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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)
(Hong Kong Stock Code: 1085)

FURTHER INFORMATION
IN RELATION TO
CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of Hengxin Technology Ltd. (the “**Company**”) dated 30 January 2018 (the “**Announcement**”) in relation to the continuing connected transactions of the Company regarding the Power Purchase. Capitalised terms used in this announcement shall have the meanings as ascribed to it in the Announcement unless the context otherwise requires.

PRICING FORMULAE OF POWER PURCHASE

As disclosed in the Announcement, the pricing formula for the unit price of power (per kWh) to be purchased under the Power Purchase (Trial Implementation) Agreement is:

(Catalog Power Price – RMB0.025)

On the other hand, the pricing formula for the unit price of power (per kWh) to be purchased under the Power Purchase Agreement is the lower of:

- (i) (Catalog Power Price – RMB0.025); or
- (ii) (Catalog Power Price – (Catalog Power Price – Prime Power Price) × 80%).

* For identification purpose only

The Board wishes to provide potential investors and the Shareholders with the following further information in relation to the above pricing formulae:

1. The Catalogue Power Price is the power price per kWh (including tax) announced and adjusted from time to time by Jiangsu Price Bureau of the PRC (江蘇省物價局) on its official website, whereas the Prime Power Price, as defined in the Announcement, is the minimum power selling price per kWh announced and adjusted from time to time by the power exchange platform of Jiangsu Power Exchange Center (江蘇電力交易中心).
2. Based on the Catalogue Power Price and the Prime Power Price, the parties negotiated the unit price (per kWh) for the power to be purchased at arm's length and came up with the pricing formulae as stated in the Announcement under the principles of fairness and reasonableness.

TRIPARTITE AGREEMENT

For the Tripartite Agreement, the Board wishes to provide potential investors and the Shareholders with the following further information:

1. The nature of the Tripartite Agreement is purely administrative and detailed terms of which include the technical specifications on the electricity transmission devices, operational procedures, administrative measures, measurement and record keeping of power consumption, repair and maintenance, and emergency measures in relation to the transmission of power from Hengtong SE through Jiansu State Grid to Hengxin (Jiangsu).
2. The signing of Tripartite Agreement was only to fulfil the requirements promulgated by the PRC government authorities and for facilitating the transmission of electricity from Hengtong SE to Hengxin (Jiangsu) through the state-owned and operated electricity grid. The Tripartite Agreement does not alter the price of the power to be provided by Hengtong SE to Hengxin (Jiangsu) or the cap amount of money payable by Hengxin (Jiangsu) under the Power Purchase Agreement.

By order of the Board
Hengxin Technology Ltd.
Du Xiping
Executive Director

Hong Kong, 21 February 2018

As at the date of this announcement, the executive Directors are Mr. Du Xiping and Mr. Xu Guoqiang; the non-executive Directors are Mr. Cui Wei and Ms. Zhang Zhong; and the independent non-executive Directors are Mr. Tam Chi Kwan Michael, Dr. Li Jun and Mr. Pu Hong.