

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

For the purpose of the [REDACTED], we have sought the following waivers from the Stock Exchange in relation to certain requirements from the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This normally means that at least two of the executive Directors must be ordinarily resident in Hong Kong. Given that we are headquartered in the PRC with our principal business operation principally located, managed and conducted in the PRC and South Korea and all of our executive Directors are not ordinarily resident in Hong Kong, it would be practically difficult and commercially unfeasible for us to either relocate two of our executive Directors to Hong Kong or to appoint two additional executive Directors who are ordinarily resident in Hong Kong in order to comply with the requirements under Rules 8.12 and 19A.15 of the Listing Rules. Accordingly, our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules on the following conditions:

- our Company has appointed two authorized representatives (the “**Authorized Representatives**”) pursuant to Rule 3.05 of the Listing Rules, namely, Dr. Ren, our chairman and an executive Director and Dr. Su, one of our joint company secretaries, who will act as our Company’s principal channel of communication with the Stock Exchange. Each of the Authorized Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone and email. Each of the Authorized Representatives is authorized by our Board to communicate on behalf of our Company with the Stock Exchange. Our Company has filed an application to register as a non-Hong Kong company under Part 16 of the Companies Ordinance, and Mr. Wong Chun Wing Samuel (黃俊穎) has been authorized to accept service of legal process and notice in Hong Kong on behalf of our Company;
- each of the Authorized Representatives has means to contact all members of our Board (including the independent non-executive Directors) and our senior management team promptly at all times as and when the Stock Exchange wishes to contact them or any of them for any matters. To enhance the communication between the Stock Exchange, the Authorized Representatives and our Directors, our Company will implement a number of policies whereby (i) each Director shall provide his/her mobile phone numbers, office phone numbers and email addresses to the Authorized Representatives; (ii) in the event that such Director expects to travel and be out of office, he/she shall provide the phone number of the place of his/her accommodation or other contact methods to the Authorized Representatives; and (iii) all our Directors and the Authorized Representatives will provide their respective mobile phone numbers, office phone numbers and email addresses to the Stock Exchange. We shall promptly inform the Stock Exchange of any changes to the contact details of the Authorized Representatives and our Directors;
- Quam Capital Limited has been appointed as our Company’s compliance adviser, pursuant to Rule 3A.19 of the Listing Rules, to provide our Company with professional advice on continuing obligations under the Listing Rules, and to act at all times, in addition to the Authorized Representatives, as our Company’s additional channel of communication with the Stock Exchange for the period commencing on the [REDACTED] and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules and publishes its annual report in respect of its first full financial year commencing after the [REDACTED]. The contact person of the compliance adviser will be fully available to answer enquiries from the Stock Exchange;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- each of our Directors (including independent non-executive Directors) who is not ordinarily resident in Hong Kong has confirmed that he/she possesses or can apply for valid travel documents to visit Hong Kong and would be able to meet with the Stock Exchange in Hong Kong upon reasonable notice; and
- our Company will also appoint other professional advisers (including our legal advisers in Hong Kong) after the [REDACTED] to assist our Company in addressing any enquiries which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange.

EQUITY INTEREST ACQUIRED AFTER THE TRACK RECORD PERIOD

Listing Rules Requirements

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, a new listing applicant is required to include in its Accountant’s Report in the listing document the results and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the listing applicant have been made up in respect of each of the three financial years immediately preceding the issue of the listing document, or since the incorporation of such subsidiary or the commencement of such business if this occurred less than three years prior to such issue, or such shorter period as may be acceptable to the Stock Exchange.

Pursuant to Note 4 to Rule 4.04 of the Listing Rules, the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) on a case-by-case basis, having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

Details of the Transaction

On June 15, 2026, SMI entered into a share purchase agreement with L&S Global Semiconductor Growth Fund (“**L&S Global**”), pursuant to which, L&S Global agreed to sell and SMI agreed to purchase 209,525 registered redeemable convertible preference shares in the issued share capital of ONE Semiconductor Corp. (“**ONE Semi**”) (representing approximately 6.1% of the total issued share capital of ONE Semi) for the consideration of KRW9,428,625,000 (equivalent to approximately US\$6.2 million) (the “**ONE Semi Investment**”). The ONE Semi Investment was completed on June 16, 2026. ONE Semi is a South Korean fabless semiconductor company that designs high-speed interface chips for DRAM modules. To the best knowledge, information and belief of our Directors, L&S Global and ONE Semi and their respective ultimate beneficial owners are Independent Third Parties.

Benefits of the ONE Semi Investment

The ONE Semi Investment presents a unique opportunity for us to enjoy the rapid demand growth in RCD market for DRAM modules, which may provide investment return to our Company. Furthermore, the ONE Semi Investment positions us for a closer collaboration with ONE Semi, creating valuable synergies with SMI’s development of PMIC for memory modules, which aligns well with the rising market demand for suppliers who can provide complete, integrated solution packages.

Our Directors considered that the ONE Semi Investment is on normal commercial terms, fair and reasonable and in the interest of our Company and our Shareholders as a whole.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Application for Waiver

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules in respect of the ONE Semi Investment on the following grounds:

- i. Immateriality — Under Rule 14.04(9) of the Listing Rules, all the applicable percentage ratios in relation to the ONE Semi Investment are below 5% by reference to the most recent audited financial year of the Track Record Period. We consider the ONE Semi Investment to be immaterial in the context of our Company’s operations as a whole and therefore a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules will not affect potential [REDACTED]’ assessment of our business and future prospects when considering an [REDACTED] in our Company.
- ii. Minority interests and absence of control — following completion of the ONE Semi Investment, we are interested in 6.1% of ONE Semi’s total issued shares. Therefore, we do not have control over ONE Semi, and will not be involved in its daily management. As a result, ONE Semi will not be treated as our subsidiary and its financial results will not be consolidated into our Group’s financial results.
- iii. Impracticability and undue burden — Since we do not have control over ONE Semi, we are unable to provide our reporting accountant with full access to the financial record of ONE Semi in order to gather and compile the necessary financial information and supporting documents to prepare the financial information of ONE Semi in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules. As such, it would be impracticable and unduly burdensome for us to disclose the financial information of ONE Semi in the document in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules.