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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 Registration No.: 200414927H)

(Hong Kong Stock Code: 1085)

(Singapore Stock Code: I85)

OVERSEAS REGULATORY ANNOUNCEMENT THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

This overseas regulatory announcement is a reproduction of the announcement made by Hengxin Technology Ltd. (the “**Company**”) regarding the third quarter results of the Company and its subsidiaries (collectively the “**Group**”) for the period ended 30 September 2013 pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). In compliance with Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, please refer to the attached announcement on the next page issued on the SGX-ST on 5 November 2013.

This quarterly report is prepared in accordance with relevant regulations of the SGX-ST. The financial information set out in this quarterly report has been prepared in accordance with Singapore Financial Reporting Standard and has not been audited nor reviewed by auditors. Shareholders of the Company and public investors should exercise caution when trading in the shares of the Company.

By order of the Board of
Hengxin Technology Ltd.
Cui Genxiang
Executive Director

Hong Kong, 5 November 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 of the Company is Ms. Zhang Zhong; and the independent non-executive Directors of the Company are Mr. Tay Ah Kong Bernard, Mr. Chee Teck Kwong Patrick and Mr. Tam Chi Kwan Michael.

* *For identification purpose only*

The board of directors (the “**Board**”) of the Company is pleased to announce the unaudited consolidated results of the Group for the nine months ended 30 September 2013 and for the three months ended 30 September 2012 together with the comparative figures for the corresponding periods in 2012 as follow:

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT

For the nine months ended 30 September (“9M”)

	<i>Notes</i>	9M2013 RMB’000 (unaudited)	9M2012 <i>RMB’000</i> (unaudited)
Revenue	5	851,412	891,028
Cost of sales		(681,136)	(729,692)
Gross profit		170,276	161,336
Other income	6	5,203	11,172
Selling and distribution expenses		(42,429)	(41,542)
Administrative expenses		(27,666)	(27,107)
Other operating expenses		(21,363)	(12,028)
Finance costs	7	(3,094)	(15,842)
Profit before income tax	8	80,927	75,989
Income tax expense	9	(19,747)	(12,936)
Net profit attributable to equity holders of parent		61,180	63,053
Other comprehensive income			
Items that may be classified subsequently to profit or loss:			
Exchange difference arising from consolidation of foreign operations		(156)	(555)
Total comprehensive income attributable to equity holders of the parent		61,024	62,498
Earnings per share attributable to equity holders of the parent			
Basic and diluted (<i>RMB cents</i>)	12	15.7	16.1

CONSOLIDATED INCOME STATEMENT*For the three months ended 30 September ("3Q")*

	3Q2013 <i>RMB'000</i> (unaudited)	3Q2012 <i>RMB'000</i> (unaudited)
Revenue	348,226	255,212
Cost of sales	(277,262)	(207,535)
Gross profit	70,964	47,677
Other income	789	4,124
Selling and distribution expenses	(18,326)	(13,960)
Administrative expenses	(10,192)	(9,113)
Other operating expenses	(8,022)	(4,716)
Finance costs	(1,125)	(4,270)
Profit before income tax	34,088	19,742
Income tax expense	(5,918)	(3,029)
Net profit attributable to equity holders of parent	28,170	16,713
Other comprehensive income		
Items that may be classified subsequently to profit or loss:		
Exchange difference arising from consolidation of foreign operations	(107)	(186)
Total comprehensive income attributable to equity holders of the parent	28,063	16,527
Earnings per share attributable to equity holders of the parent		
Basic and diluted (<i>RMB cents</i>)	7.2	4.3

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:

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

	Group			Group		
	3 months ended		Change	9 months ended		Change
	2013	2012		2013	2012	
	<i>RMB'000</i>	<i>RMB'000</i>	%	<i>RMB'000</i>	<i>RMB'000</i>	%
	(unaudited)	(unaudited)		(unaudited)	(unaudited)	
Reversal of inventory obsolescence	—	—	0.0%	—	(63)	-100.0%
Depreciation of property, plant and equipment	4,562	4,860	-6.1%	14,676	13,574	8.1%
Gain on disposal of available-for-sale investment	—	(49)	-100.0%	—	(117)	-100.0%
Loss on disposal of property, plant and equipment	7	1	N.M.	93	11	N.M.
Amortisation of prepaid lease payments	140	140	0.0%	420	420	0.0%
Foreign exchange losses (gains)	432	(2,756)	N.M.	3,817	(3,399)	N.M.
Interest expense	1,125	4,270	-73.7%	3,094	15,842	-80.5%
Interest income	(557)	(989)	-43.7%	(2,006)	(3,218)	-37.7%
Research and development expenses	5,295	5,165	2.5%	14,649	11,392	28.6%

N.M.: Not meaningful

1(a)(iii) Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME

	Group		Change
	3 months ended 30 September	2012	
	2013	2012	%
	<i>RMB'000</i>	<i>RMB'000</i>	
Net profit	28,170	16,713	68.6%
Other comprehensive income			
Items that may be subsequently classified to profit or loss:			
Exchange differences arising from consolidation of foreign operations	<u>(107)</u>	<u>(186)</u>	-42.5%
Total comprehensive income for the period	<u>28,063</u>	<u>16,527</u>	69.8%

	Group		Change
	9 months ended 30 September	2012	
	2013	2012	%
	<i>RMB'000</i>	<i>RMB'000</i>	
Net profit	61,180	63,053	-3.0%
Other comprehensive income			
Items that may be subsequently classified to profit or loss:			
Exchange differences arising from consolidation of foreign operations	<u>(156)</u>	<u>(555)</u>	-71.9%
Total comprehensive income for the period	<u>61,024</u>	<u>62,498</u>	-2.4%

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year (in RMB).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
		30 September 2013	31 December 2012
	<i>Notes</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
ASSETS			
Current assets			
Cash and bank balances		267,986	265,853
Pledged cash deposits		3,068	20,170
Trade receivables	14	708,405	618,352
Other receivables and prepayments		83,786	24,297
Inventories		110,448	108,241
Leasehold land		560	560
		<hr/>	<hr/>
Total current assets		1,174,253	1,037,473
Non-current assets			
Leasehold land		18,482	18,901
Property, plant and equipment	13	140,365	151,957
Other receivables and prepayments		5,760	5,760
Available-for-sale investment		10,000	10,000
Deferred tax assets		3,469	3,618
		<hr/>	<hr/>
Total non-current assets		178,076	190,236
		<hr/>	<hr/>
Total assets		1,352,329	1,227,709

		As at	
		30 September 2013	31 December 2012
	<i>Notes</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
LIABILITIES AND EQUITY			
Current liabilities			
Short term loans		181,610	41,999
Trade payables	15	73,464	156,293
Other payables		21,665	19,074
Income tax payable		5,756	1,916
		<hr/>	<hr/>
Total current liabilities		282,495	219,282
		<hr/>	<hr/>
NET CURRENT ASSETS		891,758	818,191
		<hr/>	<hr/>
Non-current liability			
Deferred tax liabilities		3,362	2,979
		<hr/>	<hr/>
TOTAL LIABILITIES		285,857	222,261
		<hr/>	<hr/>
NET ASSETS		1,066,472	1,005,448
		<hr/> <hr/>	<hr/> <hr/>
Equity attributable to equity holders of the parent			
Share capital	11	295,000	295,000
General reserves		137,682	134,381
Special reserve		(6,017)	(6,017)
Translation reserve		(1,254)	(1,098)
Accumulated profits		641,061	583,182
		<hr/>	<hr/>
TOTAL EQUITY		1,066,472	1,005,448
		<hr/> <hr/>	<hr/> <hr/>
TOTAL EQUITY AND LIABILITIES		1,352,329	1,227,709
		<hr/> <hr/>	<hr/> <hr/>

STATEMENT OF FINANCIAL POSITION — COMPANY LEVEL

	As at	
	30 September	31 December
	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
ASSETS		
Current assets		
Cash and bank balances	19,201	22,863
Other receivables and prepayments	219	154
Amount due from subsidiaries	95,922	5,342
Total current assets	<u>115,342</u>	<u>28,359</u>
Non-current assets		
Subsidiaries	392,544	392,386
Total non-current assets	<u>392,544</u>	<u>392,386</u>
Total assets	<u>507,886</u>	<u>420,745</u>
LIABILITIES AND EQUITY		
Current liabilities		
Other payables	4,080	3,663
Total current liabilities	<u>4,080</u>	<u>3,663</u>
NET CURRENT ASSETS	<u>111,262</u>	<u>24,696</u>
Non-current liability		
Deferred tax liabilities	—	—
Total non-current liability	<u>—</u>	<u>—</u>
TOTAL LIABILITIES	<u>4,080</u>	<u>3,663</u>
NET ASSETS	<u>503,806</u>	<u>417,082</u>
Equity attributable to equity holders of the parent		
Share capital	295,000	295,000
Accumulated profits	208,806	122,082
TOTAL EQUITY	<u>503,806</u>	<u>417,082</u>
TOTAL EQUITY AND LIABILITIES	<u>507,886</u>	<u>420,745</u>

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September

Group <i>RMB'000</i>	1 Jul 13 to 30 Sep 13 (unaudited)	1 Jul 12 to 30 Sep 12 (unaudited)	1 Jan 13 to 30 Sep 13 (unaudited)	1 Jan 12 to 30 Sep 12 (unaudited)
Cash flows from operating activities				
Profit before income tax	34,088	19,742	80,927	75,989
Adjustments for:				
Depreciation of property, plant and equipment	4,562	4,860	14,676	13,574
Amortisation of prepaid lease payments	140	140	420	420
(Reversal of) Allowance for inventory obsolescence	—	—	—	(63)
(Gain) loss on disposal of property, plant and equipment	7	1	93	11
Interest expense	1,125	4,270	3,094	15,842
Interest income	557	(989)	2,006	(3,218)
Gain on disposal of available-for-sale investment	—	(49)	—	(117)
Exchange differences arising on foreign currency translation	(1,429)	(1,781)	(1,640)	(3,069)
Operating profit before working capital changes	39,050	26,194	99,576	99,369
Trade receivables	23,318	125,491	(90,053)	(2,700)
Other receivables and prepayments	(24,534)	(10,809)	(59,489)	(25,985)
Inventories	(8,606)	14,132	(2,207)	28,292
Trade and bill payables	(49,843)	20,272	(82,829)	(4,439)
Other payables and accruals	947	(2,112)	2,591	(15,493)
Cash generated from operations	(19,668)	173,168	(132,411)	79,044
Interest paid	(1,125)	(4,270)	(3,094)	(15,842)
Interest income received	557	989	2,006	3,218
Income tax paid	(5,440)	(5,790)	(15,375)	(22,067)
Net cash (used in) generated from operating activities	(25,676)	164,097	(148,874)	44,353

Group <i>RMB'000</i>	1 Jul 13 to 30 Sep 13 (unaudited)	1 Jul 12 to 30 Sep 12 (unaudited)	1 Jan 13 to 30 Sep 13 (unaudited)	1 Jan 12 to 30 Sep 12 (unaudited)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(559)	(5,088)	(3,213)	(8,710)
Proceeds from disposal of property, plant and equipment	—	—	36	—
Acquisition of available-for-sale investment	—	(15,000)	—	(30,000)
Proceeds from disposal of available-for-sale investment	—	15,049	—	30,117
Net cash used in investing activities	<u>(559)</u>	<u>(5,039)</u>	<u>(3,177)</u>	<u>(8,593)</u>
Cash flows from financing activities				
Repayment of short-term bank loans	(30,000)	(60,013)	(101,999)	(140,014)
Proceeds from short-term bank loans	181,610	62,207	241,610	132,208
(Increase) decrease in pledged bank deposits	(2,246)	(17,188)	17,102	(1,780)
Net cash from (used in) financing activities	<u>149,364</u>	<u>(14,994)</u>	<u>156,713</u>	<u>(9,586)</u>
Net increase in cash and cash equivalents	123,129	144,064	4,662	26,174
Effects of foreign exchange translation	(308)	1,596	(2,529)	2,514
Cash and cash equivalents at the beginning of the period	<u>145,165</u>	<u>206,738</u>	<u>265,853</u>	<u>323,710</u>
Cash and cash equivalents at the end of the period	<u>267,986</u>	<u>352,398</u>	<u>267,986</u>	<u>352,398</u>

(1)(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the period ended 30 September 2013

GROUP <i>RMB'000</i>	Share capital	General reserve	Special reserve	Translation reserve	Accumulated profits	Total
Balance at 1 January 2013	295,000	134,381	(6,017)	(1,098)	583,182	1,005,448
Total comprehensive income for the period	—	—	—	(156)	61,180	61,024
Transfer to reserves	—	3,301	—	—	(3,301)	—
Balance at 30 September 2013	295,000	137,682	(6,017)	(1,254)	641,061	1,066,472

Consolidated Statement of Changes in Equity for the period ended 30 September 2012

GROUP <i>RMB'000</i>	Share capital	General reserve	Special reserve	Translation reserve	Accumulated profits	Total
Balance at 1 January 2012	295,000	122,889	(6,017)	(294)	527,396	938,974
Total comprehensive income for the period	—	—	—	(555)	63,053	62,498
Transfer to reserves	—	2,787	—	—	(2,787)	—
Balance at 30 September 2012	295,000	125,676	(6,017)	(849)	587,662	1,001,472

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity of the Company for the period ended 30 September 2013

COMPANY <i>RMB'000</i>	Share capital	Accumulated profits	Total
Balance at 1 January 2013	295,000	122,082	417,082
Total comprehensive income for the period	—	86,724	86,724
Balance at 30 September 2013	295,000	208,806	503,806

Statement of Changes in Equity of the Company for the period ended 30 September 2012

COMPANY <i>RMB'000</i>	Share capital	Accumulated profits	Total
Balance at 1 January 2012	295,000	130,840	425,840
Total comprehensive income for the period	—	(5,465)	(5,465)
Balance at 30 September 2012	295,000	125,375	420,375

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 #32-15, 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 Group 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 presentation currency of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The report has been prepared in accordance with the measurement and recognition criteria of the 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 period reported on, as in the recently audited consolidated financial statements for the financial year ended 31 December 2012.

3. APPLICATION OF SFRS

The Group adopted the new and revised SFRS that are mandatory for the periods beginning on or after 1 January 2013.

The adoption of new and revised SFRS did not have any impact on the results of the Group for the period ended 30 September 2013.

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)

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 reports 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

Nine months ended 30 September	Radio frequency	Telecommunication	Others	Unallocated	Total
	coaxial cables	equipment and accessories			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2013					
Revenue	646,006	200,015	5,391	—	851,412
Segment Results					
Segment profit	72,730	22,466	1,538	(13,288)	83,446
Interest income	1,523	471	—	12	2,006
Finance costs	(2,364)	(730)	—	—	(3,094)
Other income					3,197
Other expenses*					(4,628)
Profit before income tax					80,927
Income tax					(19,747)
Net profit for the period					61,180
2012					
Revenue	694,654	193,519	2,855	—	891,028
Segment Results					
Segment profit	67,637	18,844	715	(5,901)	81,295
Interest income	2,176	606	—	436	3,218
Finance costs	(12,390)	(3,452)	—	—	(15,842)
Other income					7,954
Other expenses*					(636)
Profit before income tax					75,989
Income tax					(12,936)
Net profit for the period					63,053

* exclude research and development expenses

Other segment information

GROUP

Nine months ended 30 September	Radio frequency	Telecommunication	Others	Unallocated	Total
	coaxial cables	equipment and accessories			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2013					
Capital expenditure	842	260	2,111	—	3,213
Depreciation expense	10,321	3,188	1,166	1	14,676
Amortisation of leasehold land	321	99	—	—	420
2012					
Capital expenditure	3,029	844	7,296	—	11,169
Depreciation expense	10,110	2,817	642	5	13,574
Amortisation of leasehold land	328	92	—	—	420
Reversal of inventory obsolescence	(49)	(14)	—	—	(63)

Statement of net assets

	Radio frequency	Telecommunication	Others	Unallocated	Total
	coaxial cables	equipment and accessories			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 September 2013					
Assets:					
Segment assets	1,002,684	309,729	20,496	—	1,332,909
Unallocated assets				19,420	19,420
Total assets					1,352,329
Liabilities:					
Segment liabilities	213,958	66,092	1,727	—	281,777
Unallocated liabilities				4,080	4,080
Total liabilities					285,857
As at 31 December 2012					
Assets:					
Segment assets	925,282	267,092	12,318	—	1,204,692
Unallocated assets				23,017	23,017
Total assets					1,229,709
Liabilities:					
Segment liabilities	167,294	48,291	3,013	—	218,598
Unallocated liabilities				3,663	3,663
Total liabilities					222,261

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 Central Asia, South Asia and others.

	Revenue from external customers		Non-current assets*	
	For the nine months ended		As at	
	30 September 2013 RMB'000	2012 RMB'000	30 September 2013 RMB'000	31 December 2012 RMB'000
Central Asia	766,266	823,587	164,607	190,302
South Asia	21,619	52,604	1	26
Others	63,527	14,837	—	—
Total	<u>851,412</u>	<u>891,028</u>	<u>164,608</u>	<u>190,328</u>

* Excludes deferred tax asset and 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 nine months ended	
	30 September 2013 RMB'000 (unaudited)	2012 RMB'000 (unaudited)
Sale of goods	<u>851,412</u>	<u>891,028</u>

6. OTHER INCOME

	For the nine months ended	
	30 September 2013 RMB'000 (unaudited)	2012 RMB'000 (unaudited)
Government grants	2,690	4,139
Interest income	2,006	3,218
Foreign exchange gains	—	3,399
Gain on disposal of available-for-sale investment	—	117
Others	507	299
Total	<u>5,203</u>	<u>11,172</u>

7. FINANCE COSTS

For the nine months ended
30 September
2013 2012
RMB'000 *RMB'000*
(unaudited) **(unaudited)**

Interest on short term bank borrowings	3,094	15,842
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8. PROFIT BEFORE INCOME TAX

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

For the nine months ended
30 September
2013 2012
RMB'000 *RMB'000*
(unaudited) **(unaudited)**

Cost of inventories recognised as expense (including allowance of (reversal of) inventory obsolescence)	681,136	729,755
Depreciation of property, plant and equipment	14,676	13,574
Amortisation of leasehold land	420	420
Employee benefits expense	38,823	30,386
Cost of defined contribution plans	2,343	4,486
Directors' fees — directors of the Company	1,183	1,207
Directors' remuneration:		
Directors of the Company	1,355	1,368
Directors of the subsidiaries	29	371
Total staff costs	43,733	37,818
Net foreign exchange losses (gains)	3,817	(3,399)
Loss on disposal of property, plant and equipment	93	11
Gain on disposal of available-for-sale investments	—	(117)

9. INCOME TAX EXPENSE

For the nine months ended
30 September
2013 2012
RMB'000 *RMB'000*
(unaudited) **(unaudited)**

Current	19,215	12,581
Deferred	532	355
	19,747	12,936

The Company is incorporated in Singapore and is subject to income tax rate of 17% for the nine months ended 30 September 2013 (2012: 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 2013 is 15% (2012: 15%).

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

10. DIVIDENDS

The Company did not recommend or declare any dividend for the nine months ended 30 September 2013. No dividend was also declared nor paid for the previous financial period ended 30 September 2012.

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	S\$'000
Balance as at 31 December 2012 and 30 September 2013	388,000	295,000	58,342

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 by the weighted average number of ordinary shares outstanding during the period.

	Group		Group	
	3 months ended		9 months ended	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings per share (<i>RMB</i>)				
— Basic	<u>0.07</u>	<u>0.04</u>	<u>0.16</u>	<u>0.16</u>
— Diluted	<u>0.07</u>	<u>0.04</u>	<u>0.16</u>	<u>0.16</u>
Weighted average no. of shares applicable to basic EPS ('000)	388,000	388,000	388,000	388,000
Weighted average no. of shares based on fully diluted basis ('000)	388,000	388,000	388,000	388,000

There were no potential dilutive ordinary shares in existence during the period ended 30 September 2012 and 2013.

13. PROPERTY, PLANT AND EQUIPMENT

During the nine months ended 30 September 2013, the Group's capital expenditure was approximately RMB3.2 million (2012: RMB11.2 million).

14. TRADE RECEIVABLES

	30 September 2013 RMB'000 (unaudited)	31 December 2012 RMB'000 (audited)
Trade receivables	673,415	581,661
Allowance for doubtful debts	<u>(15,762)</u>	<u>(15,762)</u>
Net	657,653	565,899
Notes receivable	<u>50,752</u>	<u>52,453</u>
Total	<u><u>708,405</u></u>	<u><u>618,352</u></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:

	30 September 2013 RMB'000 (unaudited)	31 December 2012 RMB'000 (audited)
0 to 180 days	509,694	435,238
181 to 360 days	116,568	148,025
1 to 2 years	<u>82,143</u>	<u>35,089</u>
	<u><u>708,405</u></u>	<u><u>618,352</u></u>

15. TRADE PAYABLES

	30 September 2013 RMB'000 (unaudited)	31 December 2012 RMB'000 (audited)
Trade payables	73,464	93,422
Bill payables	<u>—</u>	<u>62,871</u>
	<u><u>73,464</u></u>	<u><u>156,293</u></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:

	30 September 2013 RMB'000 (unaudited)	31 December 2012 RMB'000 (audited)
0 to 90 days	66,456	84,370
91 to 180 days	2,201	67,931
181 to 360 days	2,812	2,621
Over 360 days	<u>1,995</u>	<u>1,371</u>
	<u><u>73,464</u></u>	<u><u>156,293</u></u>

16. NET ASSET VALUE

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

	Group		Company	
	30-Sep-13 (unaudited)	31-Dec-12 (audited)	30-Sep-13 (unaudited)	31-Dec-12 (audited)
Net Assets (<i>RMB'000</i>)	1,066,472	1,005,448	503,806	417,082
Number of ordinary shares (<i>'000</i>)	388,000	388,000	388,000	388,000
Net Asset Value per ordinary share (<i>RMB</i>)	<u>2.75</u>	<u>2.59</u>	<u>1.30</u>	<u>1.07</u>

17. RELATED PARTY TRANSACTIONS

(a) Transactions

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

	For the nine months ended 30 September	
	2013 <i>RMB'000</i> (unaudited)	2012 <i>RMB'000</i> (unaudited)
Purchase of raw materials	<u>2,533</u>	<u>3,366</u>

(b) Compensation of key management personnel

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

	For the nine months ended 30 September	
	2013 <i>RMB'000</i> (unaudited)	2012 <i>RMB'000</i> (unaudited)
Short term benefits	2,739	3,054
Retirement benefits scheme contribution	<u>73</u>	<u>55</u>
Total	<u>2,812</u>	<u>3,109</u>

18. CAPITAL COMMITMENTS

	As at	
	30 September 2013 <i>RMB'000</i>	31 December 2012 <i>RMB'000</i>
Contracted but not provided for:		
Property, plant and equipment	593	1,120
Donation commitment	<u>6,500</u>	<u>7,000</u>
Total	<u>7,093</u>	<u>8,120</u>

19. COMMITMENT

As at 30 September 2013, the net book value of certain constructions were built on a piece of land located in the PRC (the “No. 5 Land”) amounted to approximately RMB26.9 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 30 September 2013, the Group had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

	As at	
	30 September 2013 <i>RMB'000</i>	31 December 2012 <i>RMB'000</i>
Within one year	1,164	961
In the second to fifth years inclusive	<u>506</u>	<u>1,177</u>
	<u><u>1,670</u></u>	<u><u>2,138</u></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

Material changes are explained below:

Nine months performance — Nine months ended 30 September

Revenue

Revenue decreased by approximately RMB39.6 million, or approximately 4.4% from approximately RMB891.0 million in the nine months ended 30 September 2012 (“**9M2012**”) to approximately RMB851.4 million in the nine months ended 30 September 2013 (“**9M2013**”). Lower demand from telecom operators on our products in the domestic market resulted in a lower revenue earned during the period.

RF Coaxial Cable

Revenue generated from RF Coaxial Cables decreased by approximately RMB48.7 million or approximately 7.0% from approximately RMB694.7 million in 9M2012 to approximately RMB646.0 million in 9M2013.

Accessories

Revenue generated from Accessories increased by approximately RMB6.5 million or approximately 3.4% from approximately RMB193.5 million in 9M2012 to approximately RMB200.0 million in 9M2013.

Others

Revenue generated from this segment increased by approximately RMB2.6 million or approximately 92.9% from RMB2.8 million in 9M2012 to RMB5.4 million in 9M2013.

Gross profit margin

The Group achieved an overall gross profit margin of approximately 20.0% in 9M2013 compared to 9M2012 at 18.1%. This was due to RF Coaxial Cables which traditionally generate lower margins arising from intense competition, which was partially buoyed by relatively higher margins generated from the sale of accessories. The Group continues to monitor production efficiencies to ensure optimal raw materials and labour utilisation, stringent selection of suppliers in tender biddings to keep costs to a minimum, coupled with efficient use of various resources to keep up with price pressures resulting from keen competition.

Other income

Other income decreased by approximately RMB6.0 million or approximately 53.6% from approximately RMB11.2 million in 9M2012 to approximately RMB5.2 million in 9M2013. The decrease is mainly due to an absence of foreign exchange gain in 9M2013 compared to 9M2012.

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB0.9 million or approximately 2.2% from approximately RMB41.5 million in 9M2012 to approximately RMB42.4 million in 9M2013. This was mainly due to an increase in marketing expenses during the financial period.

Administrative expenses

Administrative expenses remained relatively constant, increasing by approximately RMB0.6 million or approximately 2.2% from approximately RMB27.1 million in 9M2012 to approximately RMB27.7 million in 9M2013.

Other operating expenses

Other operating expenses increased by approximately RMB9.4 million or approximately 78.3% from approximately RMB12.0 million in 9M2012 to approximately RMB21.4 million in 9M2013. The increase is mainly due to more R&D activities undertaken for new product specifications and foreign exchange losses incurred relative to a foreign exchange gains in the corresponding period.

Finance costs

Finance costs decreased by approximately RMB12.7 million or approximately 80.4% from approximately RMB15.8 million in 9M2012 to approximately RMB3.1 million in 9M2013. The lower average level of borrowings and cost of financing during this financial period contributed to a lower finance cost as compared to last financial period.

Profit before income tax

Profit before income tax increased by approximately RMB4.9 million or approximately 6.4% from approximately RMB76.0 million in 9M2012 to approximately RMB80.9 million in 9M2013 due to higher contributions from the sale of certain products despite lower levels of revenue.

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 since 2008 for a period of 3 years, and further renewed for another three years from 2011.

Income tax expense increased by approximately RMB6.8 million or approximately 52.7% from approximately RMB12.9 million in 9M2012 to approximately RMB19.7 million in 9M2013. The increase is mainly due to withholding taxes paid to China tax authorities for dividends declared by the Group's China subsidiary to its holding company in Singapore.

Net profit

In view of the above, net profit attributable to equity holders of the parent decreased by approximately RMB1.9 million or approximately 3.0% from approximately RMB63.1 million in 9M2012 compared to approximately RMB61.2 million in 9M2013.

Third quarter performance — Three months ended 30 September

Revenue

Group revenue increased by approximately RMB93.0 million, or approximately 36.4% from approximately RMB255.2 million in the three months ended 30 September 2012 (“**3Q2012**”) to approximately RMB348.2 million in the three months ended 30 September 2013 (“**3Q2013**”). The increase was due to higher domestic orders and exports made during the period.

RF Coaxial Cable

Revenue generated from RF Coaxial Cables increased by approximately RMB79.7 million or approximately 44.4% from approximately RMB179.3 million in 3Q2012 to approximately RMB259.0 million in 3Q2013.

Accessories

Revenue generated from Accessories increased by approximately RMB12.5 million or approximately 16.9% from approximately RMB74.1 million in 3Q2012 to approximately RMB86.6 million in 3Q2013.

Others

Revenue generated from this segment increased by approximately RMB0.8 million or approximately 44.4% from RMB1.8 million in 3Q2012 to RMB2.6 million in 3Q2013.

Gross profit margin

Gross profit margin for 3Q2013 stood at approximately 20.4% compared to approximately 18.7% in 3Q2012. This was due to RF Coaxial Cables which traditionally generate lower margins arising from intense competition, which was partially buoyed by relatively higher margins generated from the sale of accessories. The Group continues to monitor production efficiencies to ensure optimal raw materials and labour utilisation, stringent selection of suppliers in tender biddings to keep costs to a minimum, coupled with efficient use of various resources to keep up with price pressures resulting from keen competition.

Other income

Other income decreased by approximately RMB3.3 million or approximately 80.5% from approximately RMB4.1 million in 3Q2012 to approximately RMB0.8 million in 3Q2013. The decrease was due to an absence of foreign exchange gains in 3Q2013.

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB4.3 million or approximately 30.7% from approximately RMB14.0 million in 3Q2012 to approximately RMB18.3 million in 3Q2013. The increase was in line with higher revenue generated during 3Q2013.

Administrative expenses

Administrative expenses increased by approximately RMB1.1 million or approximately 12.1% from approximately RMB9.1 million in 3Q2012 to approximately RMB10.2 million in 3Q2013. The increase was due to professional fees for the proposed delisting which was announced in July 2013.

Other operating expenses

Other operating expenses increased by approximately RMB3.3 million or approximately 70.2% from approximately RMB4.7 million in 3Q2012 to approximately RMB8.0 million in 3Q2013. The increase was mainly due to foreign exchange losses incurred in 3Q2013.

Finance costs

Finance costs decreased by approximately RMB3.2 million or approximately 74.4% from approximately RMB4.3 million in 3Q2012 to approximately RMB1.1 million in 3Q2013. The lower cost of financing compared to the same period last year attributed to a decrease in finance cost in 3Q2013.

Profit before income tax

Profit before income tax increased by approximately RMB14.4 million or approximately 73.1% from approximately RMB19.7 million in 3Q2012 to approximately RMB34.1 million in 3Q2013.

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 since 2008 for a period of 3 years, and further renewed for another three years from 2011.

Income tax expense increased by RMB2.9 million or approximately 96.7% from RMB3.0 million in 3Q2012 to approximately RMB5.9 million in 3Q2013.

Net profit

In view of the above, net profit attributable to equity holders of the parent increased by approximately RMB11.5 million or approximately 68.9% from approximately RMB16.7 million in 3Q2012 to approximately RMB28.2 million in 3Q2013.

Statement of Financial Position

Material fluctuations on the statement of financial position items are explained below:

Pledged bank deposits

Pledged bank deposits are used as a pledged against commercial bills used for payment to suppliers. Pledged bank deposits decreased by approximately RMB17.1 million or approximately 84.7% from approximately RMB20.2 million as at 31 December 2012 to approximately RMB3.1 million as at 30 September 2013 as the Group negotiated a better terms and pricing with some major suppliers which has reduced the need for bills during the period.

Trade receivables

Trade receivables increased by approximately RMB90.0 million or approximately 14.6% from approximately RMB618.4 million as at 31 December 2012 to approximately RMB708.4 million as at 30 September 2013.

Average trade receivables turnover days are 237 days as at 30 September 2013 compared to 223 days as at 31 December 2012 and 295 days as at 30 June 2013.

The slowdown in the PRC has resulted in the Group's major customers taking a longer period in making payments. Nonetheless, most trade receivables balances are recent sales which are within the average credit period given to our customers.

For amounts due more than six months and longer, these mainly pertain to final payment (upon project completion) owed by the three main PRC telecom operators. These outstanding balances relate to projects undertaken by these operators which had longer project completion date than as initially anticipated. These operators have been the Group's long-time customers and the Group has been receiving regular payments from them. In addition, the majority of these outstanding balances pertain to one of the telecom operators in the PRC. In view of the Group's long-standing dealings with them and the regular receipts it had obtained from these customers, the Group does not foresee any issue in the collection of these receivables.

The Group will endeavour to continue its collection efforts on the outstanding balances.

Other receivables and prepayments

Other receivables and prepayments increased by approximately RMB59.5 million or approximately 244.9% from approximately RMB24.3 million as at 31 December 2012 to approximately RMB83.8 million as at 30 September 2013. In order to enjoy a favourable pricing framework on raw materials, advance payments had to be made to certain key suppliers, which attributes to the increase during the period.

Inventories

Inventories (comprising raw materials, work-in-progress and finished goods) increased by approximately RMB2.2 million or approximately 2.0% from approximately RMB108.2 million as at 31 December 2012 to approximately RMB110.4 million as at 30 September 2013.

Property, plant and equipment

Property, plant and equipment decreased by approximately RMB11.6 million or approximately 7.6% from approximately RMB152.0 million as at 31 December 2012 to approximately RMB140.4 million as at 30 September 2013 arising mainly due to depreciation expenses during the period.

Short-term bank loans

Short-term bank loans increased by approximately RMB139.6 million or approximately 332.4% from approximately RMB42.0 million as at 31 December 2012 to approximately RMB181.6 million in 30 September 2013 due to additional loans during the period.

Trade payables and Other payables

Trade payables decreased by approximately RMB82.8 million or approximately 53.0% from approximately RMB156.3 million as at 31 December 2012 to approximately RMB73.5 million as at 30 September 2013 due to better terms and pricing with suppliers (please refer to explanations under "Pledged bank deposits").

Other payables increased by approximately RMB2.6 million or approximately 13.6% from approximately RMB19.1 million as at 31 December 2012 to approximately RMB21.7 million as at 30 September 2013 due to additional accruals during the period.

Income tax payable

Income tax payable increased by approximately RMB3.9 million as at 30 September 2013 compared to that as at 31 December 2012.

Cash and bank balances

Cash and bank balances increased marginally by RMB2.1 million or approximately 0.8% from RMB265.9 million as at 31 December 2012 compared to RMB268.0 million as at 30 September 2013.

(II) LIQUIDITY, FINANCIAL RESOURCES

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

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 of the Group monitors capital based on the Group's net gearing ratio. The Group's 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	
	30 September 2013	31 December 2012
	RMB'000	RMB'000
	(unaudited)	(audited)
Net cash borrowings	(86,376)	(223,854)
Total equity	1,066,472	1,005,448
Net cash to equity ratio (%)	(8.10)	(22.26)

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

As at 30 September 2013		As at 31 December 2012	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
(unaudited)	(unaudited)	(audited)	(audited)
—	181,610	—	41,999

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)

The mobile communications industry remains challenging amid the intense competition. The Group continues to experience a slowdown in its RF Coaxial Cables segment in China. Although demand for our products picked up for the exports market, the trend in demand continues to be heavily influenced by the pace of network proliferation by various telecom operators and the costs of capital expenditure, which in turn affects our selling prices.

While India still sees a growth in subscribers, the industry continues to be deeply constrained by low average voice tariffs and high spectrum charges. The current domestic economic policies and outside economic factors have led to a continuing depreciation of the Indian rupee.

The Group will press on with efforts to closely monitor market conditions and optimize its product mix. The Group continues to capitalize on our good relationships with our suppliers and customers to, amongst others, negotiate favourable prices, and continue to actively market the Group's products.

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares and Debentures

As at 30 September 2013, the interests and short positions of the directors (the "**Directors**") and chief executives of the Company in shares and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), which are required to be notified to the Company and SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions which they are deemed or taken to have under such provisions of the SFO) or which are required to be entered into, as recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules, were as follows:

Long positions in the Company:

Name of Directors	Number of issued shares in the Company			Approximate percentage of the Company's issued share capital
	Personal interests	Corporate interests	Total interests	
Mr Cui Genxiang ⁽¹⁾	—	90,294,662	90,294,662	23.27%
Ms Zhang Zhong ⁽²⁾	—	28,082,525	28,082,525	7.24%

Notes:

- (1) Mr Cui Genxiang beneficially owns the entire issued share capital of Kingever Enterprises Limited ("**Kingever**"), and Kingever in turn holds approximately 23.27% of the total issued shares in the Company.
- (2) Ms Zhang Zhong beneficially owns the entire issued share capital of Wellahead Holdings Limited ("**Wellahead**"), and Wellahead in turn holds approximately 7.24% of the total issued shares in the Company.

Saved as disclosed above, as at 30 September 2013, none of the Directors and chief executives of the Company nor their associates had or deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to Section 352 of Part XV of the SFO or which has been notified to the Company and the SEHK pursuant to the Model Code.

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

As at 30 September 2013, insofar as is known to the Directors and chief executives of the Company, the following shareholders having interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Long positions:

Name	Capacity and nature of interests	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
Kingever (<i>Note (a)</i>)	Registered owner and beneficially owned	90,294,662	23.27%
Mr Cui Genxiang (<i>Note (a)</i>)	Deemed interest and interest in controlled company	90,294,662	23.27%
Wellahead (<i>Note (b)</i>)	Registered owner and beneficially owned	28,082,525	7.24%
Ms Zhang Zhong (<i>Note (b)</i>)	Deemed interest and interest in controlled company	28,082,525	7.24%

Notes:

- (a) Kingever is a company incorporated in the British Virgin Islands, and the entire issued share capital of which is beneficially owned by Mr Cui Genxiang.
- (b) Wellahead is a company incorporated in the British Virgin Islands, and the entire issued share capital of which is beneficially owned by Ms Zhang Zhong.

Saved as disclosed above, as at 30 September 2013, no person, other than the Directors, whose interests are set out in the paragraph headed "Directors' and chief executives' interests and short positions in shares and underlying shares and debentures" above, has an interest or short position in the shares or underlying shares of the Company that was required to be recorded.

Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Neither at the end of the financial period nor at any time during the financial period did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

(IV) SUPPLEMENTARY INFORMATION

1. 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 unaudited results of the Group for the nine months ended 30 September 2013.

2. 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 for the nine months ended 30 September 2013.

3. Compliance with the Model Code for Securities Transactions by Directors of Listed Issuer

The Board confirms, having made specific enquiries with all directors of the Company that during the nine months ended 30 September 2013, all the directors have complied with the required standards of the Model Code as set out in Appendix 10 of the Listing Rules.

4. Share capital

(i) *Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.*

Share capital — Ordinary Shares	No. of shares	
	'000	RMB'000
Balance as at 30 September 2013 and 31 December 2012	<u>388,000</u>	<u>295,000</u>

There were no changes in the issued share capital of the Company for the third quarter and nine months ended 30 September 2013.

(ii) *To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.*

As at 30 September 2013 and 31 December 2012, there were no treasury shares.

(iii) *A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.*

Not applicable.

5. Dividends

No dividend has been recommended by the Company for the period ended 30 September 2013.

6. Review of financial results

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

7. Audit or review in accordance with applicable accounting standards

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

8. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

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 2012.

9. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

10. Purchase, Sales or Redemption of the Company's Securities

For the nine months ended 30 September 2013, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the securities of the Company.

11. Auditors' report (including any qualifications or emphasis of matter)

Not applicable.

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

Not applicable.

13. If the group has obtained a general mandate from shareholders for Interest Person Transactions ("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.

14. Disclosure on the Website of the Exchanges

This announcement shall be published on the websites 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>).

15. Negative assurance pursuant to SGX Listing Manual Rule 705(5)

We, **Cui Genxiang** and **Xu Guoqiang**, being two directors of Hengxin Technology Ltd. (the "**Company**"), do hereby confirm on behalf of the Board of Directors of the Company ("**Board**") that, to the best of the Board's knowledge, nothing has come to the attention of the Board which may render the 3Q2013 and 9M2013 financial results to be false or misleading in any material aspect.

16. Use of IPO proceeds

As at the date of the financial period reported on, the Company has utilised approximately RMB63.98 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 Amount RMB'000	Used RMB'000	Balance RMB'000
Diversify product portfolio of High Temperature Resistant Cables	7,130 ⁽¹⁾	(4,875)	2,255
Diversify product portfolio of Antennas	35,370	(30,342)	5,028
Expansion of sales network into overseas market	7,382	(1,153)	6,229
Enhance research and development	7,382	(3,752)	3,630
General working capital	23,859 ⁽¹⁾	(23,859)	—
Total	81,123	63,981	17,142

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

(2) The breakdown of the use of proceeds for general working capital is as follows:-

Details	Used RMB'000
Purchase of raw materials	22,918
Purchase of equipment	495
General admin expenses	446
Total	23,859

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

Singapore, 5 November 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 of the Company is Ms. Zhang Zhong; and the non-executive independent directors of the Company are Mr. Tay Ah Kong Bernard, Mr. Chee Teck Kwong Patrick and Mr. Tam Chi Kwan Michael.