31 December	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 180 days	435,238	590,053
181 to 360 days	148,025	131,544
Over 360 days	35,089	12,999
	<u>618,352</u>	<u>734,596</u>

### 15. TRADE PAYABLES

	As at 31 December	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Outside parties	93,422	82,819
Notes payables	62,871	175,670
	<u>156,293</u>	<u>258,489</u>

Trade payables comprise amounts outstanding for trade purchases. Payment terms with suppliers are mainly on credit within 90 days from the invoice date. The aging of trade payables and notes payables are as follows:

	As at 31 December	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	84,370	126,475
91 to 180 days	67,931	111,687
181 to 360 days	2,621	19,953
Over 360 days	1,371	374
	<u>156,293</u>	<u>258,489</u>

## 16. NET ASSET VALUE

The net asset value per ordinary share of the Group and Company is shown below:

	Group		Company	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
Net Assets ( <i>RMB'000</i> )	<b>1,005,448</b>	938,974	<b>417,082</b>	425,840
Number of ordinary shares ( <i>'000</i> )	<b>388,000</b>	388,000	<b>388,000</b>	388,000
Net Asset Value per ordinary share ( <i>RMB</i> )	<b>2.59</b>	2.42	<b>1.07</b>	1.10

## 17. RELATED PARTY TRANSACTIONS

### (a) Transactions

During the financial year, the Group had the following significant transactions with Suzhou Hengli Telecommunications Materials Co. Ltd:

	Year ended 31 December	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Purchase of raw materials	<b>3,581</b>	8,730

### (b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	Year ended 31 December	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Short term benefits	<b>4,290</b>	6,540
Retirement benefits scheme contributions	<b>73</b>	91
Total	<b>4,363</b>	6,631

## 18. DONATION & CAPITAL COMMITMENTS

	As at 31 December	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Contracted but not provided for:		
Property, plant and equipment	<b>1,120</b>	6,258
Donation commitment	<b>7,000</b>	7,500
Total	<b>8,120</b>	13,758

The PRC subsidiary has committed to donate RMB500,000 per annum from 2007 for a period of 20 years to a charitable organization in the PRC.

## 19. COMMITMENTS

As at 31 December 2012, certain constructions were built on a piece of land located in the PRC (the “No. 5 Land”) amounting to approximately RMB27.8 million. In addition, the Group had prepaid RMB5.76 million as deposit for the acquisition of such land but the Group has yet to obtain the land certificate. At the end of the reporting period, the management remains committed to secure the No. 5 Land.

## 20. OPERATING LEASE ARRANGEMENTS

As at 31 December 2012, the Group had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

	As at 31 December	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	961	680
In the second to fifth years inclusive	1,177	174
	<u>2,138</u>	<u>854</u>

Operating lease payments represent rentals payable by the Group and Company for certain of its office and workshop properties. Leases are negotiated for an average of 1 to 3 years.

## **(I) MANAGEMENT DISCUSSION AND ANALYSIS**

### **Year-on-year performance — 12 months ended 31 December**

#### ***Revenue***

Group revenue for the financial year ended 31 December 2012 (“FY2012”) decreased by approximately RMB285.0 million, or approximately 20.1% from RMB1,419.3 million in the previous financial year (“FY2011”) to approximately RMB1,134.3 million in FY2012. There was a general decrease in demand for our RF cable products by telecom operators during the financial year, resulting in an overall lower sales for the financial year.

#### ***RF Coaxial Cable***

Revenue generated from RF Coaxial Cables decreased by approximately RMB319.5 million or approximately 26.7% from approximately RMB1,194.9 million in FY2011 to approximately RMB875.4 million in FY2012.

#### ***Accessories***

Revenue generated from Accessories increased by approximately RMB28.2 million or approximately 12.6% from approximately RMB224.4 million in FY2011 to approximately RMB252.6 million in FY2012.

#### ***Others***

The Group commenced its first sales for its HTRC products in 2012, generating RMB6.3 million during the year.

#### ***Gross profit margin***

The Group was able to maintain a relatively steady gross profit margin during FY2012 at approximately 18.4% compared to approximately 18.5% in FY2011. Cost control measures have been continuously undertaken and monitored by the management.

#### ***Other income***

Other income increased by approximately RMB4.7 million or approximately 63.5% from approximately RMB7.4 million in FY2011 to approximately RMB12.1 million in FY2012. The increase is mainly due to:

1. Outright government grants amounting approximately RMB4.4 million being given to the Group’s key subsidiary, Jiangsu Hengxin Technology Co. Ltd in the financial year as against RMB1.0 million in 2011; and
2. Foreign exchange gains of RMB2.3 million as compared to a loss in the previous financial year.

### ***Selling and distribution expenses***

Selling and distribution expenses increased by approximately RMB0.4 million or approximately 0.1% from approximately RMB62.5 million in FY2011 to approximately RMB62.9 million in FY2012 as a result of additional marketing efforts performed during this period.

### ***Administrative expenses***

Administrative expenses decreased by approximately RMB2.6 million or approximately 6.3% from approximately RMB41.1 million in FY2011 to approximately RMB38.5 million in FY2012. The decrease was due to the Group adopting various cost control measures during the financial year.

### ***Other operating expenses***

Other operating expenses decreased by approximately RMB9.7 million or approximately 35.8% from approximately RMB27.1 million in FY2011 to approximately RMB17.4 million in FY2012. The decrease was mainly due to an absence of foreign exchange losses in which an amount of approximately RMB11.8 million was incurred in FY2011, and is partially offset by the increase in R&D expenses by approximately RMB2.7 million.

### ***Finance costs***

Finance costs increased by approximately RMB7.3 million or approximately 55.3% from approximately RMB13.2 million in FY2011 to approximately RMB20.5 million in FY2012.

The reduction in liquidity in the PRC financial market in the first half of FY2012 led to an increase in interest rate borrowings, and with a higher amount of bills being discounted to banks, contributed to the increase in finance costs during the financial year.

### ***Profit before income tax***

Profit before income tax decreased by approximately RMB44.4 million or approximately 35.4% from approximately RMB125.5 million in FY2011 to approximately RMB81.1 million in FY2012.

### ***Income tax expense***

The Group's main subsidiary has been subject to an incentive tax rate of 15% as it has been awarded as a high-tech enterprise in the PRC. The decrease in income tax expenses is in line with the decrease in profit before tax for FY2012. Accordingly, income tax expense decreased by approximately RMB9.4 million or approximately 40.3% from approximately RMB23.3 million in FY2011 to approximately RMB13.9 million in FY2012.

### ***Net profit***

In view of the above, net profit attributable to equity holders of the parent decreased approximately RMB34.9 million from approximately RMB102.2 million in FY2011 compared to approximately RMB67.3 million in FY2012.

## **Fourth quarter (“4Q”) performance — Three months ended 31 December**

### ***Revenue***

Group revenue decreased by approximately RMB71.2 million, or approximately 22.6% from approximately RMB314.5 million in the three months ended 31 December 2011 (“4Q2011”) to approximately RMB243.3 million in the three months ended 31 December 2012 (“4Q2012”). The Group witnessed a decrease in demand for our RF Cable products by telecom operators during 4Q2012.

### ***RF Coaxial Cable***

Revenue generated from RF Coaxial Cables decreased by approximately RMB78.4 million or approximately 30.3% from approximately RMB258.8 million in 4Q2011 to approximately RMB180.7 million in 4Q2012.

### ***Accessories***

Revenue generated from Accessories increased by approximately RMB4.0 million or approximately 7.2% from approximately RMB55.7 million in 4Q2011 to approximately RMB59.1 million in 4Q2012.

### ***Others***

The Group generated revenue of approximately RMB3.5 million from the sale of its HTRC products during the period. The first sales of HTRC products were made in FY2012.

### ***Gross profit margin***

Gross profit margin for 4Q2012 stood at approximately 19.3% compared to approximately 18.9% in 4Q2011. The higher gross profit margin for the quarter is due to higher gross margins contributed by the sale of Accessories.

### ***Other income***

Other income decreased by approximately RMB2.7 million or approximately 73.0% from approximately RMB3.7 million in 4Q2011 to approximately RMB1.0 million in 4Q2012. The decrease is due mainly to:

1. an absence of a writeback of defunct trade payables, an amount which was incurred at approximately RMB1.0 million in 4Q2011;
2. decrease in compensation claims received from suppliers of approximately RMB0.5 million; and
3. foreign exchange loss amounting approximately RMB1.1 million being incurred in 4Q2012.

### ***Selling and distribution expenses***

Selling and distribution expenses increased by approximately RMB5.3 million or approximately 32.9% from approximately RMB16.1 million in 4Q2011 to approximately RMB21.4 million in 4Q2012 as a result of additional marketing efforts being performed during this period.

### ***Administrative expenses***

Administrative expenses increased by approximately RMB1.7 million or approximately 17.5% from approximately RMB9.7 million in 4Q2011 to approximately RMB11.4 million in 4Q2012 mainly due to:

1. an increase in the provision of stock obsolescence amounting RMB0.8 million due to 4Q2012 provision of RMB0.5 million against a reversal of RMB0.3 million in 4Q2011;
2. an increase in staff training costs of RMB0.4 million; and
3. an increase in depreciation expenses amounting RMB0.4 million mainly due to the commencement of use of the Group's new office building.

### ***Other operating expenses***

Other operating expenses decreased by approximately RMB2.2 million or approximately 28.9% from approximately RMB7.6 million in 4Q2011 to approximately RMB5.4 million in 4Q2012. The decrease was due to an absence of foreign exchange loss in 4Q2012, the same in which RMB3.5 million was incurred in 4Q2011, and being partially offset by an increase in R&D expenses by approximately RMB1.4 million in response to customers' technical specifications of our products.

### ***Finance costs***

Finance costs increased by approximately RMB1.4 million or approximately 42.4% from approximately RMB3.3 million in 4Q2011 to approximately RMB4.7 million in 4Q2012. The Group had discounted a higher amount of bills to banks for cash in 4Q2012, resulting in a higher amount of finance costs compared to 4Q2011.

### ***Profit before income tax***

Profit before income tax decreased by approximately RMB21.5 million or approximately 80.5% from approximately RMB26.7 million in 4Q2011 to approximately RMB5.2 million in 4Q2012 due to lower revenue and higher expenses incurred in 4Q2012.

### ***Income tax expense***

The Group's main subsidiary has been subject to an incentive tax rate of 15% as it has been awarded as a high-tech enterprise in the PRC. The decrease in income tax expenses is in line with the decrease in profit before tax for 4Q2012. Accordingly, income tax expense decreased by approximately RMB4.6 million or approximately 82.1% from approximately RMB5.6 million in 4Q2011 to approximately RMB1.0 million in 4Q2012.

### ***Net profit***

In view of the above, net profit attributable to equity holders of the parent decreased by approximately RMB16.9 million or approximately 80.1% from approximately RMB21.1 million in 4Q2011 to approximately RMB4.2 million in 4Q2012.

## STATEMENT OF FINANCIAL POSITION

Material fluctuations of balance sheet items are explained below:

### *Pledged bank deposits*

Pledged bank deposits are used as a pledge against commercial bills used for payment to suppliers. The decrease by approximately RMB32.7 million from approximately RMB52.9 million as at 31 December 2011 to approximately RMB20.2 million as at 31 December 2012 was due to lower amount of bank deposits required to be set aside as securities for a correspondingly lower amount payable in the form of commercial bills to suppliers.

### *Trade receivables*

Trade receivables decreased by approximately RMB116.2 million from approximately RMB734.6 million as at 31 December 2011 to approximately RMB618.4 million as at 31 December 2012.

Average trade receivables turnover days are 223 days as at 31 December 2012 compared to 179 days as at 31 December 2011. The increase, despite a positive operating cash flows for both 4Q2012 and FY2012, is due to a lower revenue base in 2012 being used in arriving at the average trade receivables turnover days.

### *Other receivables and prepayments*

Other receivables and prepayments decreased by approximately RMB4.0 million from approximately RMB28.3 million as at 31 December 2011 to approximately RMB24.3 million as at 31 December 2012. The decrease was due mainly to a reduction in advances to suppliers during the period.

### *Inventories*

Inventories (comprising raw materials, work-in-progress and finished goods) decreased by approximately RMB27.7 million from approximately RMB135.9 million as at 31 December 2011 to approximately RMB108.2 million as at 31 December 2012.

The decrease is in line with lower anticipated orders from telecom operators.

### *Property, plant and equipment*

Property, plant and equipment decreased by approximately RMB5.9 million from approximately RMB157.9 million as at 31 December 2011 to approximately RMB152.0 million as at 31 December 2012 due to depreciation, and offset by certain acquisitions of fixed assets during the year.

### *Short-term bank loans*

Short-term bank loans decreased by approximately RMB188.0 million from approximately RMB230.0 million as at 31 December 2011 to approximately RMB42.0 million as at 31 December 2012 as there was an easing of working capital requirements as at 31 December 2012.



### *Trade payables and Other payables*

Trade payables decreased by approximately RMB102.2 million from approximately RMB258.5 million as at 31 December 2011 to approximately RMB156.3 million as at 31 December 2012 in line with the decrease in purchases for raw materials during the period.

Other payables and accruals decreased by approximately RMB9.6 million from approximately RMB28.7 million as at 31 December 2011 to approximately RMB19.1 million as at 31 December 2012. The decrease in balance arose mainly due to certain year end performance payments being made in the middle of the year, resulting in an overall lower balance at year end.

### *Income tax payable*

Income tax payable decreased by approximately RMB10.9 million during the period due to lower profits achieved during 4Q2012.

### *Cash and bank balances*

Cash and bank balances decreased by approximately RMB57.8 million from RMB323.7 million to approximately RMB265.9 million mainly due to the repayment of short term bank borrowings and payment towards trade payables during the year.

## **(II) LIQUIDITY, FINANCIAL RESOURCES**

In addition to its short-term interest-bearing facilities, the Group generally finances its operations from cash flows generated internally.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of debt and equity balance.

The Management monitors capital based on the Group net gearing ratio. The Group net gearing ratio is calculated as net borrowings divided by total equity. Net borrowings are calculated as total short-term loans less cash and cash equivalents at the end of the reporting period.

	As at 31 December	
	2012	2011
	RMB'000	RMB'000
Net cash borrowings	(223,854)	(93,710)
Total equity	1,005,448	938,974
Net debt to equity ratio (%)	<u>(22.26)</u>	<u>(9.98)</u>

Amount repayable in one year or less, or on demand:

As at 31 December 2012		As at 31 December 2011	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
—	41,999	—	230,000

There is no amount repayable after one year.

**(III) PROSPECTS (A COMMENTARY AT THE DATE OF THE ANNOUNCEMENT OF THE COMPETITIVE CONDITIONS OF THE INDUSTRY IN WHICH THE GROUP OPERATES AND ANY KNOWN FACTORS OR EVENTS THAT MAY AFFECT THE GROUP IN THE NEXT REPORTING PERIOD AND THE NEXT 12 MONTHS)**

With the advent of 3G, telecom operators within and outside the PRC have been demanding better and higher quality RF cabling systems at even lower costs. This has led to greater competition with continued pressure on selling prices and narrowing margins. Amid the factors above, the Group had managed to maintain its market share in the PRC, which continues to be the Group's key business contributor.

Looking ahead, the telecoms industry, especially in the areas of mobile networks, will remain sluggish and challenging. The Group will continue its efforts to monitor changing market conditions closely, make proactive refinements on the business strategy and equip itself to grasp the opportunities in the market whenever they arise. Resources will be devoted to broadening its product variety as well as enhance its branding in expanding the Group's business contributors in the long run. In addition, we will capitalize on our good relationships with our suppliers and customers to, amongst others, negotiate more favourable prices, and continue to market the Group's antenna products.

**(IV) SUPPLEMENTARY INFORMATION**

**1. Reconciliation between SFRSs and IFRSs**

For the year ended 31 December 2012, there were no expected material differences between the consolidated financial statements of the Group under SFRSs and IFRSs (this includes all of IFRS, International Accounting Standards and Interpretations).

**2. Operational and Financial Risk Management**

*(i) Market risk*

The major market risks the Group is exposed to include changes in the sale prices of key products, changes in the costs of raw materials (mainly copper) and fluctuations in interest and foreign exchange rates.

*(ii) Commodity price risk*

The Group is also exposed to commodity price risk arising from fluctuations in product sale prices and costs of raw materials.

*(iii) Interest rate risk*

The major market interest rate risk that the Group is exposed to includes the Group's short-term debt obligations which are subject to variable interest rates.

*(iv) Foreign currency risk*

The Group's revenue and costs are denominated in RMB, Indian Rupees ("INR") and United States Dollars ("USD"). Some costs may be denominated in HKD, INR or Singapore Dollars ("SGD").

### **3. Contingent liabilities**

There are no contingent liabilities as at 31 December 2012.

### **4. Employees and Remuneration Policies**

As at 31 December 2012, there were 676 (2011: 698) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

The Company adopted the share option scheme for its employees at an extraordinary general meeting held on 27 October 2010 (the “**Scheme**”). No option has been granted under the Scheme since its adoption and up to the date of this announcement.

### **5. Material Litigation and Arbitration**

As at 31 December 2012, the Group was not involved in any material litigation or arbitration.

### **6. Audit Committee**

The Company’s audit committee members are Mr. Tay Ah Kong Bernard, Mr. Chee Teck Kwong Patrick, Mr. Tam Chi Kwan Michael and Ms. Zhang Zhong. The audit committee, which is chaired by Mr. Tay Ah Kong Bernard, has reviewed the annual results of the Group for the year ended 31 December 2012.

### **7. Compliance with Corporate Governance Code**

The Company has complied with all the code provisions as set out in the Code on Corporate Governance Practices (formerly set out in Appendix 14 to the Listing Rules) and the new addition of the Corporate Governance Code which is applicable to financial reports for the year ended 31 December 2012.

### **8. Compliance with the Model Code for Securities Transactions by Directors of Listed Issuer**

The Board confirms, having made specific enquiries with all directors and supervisors, that during the year ended 31 December 2012, all members of the Board and all supervisors have complied with the required standards of the Model Code for Securities Transactions by Directors of Listed Issuer as set out in Appendix 10 of the Listing Rules.

### **9. Annual General Meeting**

The 2012 annual general meeting of the Company will be held on 24 April 2013 in Singapore. For further details of the annual general meeting, please refer to the Notice of Annual General Meeting, which will be despatched in due course.

### **10. Review of financial results**

The results have not been audited or reviewed by the Company’s auditors.

## **11. Audit or review in accordance with applicable accounting standards**

The figures have not been audited or reviewed by the Company's auditors.

The figures in respect of the results announcement of the Group for the year ended 31 December 2012 have been checked by the Company's auditors, Deloitte & Touche LLP. The work performed by Deloitte & Touche LLP in this respect did not constitute an assurance engagement in accordance with Singapore Standards of Auditing, Singapore Standards on Review Engagements or Singapore Standards on Assurance Engagements and consequently no assurance has been expressed by Deloitte & Touche LLP on the Results Announcement.

## **12. Auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

## **13. Dividends**

No dividend has been recommended by the Company for the financial year ended 31 December 2012.

## **14. Purchase, Sales or Redemption of the Company's Securities**

For the year ended 31 December 2012, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the securities of the Company.

## **15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to SGX Listing Manual Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Cui Guoqiang	38	Nephew of Mr. Cui Genxiang, Executive Chairman of the Company	He is an Assistant to Deputy General Manager and is responsible for sales. He joined the Company on 3 February 2008.	N/A

## **16. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under SGX Listing Manual Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No mandate from shareholders has been obtained for IPTs.

## 17. Disclosure on the Website of the Exchanges

This announcement shall be published on the website of SGX-ST (<http://www.sgx.com>), the SEHK (<http://www.hkex.com.hk>) and on the Company's website (<http://www.hengxin.com.sg>).

## 18. Use of IPO proceeds

As at the date of the financial period reported on, the Company has utilised approximately RMB42.8 million of the net proceeds raised from the dual primary listing on the Stock Exchange of Hong Kong Limited (the "IPO Proceeds").

The details of the use of the IPO Proceeds are tabulated below:

Intended Use	Revised	Used	Balance
	Amount <sup>(1)</sup>		
	RMB'000	RMB'000	RMB'000
Diversify product portfolio of High Temperature Resistant Cables	7,130	2,220	4,910
Diversify product portfolio of Antennas	35,370	28,885	6,485
Expansion of sales network into overseas market	7,382	718	6,664
Enhance research and development	7,382	3,731	3,651
General working capital	23,859	7,204	16,655
Total	<u>81,123</u>	<u>42,758</u>	<u>38,365</u>

(1) Please refer to the Company's announcement dated 9 October 2012 on the change in use of proceeds.

## 19. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's 4Q2012 result is in line with the profit guidance which was announced on 4 February 2013.

By Order of the Board  
**Hengxin Technology Ltd**  
**Cui Genxiang**  
*Executive Chairman*

Singapore, 20 February 2013

*As at the date of this announcement, the executive directors of the Company are Mr. Cui Genxiang and Mr. Xu Guoqiang; the non-executive director is Ms. Zhang Zhong; and the non-executive independent directors are Mr. Tay Ah Kong Bernard, Mr. Chee Teck Kwong Patrick and Mr. Tam Chi Kwan Michael.*

\* for identification purpose only