HENGXIN TECHNOLOGY LTD.

亨 鑫 科 技 有 限 公 司 *

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

(Incorporated in Republic of Singapore with limited liability)

(Hong Kong Stock Code: 1085)

VOLUNTARY ANNOUNCEMENT

RECENT BUSINESS UPDATE

This announcement is made on a voluntary basis to keep the shareholders of Hengxin Technology Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") and potential investors informed of the latest business development of the Group.

PROPOSED INVESTMENT AND CONSTRUCTION OF THE 350MW SOLAR THERMAL POWER DEMONSTRATION (PILOT) PROJECT IN DELINGHA, QINGHAI PROVINCE

The Board of Directors (the "**Board**") of the Company is pleased to announce that Qinghai Zhongkong Solar Power Co., Ltd. ("**Qinghai Zhongkong**"), an indirect non-wholly owned subsidiary of the Company, has met the conditions to commence the "Delingha 350MW Solar Thermal Power Demonstration (Pilot) Project" (the "**350MW Solar Thermal Power Station**").

The Company, through Qinghai Zhongkong, will invest in and construct the 350MW Solar Thermal Power Station project (the "**Project**") in Delingha, Qinghai Province. On 22 December 2025, Qinghai Zhongkong received the "Notice Regarding the Consultation Opinion on the Grid Connection System Design Plan for the Qinghai Zhongkong Solar Power Co., Ltd. Delingha 350MW Solar Thermal Power Generation Demonstration (Pilot) Project" (關於青海眾控太陽能發電有限公司德令哈 350MW 光熱發電示範(試點)項目接入系統設計方案諮詢意見的通知》) from State Grid Qinghai Electric Power Company (國網青海省電力公司), which approved the grid connection plan proposed in the design of the Project. Additionally, on 23 December 2025, Qinghai

Zhongkong also received the "Approval for Construction Land Use of the Delingha 350MW Solar Thermal Power Generation Demonstration (Pilot) Project" (《關於德令哈 35 萬千瓦光熱發電示範(試點)項目建設用地的批復》) from the People's Government of Qinghai Province. This approval permits the conversion of state-owned agricultural land in Chahansha Village, Keluke Town, and Taositu Village, Xuji Township, Delingha City, Qinghai Province, People's Republic of China (中華人民共和國青海省德令哈市柯魯柯鎮茶漢沙村及蓄集鄉陶斯圖村), into state-owned construction land for use as the construction site for the 350MW solar thermal power station.

I. Project Construction and Investment Plan

(1) Power Generation Estimate of the Project

Based on typical meteorological year data, the Project's first year of operation is expected to yield approximately 2,307.50 GWh of collected heat and approximately 985.73 GWh of power generation, with an annual solar thermal efficiency of approximately 35.29% and an annual photovoltaic efficiency of approximately 15.1%;

(2) Financial Analysis

The Project is expected to generate stable operating income and returns for the Group. Additionally, with the issuance of specific national bonds and the realization of excess power generation, the Project's future return rate is expected to increase significantly and sustainably;

(3) Construction Plan

The installed capacity of the Project's solar thermal power station is 1×350MW, utilizing tower-based solar thermal power generation technology. The heliostat field will cover approximately 3.15 million square meters, with three heat-absorbing towers, each 230 meters tall and equipped with a 1.05 million square meter heliostat field and a 520MWt heat absorber. The Project will include a 14-hour heat storage system, comprising four molten salt storage systems (three located beneath each heliostat field's heat-absorbing tower and one at the power generation island), one steam generation system, one 350MW subcritical direct air-cooled turbine generator unit, and other auxiliary facilities. The Project will also include the construction of a new 330kV booster station with one outgoing line connected to the 330kV side of the Tuosu (托素) 750kV substation; and

(4) Construction Schedule

The Project is expected to commence construction in December 2025 and connect to the grid in December 2027.

II. Significance of the Project

(1) Alignment with National Energy Development Strategy

Solar thermal power generation with energy storage is an emerging, clean, and renewable energy source that can provide clean, stable, and adjustable high-quality power to the grid. Large-scale solar thermal power generation can better leverage its role in ensuring energy supply and providing flexible peak regulation for the power system, facilitating the replacement of conventional fossil energy with clean electricity, improving China's energy structure, and aligning with the national strategy for sustainable energy development;

(2) Demonstration Effect and Advancement of Solar Thermal Power Localization

The Project will facilitate further research and exploration of solar thermal power generation technology, accumulate project construction experience, refine power station operation and maintenance models, and develop operation and maintenance teams. It will promote the localization of key equipment and components, such as reflectors, heat collection tubes, and energy storage systems, and establish engineering design standards, technical specifications, and the foundation for related industries;

(3) Global Benchmark Significance

The Project is the largest solar thermal power station in terms of installed capacity among completed, under-construction, and planned projects, and it has the largest energy storage capacity globally. The construction and operation of the Project will effectively validate the feasibility of large-capacity, low-cost solar thermal power systems as a future alternative to thermal power for peak regulation in the grid; and

(4) Addressing Qinghai Province Power Grid Challenges

The Qinghai Province power grid is affected by its power source structure, with significant differences in hydropower generation between wet and dry seasons, compounded by the intermittent and volatile nature of new energy generation. The phenomenon of "abundant in summer, scarce in winter, surplus during the day, and deficit at night" (夏豐冬枯，日盈夜虧) is becoming a persistent and worsening issue, with seasonal power shortages and supply challenges during extreme weather becoming increasingly prominent. As the penetration of new energy increases, coupled with the lack of long-term energy storage, the imbalance in power supply across different time scales is becoming more pronounced, highlighting the urgent need to strengthen peak regulation power sources and enhance system regulation capabilities.

III. Risk Factors and Mitigation

The major risk factors affecting the Project include policy risks, investment risks, engineering risks, and operational management risks.

(1) Policy Risks

The Project's construction aligns with China's national industrial policies, resulting in low policy risks;

(2) Investment Risks

Larger projects with longer construction periods and greater engineering complexity face higher investment risks. During construction, various unforeseen factors, such as design changes, sudden changes in the natural environment, delays in raw material supply, market price fluctuations, construction quality, and the effectiveness of construction management, may lead to changes in the actual investment amount, directly contributing to investment risks. Given the high complexity and engineering challenges of the Project, comprehensive management throughout the process is essential to mitigate these risks;

(3) Engineering Risks

The solar thermal component of the Project's main structure is technically challenging. All individual engineering designs must fully consider various factors, adhere to the guiding principle of "safety first" and strictly comply with relevant standards and regulations. Rigorous quality management during construction will minimize engineering risks; and

(4) Operational Management Risks

Operational risks primarily arise from investors' failure to achieve expected returns due to poor management. The accuracy of market forecasts and the level of operational management expertise are internal factors that significantly influence investment returns and are the main causes of operational risks.

During the Project's implementation, continuous design optimization, feasible engineering and technical measures, and effective construction management will be adopted to control development and operational costs and reduce investment costs. The Project aims to utilize solar thermal energy storage for regulation, reduce wind and solar curtailment, smooth power output, improve power quality, and achieve grid-friendly integration. By applying advanced technologies and achieving system integration innovation, as well as promoting pricing reforms for energy storage and auxiliary

services, the Project will leverage advanced technical measures to minimize operational and management risks.

The Board expects that the advancement of this Project will further enhance the Group's market competitiveness and sustainable development capabilities in the solar thermal power generation sector, benefiting the Group's long-term profitability and strategic layout.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 29 December 2025

As at the date of this announcement, the executive directors of the Company are Mr. Peng Yinan and Lau Fai Lawrence; the non-executive directors of the Company are Mr. Cui Wei, Mr. Tao Shunxiao and Mr. Zeng Guowei; and the independent non-executive directors of the Company are Mr. Qian Ziyan, Ms. Lin Ting and Mr. Chan Hon Chung Johnny.

* *For identification purpose only*