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**asmc**

**GTA SEMICONDUCTOR CO., LTD.**

上海積塔半導體有限公司

*(A company established in the People's Republic of China with limited liability)*

**ADVANCED SEMICONDUCTOR  
MANUFACTURING CORPORATION LIMITED**

上海先進半導體製造股份有限公司

*(A foreign invested joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 03355)**

## **JOINT ANNOUNCEMENT**

**PROPOSED PRIVATISATION OF ASMC BY GTA  
BY WAY OF MERGER BY ABSORPTION OF ASMC  
UNDER ARTICLE 172 OF THE PRC COMPANY LAW  
AT THE CANCELLATION PRICE OF HK\$1.50 PER ASMC H SHARE  
AND PER ASMC UNLISTED FOREIGN SHARE OR  
RMB1.33 PER ASMC DOMESTIC SHARE  
AND  
RESUMPTION OF TRADING OF ASMC**

**Financial adviser to GTA**



### **1. THE MERGER**

The GTA Director and ASMC Directors jointly announce that on 30 October 2018:

- (1) GTA and ASMC entered into the Merger Agreement; and
- (2) ASMC Directors agreed to put forward to the ASMC Shareholders the Proposal, which involves the cancellation of all ASMC Shares.

Pursuant to the Merger Agreement, subject to the terms and conditions of the Merger Agreement, (i) GTA will pay the Cancellation Price (in the amount of HK\$1.50 per ASMC H Share and per ASMC Unlisted Foreign Share or RMB1.33\* per ASMC Domestic Share) for each ASMC H Share, ASMC Domestic Share and ASMC Unlisted Foreign Share to the holders of the ASMC H shares, ASMC Domestic Shares and ASMC Unlisted Foreign Shares, respectively; and (ii) ASMC will be merged and absorbed by GTA in accordance with the PRC Company Law, the other applicable PRC laws and the ASMC Articles. **GTA will not increase the amount of the Cancellation Price as set out above.**

\* *equivalent of the Cancellation Price of each ASMC H Share and each ASMC Unlisted Foreign Share based on the Exchange Rate*

The Proposal will be implemented by way of “merger by absorption” in accordance with Article 172 of the PRC Company Law. All the Conditions to effect the Merger Agreement have to be fulfilled on or before 29 July 2019 or such later date as mutually agreed between ASMC and GTA, and Conditions to effect the implementation of the Merger have to be fulfilled (or otherwise waived, as applicable) on or before 31 December 2019 or such later date as mutually agreed between ASMC and GTA. On the Delisting Date, the ASMC Listing will be withdrawn. Upon de-registration of ASMC, ASMC will merge into GTA and will cease to exist as a separate legal entity. As a result of the Merger, the assets and liabilities (together with the rights and obligations attached to such assets), the business and the employees of ASMC will be assumed by GTA as the surviving corporation. GTA and all of its rights, privileges, exemptions and permits will not be affected by the Merger.

The Cancellation Price represents a premium of approximately 66.67% over the closing price of HK\$0.90 per ASMC H Share as quoted on the Stock Exchange on 25 October 2018 (being the last trading date prior to the suspension of trading of ASMC H Shares pending the issue of this joint announcement). On the basis of (i) the Cancellation Price of HK\$1.50 per ASMC H Share and per ASMC Unlisted Foreign Share or RMB1.33\* per ASMC Domestic Share, and (ii) 1,131,333,472 ASMC H Shares, 390,250,016 ASMC Domestic Shares and 12,643,512 ASMC Unlisted Foreign Shares are in issue as at the date of this joint announcement, the amount of consideration required to be paid by GTA under the Proposal is an aggregate of approximately HK\$1,715.97 million for the ASMC H Shares and the ASMC Unlisted Foreign Shares and RMB519.03 million for the ASMC Domestic Shares, respectively.

\* *equivalent of the Cancellation Price of each ASMC H Share and each ASMC Unlisted Foreign Share based on the Exchange Rate*

Pursuant to an agreement on consideration arrangement dated 26 October 2018 entered into between Huada and GTA, Huada irrevocably and unconditionally agreed to waive GTA’s obligation to pay the Cancellation Price by cash. Huada and GTA confirmed that the payment of the Cancellation Price entitled by Huada will be effected by way of accounting treatment instead of physical payment from GTA to Huada upon the implementation of the Merger. On the basis of (i) the Cancellation Price of RMB1.33 per ASMC Domestic Shares (equivalent to the Cancellation Price of HK\$1.50 per ASMC H Share and per ASMC Unlisted Foreign Share based on the Exchange Rate) and (ii) 301,523,616 ASMC Domestic Shares owned by Huada, the Cancellation Price which Huada is entitled under the Merger Agreement amounted to RMB401.03 million.

GTA intends to finance the total consideration required for the Proposal (excluding the Cancellation Price in respect of the ASMC Domestic Shares owned by Huada) from a loan facility granted by Huada to GTA (or other loan facilities to be obtained by GTA) and/or by using its internal financial resources. CICC, being the financial adviser to GTA, is satisfied that sufficient financial resources are available to GTA for the satisfaction of GTA’s obligations in respect of the full implementation of the Proposal (excluding the Cancellation Price in respect of the ASMC Domestic Shares owned by Huada).

## **2. SHAREHOLDING IN ASMC**

As at the date of this joint announcement, GTA did not own any ASMC Shares. Huada, which directly and beneficially owned the entire equity interest of GTA, owned 301,523,616 ASMC Domestic Shares, representing approximately 19.65% of the total issued share capital of ASMC. In addition, as at the date of this joint announcement, Huada has approximately 25.47% equity interest in Shanghai Belling and is the controlling shareholder (as defined under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange) of Shanghai Belling, therefore, Huada is deemed to be interested in the 88,726,400 ASMC Domestic Shares (representing approximately 5.78% of the total issued share capital of ASMC) and 37,540,000 ASMC H shares (representing approximately 2.45% of the total issued share capital of ASMC) which are beneficially held by Shanghai Belling. Since Huada owns 20% or more of the voting rights of Shanghai Belling, Huada and Shanghai Belling are regarded as associated companies under the Takeovers Code.

As at the date of this joint announcement, there were no outstanding options, warrants or convertible securities issued by ASMC.

## **3. INDEPENDENT FINANCIAL ADVISER AND INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, consisting of the non-executive ASMC Directors who have no direct or indirect interest in the Proposal, being Mr. David Damian French, Mr. Kang Hui, Mr. Yuan Yipei, Dr. Chen Enhua, Mr. Jiang Shoulei, Dr. Jiang Qingtang and Mr. Pu Hanhu, has been established to advise the Independent ASMC H Shareholders in relation to the Proposal. Mr. Dong Haoran, the General Manager and the Secretary of the Party Committee of Huada, the Chairman of Shanghai Belling and the Executive Director and the General Manager of GTA and Mr. Xu Ding, the Investment Director of Huada, are excluded from the Independent Board Committee due to their respective positions in Huada, Shanghai Belling and/or GTA, and Mr. Lu Ning is excluded from the Independent Board Committee due to his positions as the deputy secretary of the Party Committee and the secretary of Discipline Supervision Committee and the Chairman of the trade union of Shanghai Belling, which constitute their direct or indirect interest in the Proposal. Anglo Chinese has been appointed by ASMC to act as the independent financial adviser and advise the Independent Board Committee in connection with the Proposal. The appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 to the Takeovers Code.

## **4. DESPATCH OF THE COMPOSITE DOCUMENT**

The Composite Document containing, among others, further details of the Proposal and the Merger (including the expected timetable), the recommendation from the Independent Board Committee with respect to the Proposal and the advice of the Independent Financial Adviser to the Independent Board Committee, a notice of the Special General Meeting and a notice of Special General Meeting of Independent ASMC H Shareholders to approve the Proposal, will be despatched by ASMC and GTA jointly to the ASMC H Shareholders within 21 days from the date of this joint announcement or such later date as may be permitted under the Takeovers Code.

## 5. RESUMPTION OF TRADING OF ASMC H SHARES

At the request of ASMC, trading in the ASMC H Shares on the Stock Exchange was halted from 9:00 a.m. on 26 October 2018 pending the issue of this joint announcement.

Application has been made by ASMC to the Stock Exchange for the resumption of trading in ASMC H Shares from 9:00 a.m. on 31 October 2018.

The ASMC Directors intend that the ASMC Listing will be withdrawn if the Merger is implemented, but in the event that the Merger is not approved or lapses, ASMC Listing will be maintained.

**ASMC Shareholders and potential investors should be aware that the Merger is subject to the Conditions as set out in this joint announcement being fulfilled (or waived, as applicable), and thus the Merger may or may not become effective or, if effective, may or may not be implemented. ASMC Shareholders and potential investors should exercise caution when dealing in the ASMC Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.**

## 1. INTRODUCTION

The GTA Director and ASMC Directors jointly announce that on 30 October 2018:

- (1) GTA and ASMC entered into the Merger Agreement; and
- (2) ASMC Directors agreed to put forward to the ASMC Shareholders the Proposal, which involves the cancellation of all ASMC Shares.

## 2. TERMS OF THE PROPOSAL

Pursuant to the Merger Agreement, conditional upon, among others, fulfilment (or waiver, as applicable) of the Conditions as set out in the section headed “Principal Terms of the Merger Agreement – Conditions of the Merger” below, (i) GTA will pay the Cancellation Price (in the amount of HK\$1.50 per ASMC H Share and per ASMC Unlisted Foreign Share or RMB1.33\* per ASMC Domestic Share) for each ASMC H Share, ASMC Domestic Share and ASMC Unlisted Foreign Share to the holders of ASMC H Shares, ASMC Domestic Shares and ASMC Unlisted Foreign Shares, respectively; and (ii) ASMC will be merged and absorbed by GTA in accordance with the PRC Company Law, the other applicable PRC laws and the ASMC Articles. **GTA will not increase the amount of the Cancellation Price as set out above.**

\* *equivalent of the Cancellation Price of each ASMC H Share and each ASMC Unlisted Foreign Share based on the Exchange Rate*

The Proposal will be implemented by way of “merger by absorption” in accordance with Article 172 of the PRC Company Law. All the Conditions to effect the Merger Agreement have to be fulfilled on or before 29 July 2019 or such later date as mutually agreed between ASMC and GTA, and Conditions to effect the implementation of the Merger have to be fulfilled (or otherwise waived, as applicable) on or before 31 December 2019 or such later date as mutually agreed between ASMC and GTA. On the Delisting Date, the ASMC Listing will be withdrawn. Upon de-registration of ASMC, ASMC will merge into GTA and will cease to exist as a separate legal entity. As a result of the Merger, the assets and liabilities (together with the rights and obligations attached to such assets), the business and the employees of ASMC will be assumed by GTA as the surviving corporation. GTA and all of its rights, privileges, exemptions and permits will not be affected by the Merger.

The Cancellation Price represents a premium of approximately 66.67% over the closing price of HK\$0.90 per ASMC H Share as quoted on the Stock Exchange on 25 October 2018 (being the last trading date prior to the suspension of trading of ASMC H Shares pending the issue of this joint announcement).

The amount of consideration required to be paid by GTA under the Proposal is an aggregate of approximately HK\$1,715.97 million for the ASMC H Shares and the ASMC Unlisted Foreign Shares and RMB519.03 million for the ASMC Domestic Shares, respectively. Pursuant to an agreement on consideration arrangement dated 26 October 2018 entered into between Huada and GTA, Huada irrevocably and unconditionally agreed to waive GTA’s obligation to pay the Cancellation Price by cash. Huada and GTA confirmed that the payment of the Cancellation Price entitled by Huada will be effected by way of accounting treatment instead of physical payment from GTA to Huada upon the implementation of the Merger. On the basis of (i) the Cancellation Price of RMB1.33 per ASMC Domestic Shares (equivalent to the Cancellation Price of HK\$1.50 per ASMC H Share and per ASMC Unlisted Foreign Share based on the Exchange Rate) and (ii) 301,523,616 ASMC Domestic Shares owned by Huada, the Cancellation Price which Huada is entitled under the Merger Agreement amounted to RMB401.03 million.

### **Right of any Dissenting ASMC Shareholder**

According to the ASMC Articles, any ASMC Shareholder who has objected the Proposal shall have the right to demand ASMC or the ASMC Shareholders who have approved the Proposal to acquire its ASMC Shares at a “fair price” by serving a written notice to ASMC or the ASMC Shareholders who have approved the Proposal. Pursuant to the Merger Agreement, if any Dissenting ASMC Shareholder elects to request ASMC or other ASMC Shareholders who have voted for the Proposal to purchase its ASMC Shares at a “fair price”, GTA shall, at the request of ASMC or such ASMC Shareholder, assume any liability which ASMC or such ASMC Shareholder who has received such a request may have towards the Dissenting ASMC Shareholder.

The provisions regarding the right of Dissenting ASMC Shareholder to demand ASMC or the ASMC Shareholders who have approved the Proposal to acquire its ASMC Shares at a “fair price” are contained only in the articles of association of PRC companies with shares listed on overseas market and are not otherwise stipulated in any PRC laws or regulations. There is no administrative guidance on the substantive as well as procedural rules as to how the “fair price” will be determined under the PRC Laws. Thus, no assurance can be given as to (i) the time required for the process to take; (ii) any favourable results to be granted to the Dissenting ASMC Shareholders; and (iii) the cost may be incurred by the Dissenting ASMC Shareholders in such process for determining the “fair price”.



The PRC legal advisor to GTA advised that pursuant to Article 188 of ASMC Articles, disputes or claims (including the determination of the “fair price”) arise from the rights and obligations set forth in the ASMC Articles, PRC Company Law and other PRC Laws among ASMC Shareholders, ASMC Directors, supervisors, general manager, or senior officers of ASMC should be resolved through arbitration at either China International Economic and Trade Arbitration Commission or the Hong Kong International Arbitration Centre. Except otherwise required by applicable laws or regulations, the applicable laws to such disputes or claims should be the laws of the PRC.

Any Dissenting ASMC Shareholder who has opposed the Proposal and has requested ASMC or other ASMC Shareholders who have approved the Proposal to acquire its ASMC Shares at a “fair price” will, after the de-registration of ASMC, continue to have such right against ASMC and/or such ASMC Shareholder, or GTA (if requested by ASMC and/or such ASMC Shareholder to assume their respective liabilities after receiving the request from the Dissenting ASMC Shareholder).

A Dissenting ASMC Shareholder is required to satisfy the following criteria when exercising its right to demand ASMC or the ASMC Shareholders who have approved the Proposal to acquire its ASMC Shares at a “fair price”:

- (1) having validly voted against the resolutions in respect of the Merger at each of the Special General Meeting and the Special General Meeting of the Independent ASMC H Shareholders (as the case may be);
- (2) having been validly registered as a shareholder on the share register of ASMC since the record date for the Special General Meeting and the Special General Meeting of the Independent ASMC H Shareholders in respect of which it intends to exercise its right until the date of exercising its right to demand ASMC or the ASMC Shareholders who have approved the Proposal to acquire its ASMC Shares at a “fair price”; and
- (3) in any circumstances, a Dissenting ASMC Shareholder shall exercise its right to demand ASMC or the ASMC Shareholders who have approved the Proposal to acquire its ASMC Shares at a “fair price” no later than two months after the date of the Special General Meeting and the Special General Meeting of the Independent ASMC H Shareholders which approved the Merger Agreement and the Merger.

Any Dissenting ASMC Shareholder who holds the following ASMC Shares is not entitled to exercise its right in respect of the ASMC Shares held by them:

- (1) any ASMC Shares the holder of which has undertaken to ASMC to waive its right to demand ASMC or the ASMC Shareholders who have approved the Proposal to acquire its ASMC Shares at a “fair price”;
- (2) any ASMC Shares for which its right is not exercisable in accordance with applicable laws; or
- (3) any ASMC Shares which is subject to pledge, other third party rights or judicial moratorium and no written consent or approval been legally obtained from the pledgee, third party or judicial authority, and its right is therefore not exercisable.

For the avoidance of doubt, if the Merger does not proceed as a result of the terms in respect of the Merger under the Merger Agreement failing to become effective or the conditions for the implementation of the Merger Agreement are not fulfilled (or waived (if applicable)) in full or properly waived or the Merger Agreement is terminated, the Dissenting ASMC Shareholders (if any) shall not be entitled to exercise their right as described above.

### **Notification to Creditors**

Under the Merger Agreement, GTA and ASMC agreed that once they have obtained internal approvals, they will notify their respective creditors by way of notifications and announcements pursuant to the PRC legal requirements. If any creditor requests repayment of the indebtedness or requests for any guarantee in relation to such indebtedness, such request will have to be made within a statutory period. Each of GTA and ASMC shall, upon request of its creditors, pay off its indebtedness or provide a satisfactory guarantee to its creditors for such indebtedness. If a creditor fails to request GTA or ASMC to repay their indebtedness within the statutory period, such indebtedness shall be borne by GTA with effect from the implementation of the Merger.

### **3. CANCELLATION PRICE**

The Cancellation Price per ASMC H Share represents:

- (1) a premium of approximately 66.67% over the closing price of HK\$0.90 per ASMC H Share, as quoted on the Stock Exchange on 25 October 2018 (being the last trading day prior to the suspension of trading in the ASMC H Shares pending the issue of this joint announcement);
- (2) a premium of approximately 85.64% over the average closing price of approximately HK\$0.81 per ASMC H Share, based on the daily closing prices as quoted on the Stock Exchange over the five consecutive trading days up to and including 25 October 2018;
- (3) a premium of approximately 97.37% over the average closing price of approximately HK\$0.76 per ASMC H Share, based on the daily closing prices as quoted on the Stock Exchange over the 10 consecutive trading days up to and including 25 October 2018;
- (4) a premium of approximately 99.29% over the average closing price of approximately HK\$0.75 per ASMC H Share, based on the daily closing prices as quoted on the Stock Exchange over the 30 consecutive trading days up to and including 25 October 2018;
- (5) a premium of approximately 93.38% over the average closing price of approximately HK\$0.78 per ASMC H Share, based on the daily closing prices as quoted on the Stock Exchange over the 60 consecutive trading days up to and including 25 October 2018;
- (6) a premium of approximately 90.19% over the average closing price of approximately HK\$0.79 per ASMC H Share, based on the daily closing prices as quoted on the Stock Exchange over the 90 consecutive trading days up to and including 25 October 2018; and
- (7) a premium of approximately 90.63% over the NAV of approximately RMB0.70 (equivalent to approximately HK\$0.79) per ASMC Share as of 30 June 2018.

For the purpose of this joint announcement, amounts denominated in RMB have been translated into HK\$ at an exchange rate of HK\$1: RMB0.88705 which is the central parity rate of RMB to Hong Kong dollar as at 30 October 2018 announced by the People's Bank of China.

### **Highest and lowest prices**

During the six-month period immediately up to and including 25 October 2018 (being the last trading day prior to the suspension of trading in the ASMC H Shares pending the issue of this joint announcement), the highest closing price of the ASMC H Shares as quoted on the Stock Exchange was HK\$0.91 on 25 April 2018 and the lowest closing price of the ASMC H Shares as quoted on the Stock Exchange was HK\$0.70 on 10 September 2018.

### **Funding for the Proposal**

On the basis of (i) the Cancellation Price of HK\$1.50 per ASMC H Share and per ASMC Unlisted Foreign Share or RMB1.33\* per ASMC Domestic Share, and (ii) 1,131,333,472 ASMC H Shares, 390,250,016 ASMC Domestic Shares and 12,643,512 ASMC Unlisted Foreign Shares are in issue as at the date of this joint announcement, the amount of cash consideration required to be paid by GTA under the Proposal is an aggregate of approximately HK\$1,715.97 million for the ASMC H Shares and the ASMC Unlisted Foreign Shares and RMB519.03 million for the ASMC Domestic Shares, respectively. Pursuant to an agreement on consideration arrangement dated 26 October 2018 entered into between Huada and GTA, Huada irrevocably and unconditionally agreed to waive GTA's obligation to pay the Cancellation Price by cash. Huada and GTA agreed to effect the payment of the Cancellation Price entitled by Huada by way of accounting treatment instead of physical payment from GTA to Huada upon the implementation of the Merger. On the basis of (i) the Cancellation Price of RMB1.33 per ASMC Domestic Shares (equivalent to the Cancellation Price of HK\$1.50 per ASMC H Share and per ASMC Unlisted Foreign Share based on the Exchange Rate) and (ii) 301,523,616 ASMC Domestic Shares owned by Huada, the Cancellation Price which Huada is entitled under the Merger Agreement amounted to RMB401.03 million. GTA intends to finance the total consideration required for the Proposal (excluding the Cancellation Price in respect of the ASMC Domestic Shares owned by Huada) from a loan facility granted by Huada to GTA (or other loan facilities to be obtained by GTA) and/or by using its internal financial resources.

\* *equivalent of the Cancellation Price of each ASMC H Share and each ASMC Unlisted Foreign Share based on the Exchange Rate*

GTA has appointed CICC as its financial adviser in connection with the Proposal. CICC, being the financial adviser to GTA, is satisfied that sufficient financial resources are available to GTA for the satisfaction of GTA's obligations in respect of the full implementation of the Proposal (excluding the Cancellation Price in respect of the ASMC Domestic Shares owned by Huada).



## 4. INFORMATION ON ASMC

### Background

ASMC was initially established in the PRC on 4 October 1988 as a sino-foreign equity joint venture and was re-registered as a foreign invested joint stock company with limited liability. The tenure of operation of ASMC was revised to infinite. On 7 April 2006, ASMC H Shares were successfully listed on the Stock Exchange.

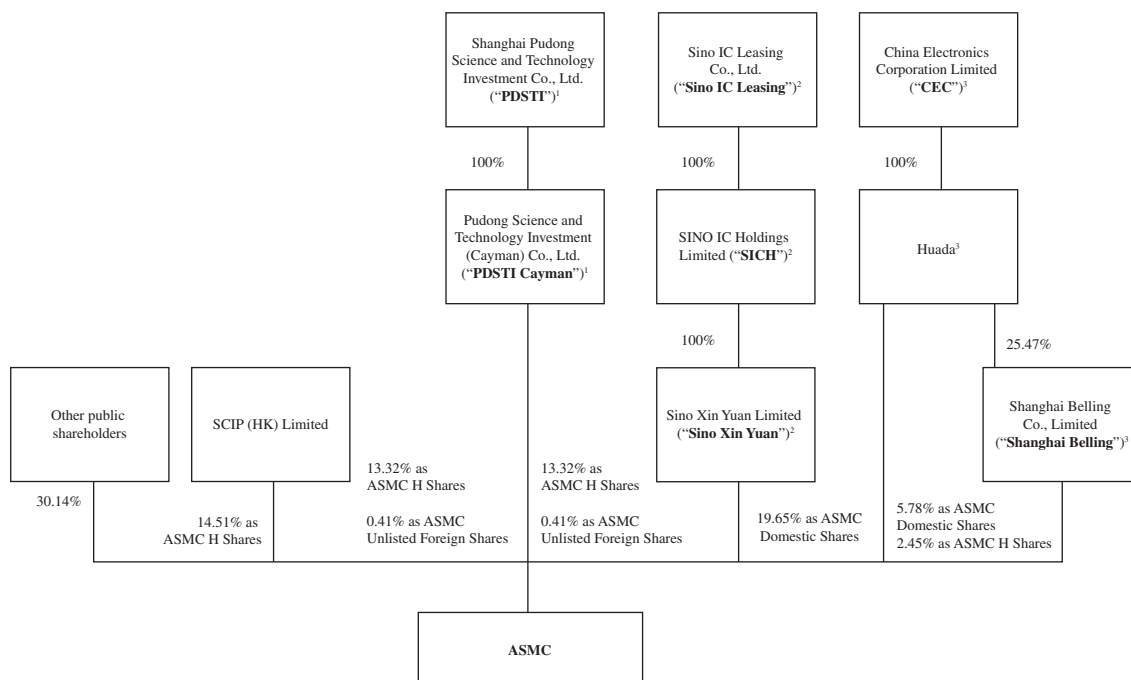
### Principal business of ASMC

The principal activities of ASMC are the manufacture and sale of 5-inch, 6-inch and 8-inch semiconductor wafers.

### Shareholding in ASMC

As at the date of this joint announcement, the issued share capital of ASMC comprised of 390,250,016 ASMC Domestic Shares, 1,131,333,472 ASMC H Shares and 12,643,512 ASMC Unlisted Foreign Shares.

Set out below is the shareholding structure of ASMC as at the date of this joint announcement:



#### Notes:

- 1 PDSTI Cayman is a wholly-owned subsidiary of PDSTI, which in turn is 51% controlled by 上海宏天元創業投資合夥企業 (limited partnership, “宏天元創業投資”). 上海宏天元投資管理有限公司 (“宏天元投資管理”) in turn holds 31.66% interests in 宏天元創業投資. 上海宏天元投資有限公司 (“宏天元投資”) in turn holds 57.14% interests in 宏天元投資管理 and 0.64% interests in 宏天元創業投資. Therefore, PDSTI, 宏天元創業投資, 宏天元投資管理 and 宏天元投資 are taken as having interests in the 204,403,444 ASMC H shares (representing approximately 13.32% of the total issued share capital) and 6,321,756 unlisted foreign shares (representing approximately 0.41% of the total issued share capital) of ASMC which are beneficially held by PDSTI Cayman.

- 2 Sino Xin Yuan is a wholly-owned subsidiary of SICH, and SICH is a wholly-owned subsidiary of Sino IC Leasing. National Integrated Circuit Industry Investment Fund Co., Ltd. (“**National Integrated Circuit Industry Investment Fund**”) in turn holds 32.30593% interests in Sino IC Leasing. Therefore, SICH, Sino IC Leasing and National Integrated Circuit Industry Investment Fund are taken as having interests in the 204,403,444 ASMC H shares (representing approximately 13.32% of the total issued share capital) and 6,321,756 unlisted foreign shares (representing approximately 0.41% of the total issued share capital) of ASMC which are beneficially held by Sino Xin Yuan.
- 3 Huada is a wholly-owned subsidiary of CEC. Therefore, CEC is taken as having interests in the 301,523,616 domestic shares of ASMC which are beneficially held by Huada. In addition, as at the date of this joint announcement, Huada has a 25.47% equity interest in Shanghai Belling, therefore, CEC and Huada are taken as having interests in the 88,726,400 ASMC Domestic Shares (representing approximately 5.78% of the total issued share capital) and 37,540,000 ASMC H Shares (representing approximately 2.45% of the total issued share capital) of ASMC which are beneficially held by Shanghai Belling. Given Huada owns 20% or more of the voting rights of Shanghai Belling, Huada and Shanghai Belling are regarded as associated companies under the Takeovers Code.
- 4 The percentage figures included in the shareholding structure of ASMC above have been subject to rounding adjustments.

As at the date of this joint announcement, GTA did not own any ASMC Shares. Huada, which directly and beneficially owned the entire equity interest of GTA, owned 301,523,616 ASMC Domestic Shares, representing approximately 19.65% of the total issued share capital of ASMC. In addition, as at the date of this joint announcement, Huada has approximately 25.47% equity interest in Shanghai Belling and is the controlling shareholder (as defined under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange) of Shanghai Belling, therefore, Huada is deemed to be interested in 88,726,400 ASMC Domestic Shares (representing approximately 5.78% of the total issued share capital of ASMC) and 37,540,000 ASMC H shares (representing approximately 2.45% of the total issued share capital of ASMC) which are beneficially held by Shanghai Belling. Since Huada owns 20% or more of the voting rights of Shanghai Belling, Huada and Shanghai Belling are regarded as associated companies under the Takeovers Code. As at the date of this joint announcement, GTA and its parties acting in concert with it owned an aggregate of 390,250,016 ASMC Domestic Shares (representing approximately 25.43% of the total issued share capital of ASMC) and 37,540,000 ASMC H Shares (representing approximately 2.45% of the total issued share capital of ASMC).

As at the date of this joint announcement, there were no outstanding options, warrants or convertible securities issued by ASMC.

### **Other arrangement**

As at the date of this joint announcement:

- (1) save for the existing direct and indirect shareholding of Huada in ASMC as set out in the paragraph headed “Shareholding in ASMC”, neither GTA nor parties acting in concert with it owned or had control or direction over any voting rights or rights over the Shares, options, derivatives, warrants, other securities convertible into Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code);
- (2) neither GTA nor parties acting in concert with it has received any irrevocable commitment to vote for or against the Proposal;

- (3) there are no convertible securities, warrants or options in respect of the ASMC Shares held, controlled or directed by GTA or parties acting in concert with it;
- (4) neither GTA nor parties acting in concert with it has entered into any outstanding derivative in respect of ASMC Shares;
- (5) save for the Proposal itself, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of GTA or the ASMC Shares and which might be material to the Proposal;
- (6) there is no agreement or arrangement to which GTA is a party which relates to circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal; and
- (7) neither GTA nor parties acting in concert with it have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22) in ASMC.

## **5. INFORMATION ON GTA, HUADA AND CEC**

GTA is a company established in the PRC with limited liability on 15 November 2017. It is principally engaged in technical development, technical consulting, technical services and technology transfer in semiconductor technology field, sales of electronic components, electronic products, computer software and auxiliary equipment, computer system integration and import and export of goods and technology. As at the date of this joint announcement, GTA is wholly-owned by Huada, which is in turn indirectly and ultimately wholly-owned by CEC, a state-owned enterprise established in 1989 under the PRC laws with approval from the PRC State Council.

### **Principal business of Huada**

Huada was established in May 2014, which is one of the top ten IC design companies in the PRC. Huada primarily focuses its business on IC design and relevant solution development, which occupies leading market share in the fields of analog circuit, LCD driver, SmartCard and security chips, and is ranked first in the PRC and top five globally, regarding the shipment volume and revenue of SmartCard and security chips.

As at 30 September 2018, the registered capital of Huada was RMB975 million and the total asset of Huada amounted to RMB1,134 million.

### **Principal business of CEC**

CEC is a state-owned enterprise established in 1989 under the PRC Laws with approval from the PRC State Council. CEC is principally engaged in the provision of electronic and information technology products and services in the national strategic, fundamental and advanced fields of network security and information technology, new display technology, system integration and telecommunication.

## **6. REASONS FOR AND BENEFITS OF THE MERGER**

GTA and ASMC have identified a number of reasons for and benefits of the Merger. These include:

- (1) the semiconductor industry requires intensive capital and technology, and capital investment is the main driving force for market expansion. Although ASMC has solid foundation in analog and power semiconductor technology, ASMC faces challenges to address production capacity shortage and technology upgrade. Therefore, ASMC is urged to build new plant to address such issues and maintain its competitiveness in the market. The Merger, if successful, can fully integrate human resources, quality control and technology knowhow between GTA and ASMC, from which ASMC can be readily provided with capital and other industrial resources. Furthermore, the Merger will reduce the restrictions of ASMC on land and site selections and risk of potential related party transactions;
- (2) the Proposal offers all ASMC Shareholders a unique opportunity to realise their investments in ASMC at a cash consideration which represents a premium over the market price of ASMC H Shares; and
- (3) GTA primarily focuses its business on the research and manufacturing semiconductors for specialty applications, and ASMC has solid foundation in such business field. The Merger, if successful, can fully integrate the underlying assets and liabilities of ASMC by GTA, which allow GTA to have the direct management on the assets and liabilities of ASMC.

## **7. PRINCIPAL TERMS OF THE MERGER AGREEMENT**

### **Conditions of the Merger**

#### *Conditions to effect the Merger Agreement*

The Merger Agreement shall become effective upon the fulfilment of all of the following conditions on or before 29 July 2019 (or such other date as ASMC and GTA may mutually agree):

- (1) the approval of the Merger Agreement and the Merger by the sole shareholder of GTA(that is, Huada);
- (2) the approval of the Merger Agreement and the Merger by not less than two-thirds of the ASMC Shareholders present and voting in person or by proxy at the Special General Meeting;
- (3) the approval of the Merger Agreement and the Merger by way of poll by at least 75% of the votes attaching to the ASMC H Shares held by the Independent ASMC H Shareholders that are cast either in person or by proxy at the Special General Meeting of the Independent ASMC H Shareholders and the number of votes cast against the resolution to approve the Merger Agreement and the Merger at the Special General Meeting of the Independent ASMC H Shareholders is not more than 10% of the votes attaching to all the ASMC H Shares held by the Independent ASMC H Shareholders; and

- (4) all necessary approvals from all relevant governmental bodies or regulatory bodies in the PRC and Hong Kong (if applicable) in respect of the Merger under the Merger Agreement have been obtained.

The Merger is subject to approvals and filing procedures from the relevant PRC governmental and/or regulatory bodies such as NDRC, Shanghai Municipal Commission of Commerce and SAMR (relating to anti-trust laws in the PRC). In addition, GTA and ASMC will seek such consents, approvals, orders and other governmental authorisations necessary or advisable to implement the Merger. **Whilst GTA and ASMC believe that they will obtain the requisite regulatory approvals, there can be no assurance that these will be obtained.**

None of the Conditions to effect the Merger Agreement can be waived.

As at the date of this joint announcement, (i) Condition (1) of Conditions to effect the Merger Agreement has been fulfilled; and (ii) approvals from NDRC and Shanghai Municipal Commission of Commerce as set out in Condition (4) have been obtained.

### *Conditions to the implementation of the Merger*

After the Merger Agreement becomes effective, the implementation of the Merger shall be subject to the fulfillment (unless waived, as applicable) of all of the following conditions on or before 31 December 2019 (or such other date as ASMC and GTA may mutually agree):

- (1) the representations and warranties made by GTA shall not contain mistakes or omissions which will have a material adverse effect to the Merger on the Delisting Date, and the undertakings given by GTA in the Merger Agreement shall have been complied with in all material respects and, to the extent that there is failure to comply, such non-compliance does not cause a material impact on the Merger;
- (2) the representations and warranties made by ASMC shall not contain mistakes or omissions which will have a material adverse effect to the Merger on the Delisting Date, and the undertakings given by ASMC in the Merger Agreement shall have been complied with in all material respects and, to the extent that there is failure to comply, such non-compliance does not cause a material impact on the Merger; and
- (3) no law, statute, rule or regulation shall have been enacted or promulgated by any governmental authority restricting, prohibiting or cancelling the implementation of the Merger; and there shall be no judgment, order or injunction of a court in effect restricting, prohibiting or cancelling the implementation of the Merger on the Delisting Date.

If any of the Conditions to the implementation of the Merger has not been fulfilled (or waived, if applicable) on or before 31 December 2019 (or such other date as ASMC and GTA may agree), the Merger will lapse. ASMC is entitled to waive Condition (1) to the implementation of the Merger. GTA is entitled to waive Condition (2) to the implementation of the Merger. Condition (3) to the implementation of the Merger cannot be waived.



## **De-registration of ASMC**

Upon fulfilment (or waiver, if applicable) of all the Conditions (being the Conditions to effect the Merger Agreement and the Conditions to the implementation of the Merger), the Merger will become unconditional. Payment of the Cancellation Price will be made to ASMC Shareholders as soon as possible and in any event no later than seven Business Days after the fulfilment (or waiver, if applicable) of all the Conditions. After payment is made to the ASMC Shareholders, the relevant rights attaching to such ASMC Shares shall be deemed as cancelled. ASMC will apply to applicable PRC governmental authorities for de-registration. The register of ASMC Shareholders will remain closed until ASMC is de-registered.

## **Termination of the Merger Agreement**

The Merger Agreement will be terminated by:

- (1) either ASMC or GTA if:
  - (i) any governmental body has issued an order, decree or ruling or taken any other action (the parties hereto shall use their reasonable efforts to lift such order, decree, ruling or other action), which permanently restrains, enjoins or otherwise prohibits the Merger and such order, decree, ruling or other action has become final and non-appealable;
  - (ii) the Conditions to effect the Merger Agreement have not been satisfied by 29 July 2019 (or such other date as ASMC and GTA may mutually agree);
  - (iii) the Conditions to the implementation of the Merger have not been satisfied or waived (if applicable) by 31 December 2019 (or such other date as ASMC and GTA may mutually agree); or
  - (iv) ASMC has not obtained the requisite vote at the Special General Meeting or the Special General Meeting of the Independent ASMC H Shareholders for approving the Merger Agreement and the Merger;
- (2) GTA may terminate the Merger Agreement if ASMC has breached any of its representations, warranties or undertakings under the Merger Agreement or other agreements executed in relation to the Merger, where such breach has a material impact on the Merger and cannot be or has not been rectified within 30 days after the giving of written notice by GTA to ASMC (if applicable); or
- (3) ASMC may terminate the Merger Agreement if GTA has breached any of its representations, warranties or undertakings under the Merger Agreement or other agreements executed in relation to the Merger, which such breach has a material impact on the Merger and cannot be or has not been rectified within 30 days after the giving of written notice by ASMC to GTA (if applicable).

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, GTA may only invoke any or all of the Conditions set out in the paragraph headed “Conditions of the Merger” in this section or terminate the Merger Agreement in accordance with the paragraph headed “Termination of the Merger Agreement” in this section as a basis for not proceeding with the Merger only if the circumstances which give rise to the right to invoke any such condition or termination right are of material significance to GTA in the context of the Merger.

## **8. WITHDRAWAL OF LISTING OF ASMC H SHARES**

Upon the Conditions having been fulfilled (or waived, if applicable), the Merger will become unconditional. Payment of the Cancellation Price will be made to ASMC Shareholders as soon as possible and in any event no later than seven Business Days after the fulfillment (or waiver, if applicable) of all the Conditions. After payment is made to the ASMC Shareholders, the relevant rights attaching to such ASMC Shares shall be deemed as cancelled. Share certificates for the ASMC H Shares will thereafter cease to have effect as documents or evidence of title. ASMC will apply for its de-registration. Upon de-registration of ASMC, ASMC will be dissolved and will cease to exist as a separate legal entity.

ASMC will make an application to the Stock Exchange for voluntary withdrawal of the listing of ASMC H Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules. The ASMC Shareholders will be notified by way of an announcement of the exact date on which the relevant Conditions have been fulfilled (unless waived, as applicable), the dates of the last day for dealing in the ASMC H Shares and on which the voluntary withdrawal of the listing of the ASMC H Shares on the Stock Exchange will become effective. A detailed timetable for the Proposal will be included in the Composite Document to be despatched to ASMC Shareholders, which will also contain, inter alia, further details of the Proposal and the Merger.

Any Dissenting ASMC Shareholder who has opposed the Proposal and has requested ASMC or other ASMC Shareholders who have approved the Proposal to acquire its ASMC Shares at a “fair price” will, after the de-registration of ASMC, continue to have such right against ASMC and/or such ASMC Shareholder, or GTA (if requested by ASMC and/or such ASMC Shareholder to assume their respective liabilities after receiving the request from the Dissenting ASMC Shareholder).

The ASMC Listing will not be withdrawn if the Merger is not approved or if the Proposal lapses or if any Condition to the implementation of the Merger is not fulfilled (unless waived, as applicable) on or before 31 December 2019 (or such other date as ASMC and GTA may agree). The ASMC Shareholders will be notified by way of an announcement accordingly.

## **9. OVERSEAS ASMC SHAREHOLDERS**

The making of the Proposal to the Overseas ASMC Shareholders may be subject to the laws of the relevant jurisdictions. Overseas ASMC Shareholders should observe any applicable legal or regulatory requirements. It is the responsibility of the Overseas ASMC Shareholders wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due by the Overseas ASMC Shareholders in such jurisdiction. ASMC will be making necessary enquiries to determine whether or not it would be unduly burdensome to send the Composite Document to any of the Overseas ASMC Shareholders. If appropriate, GTA will apply for a waiver from the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code, from the requirement to send the Composite Document to such Overseas ASMC Shareholders. The Executive may or may not grant such a waiver.

## **10. MEETINGS**

As required under the PRC Company Law, the Merger Agreement and the Merger requires the approval of not less than two-thirds of the ASMC Shareholders present and voting in person or by proxy at the Special General Meeting.

Under Rule 2.10 of the Takeovers Code, which is applicable to the Proposal, the resolutions of the Independent ASMC H Shareholders will only be considered to have been passed if (i) the Proposal is approved by way of poll by at least 75% of the votes attaching to the ASMC H Shares held by the Independent ASMC H Shareholders that are cast either in person or by proxy at the Special General Meeting of the Independent ASMC H Shareholders; and (ii) the number of votes cast against the resolution to approve the Merger Agreement and the Merger at the Special General Meeting of the Independent ASMC H Shareholders is not more than 10% of the votes attaching to all the ASMC H Shares held by the Independent ASMC H Shareholders.

As at the date of this joint announcement, Shanghai Belling is interested in 37,540,000 ASMC H shares (representing approximately 2.45% of the total issued share capital of ASMC). As Huada and Shanghai Belling are regarded as associated companies under the Takeovers Code, Shanghai Belling will abstain from voting for the resolution(s) to be proposed in the Special General Meeting of the Independent ASMC H Shareholders to approve the Proposal.

Notices of the above meetings will be sent to the ASMC Shareholders together with the Composite Document.

## **11. INDEPENDENT FINANCIAL ADVISER AND INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, consisting of the non-executive ASMC Directors who have no direct or indirect interest in the Proposal, being Mr. David Damian French, Mr. Kang Hui, Mr. Yuan Yipei, Dr. Chen Enhua, Mr. Jiang Shoulei, Dr. Jiang Qingtang and Mr. Pu Hanhu, has been established to advise the Independent ASMC H Shareholders in relation to the Proposal. Mr. Dong Haoran, the General Manager and the Secretary of the Party Committee of Huada, the Chairman of Shanghai Belling and the Executive Director and the General Manager of GTA and Mr. Xu Ding, the Investment Director of Huada, are excluded from the Independent Board Committee due to their respective positions in Huada, Shanghai Belling and/or GTA, and Mr. Lu Ning is excluded from the Independent Board Committee due to his positions as the deputy secretary of the Party Committee and the secretary of Discipline Supervision Committee and the Chairman of the trade union of Shanghai Belling, which constitute their direct or indirect interest in the Proposal. Anglo Chinese has been appointed by ASMC to act as the independent financial adviser and advise the Independent Board Committee in connection with the Proposal. The appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 to the Takeovers Code.

## 12. DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document containing, among others, further details of the Proposal and the Merger (including the expected timetables), the recommendation from the Independent Board Committee with respect to the Proposal and the advice of the Independent Financial Adviser to the Independent Board Committee, a notice of the Special General Meeting and a notice of the Special General Meeting of Independent ASMC H Shareholders to approve the Proposal, will be despatched by ASMC and GTA jointly to the ASMC H Shareholders within 21 days from the date of this joint announcement or such later date as may be permitted under the Takeovers Code.

Save in relation to the 15,672,000 ASMC Shares purchased by Shanghai Belling during the six months prior to the date of this joint announcement, there have been no dealings in the ASMC Shares, options, derivatives, warrants, other securities convertible into ASMC Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) by GTA and parties who are acting in concert with GTA, during the six months prior to the date of this joint announcement. The highest price paid by Shanghai Belling for the purchase of such ASMC Shares during the six months prior to the date of this joint announcement amounted to HK\$0.83 per ASMC Share.

### **Dealings disclosure**

In accordance with Rule 3.8 of the Takeovers Code, associates of ASMC and GTA, including persons who own or control 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code), are hereby reminded to disclose their dealings in the relevant securities of ASMC pursuant to the Takeovers Code.

For this purpose, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

#### ***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

### 13. RESUMPTION OF TRADING OF ASMC H SHARES

At the request of ASMC, trading in the ASMC H Shares on the Stock Exchange was halted from 9:00 a.m. on 26 October 2018 pending the issue of this joint announcement.

Application has been made by ASMC to the Stock Exchange for the resumption of trading in the ASMC H Shares from 9:00 a.m. on 31 October 2018.

**ASMC Shareholders and potential investors should be aware that the Merger is subject to the Conditions as set out in this joint announcement being fulfilled (or waived, as applicable), and thus the Merger may or may not become effective or, if effective, may or may not be implemented. ASMC Shareholders and potential investors should exercise caution when dealing in the ASMC Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.**

### DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Anglo Chinese” or “Independent Financial Adviser”	Anglo Chinese Corporate Finance, Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, the independent financial adviser appointed by ASMC with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code for the purpose of advising the Independent Board Committee in connection with the Proposal
“ASMC”	Advanced Semiconductor Manufacturing Corporation Limited (上海先進半導體製造股份有限公司), a foreign invested joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange
“ASMC Articles”	the articles of association of ASMC
“ASMC Board”	the board of ASMC Directors
“ASMC Director(s)”	director(s) of ASMC
“ASMC Domestic Share(s)”	state-owned shares of RMB1 each in the issued share capital of ASMC
“ASMC Group”	ASMC and its subsidiaries
“ASMC H Shareholder(s)”	registered holder(s) of ASMC H Shares
“ASMC H Share(s)”	H share(s) of RMB1 each in the issued share capital of ASMC which are listed on the Stock Exchange



“ASMC Listing”	the listing of ASMC H Shares on the Stock Exchange
“ASMC Shareholder(s)”	the holder(s) of the ASMC Shares
“ASMC Share(s)”	ASMC Domestic Share(s), ASMC H Share(s) and ASMC Unlisted Foreign Share(s)
“ASMC Unlisted Foreign Share(s)”	unlisted foreign share(s) of RMB1 each in the issued share capital of ASMC
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Cancellation Price”	the cancellation price of HK\$1.50 per ASMC H Share and per ASMC Unlisted Foreign Shares or RMB1.33* per ASMC Domestic Share payable in cash by GTA to the ASMC Shareholders. <b>GTA will not increase the amount of the Cancellation Price as set out above</b>
	<i>* equivalent of the Cancellation Price of each ASMC H Share and each ASMC Unlisted Foreign Share based on the Exchange Rate</i>
“CICC”	China International Capital Corporation Hong Kong Securities Limited, the financial adviser of GTA in connection with the Proposal, which is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities
“Composite Document”	the document to be jointly issued by GTA and ASMC to the ASMC H Shareholders in accordance with the Takeovers Code and the Listing Rules
“Conditions”	the conditions (being the Conditions to effect the Merger Agreement and the Conditions to the implementation of the Merger) to which the Proposal is subject to and “Condition” means any of them
“Delisting Date”	the date on which the ASMC Listing on the Stock Exchange has been withdrawn, in any case no later than 31 December 2019
“Dissenting ASMC Shareholder”	ASMC Shareholder who has cast effective dissenting votes in respect of each of the resolutions regarding the Merger at the Special General Meetings
“Exchange Rate”	the exchange rate of HK\$1 to RMB0.88705 which is the central parity rate of RMB to Hong Kong dollar as at 30 October 2018 announced by the People’s Bank of China

“Executive”	the executive director of the Corporate Finance Division of the SFC or any of his delegates
“GTA”	GTA Semiconductor Co., Ltd. (上海積塔半導體有限公司), a company established in the PRC with limited liability on 15 November 2017
“GTA Director”	Mr. Dong Haoran, executive director of GTA, being the sole executive director of GTA
“Huada”	Huada Semiconductor Co., Ltd.* (華大半導體有限公司), a company established in the PRC with limited liability on 8 May 2014
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the ASMC Board has been established to advise Independent ASMC H Shareholders in relation to the Proposal
“Independent ASMC H Shareholders”	in respect of the Proposal, ASMC H Shareholders, other than (i) parties who have interests in the Merger and their respective concert parties (including Huada and Shanghai Belling); and (ii) GTA and its concert parties (including Huada and Shanghai Belling)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Merger”	the proposed merger by absorption of ASMC by GTA
“Merger Agreement”	the merger agreement entered into between GTA and ASMC on 30 October 2018 in relation to the Merger
“NAV”	the unaudited net asset value of ASMC as set out in its published interim accounts of ASMC for the six months ended 30 June 2018
“NDRC”	National Development and Reform Commission of the PRC
“Overseas ASMC Shareholders”	ASMC Shareholders who are not residents in Hong Kong
“PRC”	the People’s Republic of China, excluding for the purposes of this joint announcement, Hong Kong, Macau and Taiwan
“PRC Company Law”	the Company Law of the PRC, as amended, supplemented or otherwise modified from time to time

“Proposal”	the proposal for the privatisation of ASMC by GTA by way of merger by absorption of ASMC by GTA pursuant to Article 172 of the PRC Company Law
“RMB”	Renminbi, the lawful currency of the PRC
“SAMR”	State Administration for Market Regulation
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as revised, supplemented or otherwise modified from time to time)
“Shanghai Belling”	Shanghai Belling Co., Limited* (上海貝嶺股份有限公司), a company established in the PRC with limited liability, which is approximately 25.47% owned by Huada as at the date of this joint announcement
“Special General Meeting”	the special general meeting of ASMC proposed to be convened and held in respect of the approval of the Proposal
“Special General Meetings”	the Special General Meeting and the Special General Meeting of the Independent ASMC H Shareholders
“Special General Meeting of the Independent ASMC H Shareholders”	the special general meeting of the Independent ASMC H Shareholders proposed to be convened and held in respect of the approval of the Proposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs published by the SFC (as revised, supplemented or otherwise modified from time to time)
“%”	per cent.

On behalf of the sole executive director of  
**GTA Semiconductor Co., Ltd.**  
 上海積塔半導體有限公司  
**Dong Haoran**  
*Executive Director*

On behalf of the board of directors of  
**Advanced Semiconductor Manufacturing Corporation Limited**  
 上海先進半導體製造股份有限公司  
**Hong Feng**  
*Executive Director*

Hong Kong, 30 October 2018

*As at the date of this joint announcement, the ASMC Board comprises Mr. Hong Feng as executive director, Mr. Dong Haoran, Mr. David Damian French, Mr. Kang Hui, Mr. Xu Ding, Mr. Yuan Yipei and Mr. Lu Ning as non-executive directors, and Dr. Chen Enhua, Mr. Jiang Shoulei, Dr. Jiang Qingtang and Mr. Pu Hanhu as independent non-executive directors.*

*The ASMC Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to GTA) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the GTA Director) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, the sole director of GTA is Mr. Dong Haoran.*

*The GTA Director accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to ASMC) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (others than those expressed by the ASMC Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, the board of directors of Huada comprises Mr. Chen Xu, Ms. Jia Haiying, Mr. Dong Haoran, Mr. Li Rongxin, Mr. Li Jun and Mr. Zhu Lifeng.*

*The directors of Huada jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to ASMC) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (others than those expressed by the ASMC Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*\* for identification purposes only*