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HG SEMICONDUCTOR LIMITED

宏光半導體有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6908)

RE-DESIGNATION OF DIRECTOR

This announcement is made by HG Semiconductor Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

RE-DESIGNATION OF DIRECTOR

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that Mr. Li Yang, aged 52, has been re-designated from an independent non-executive Director to an executive Director with effect from 9 February 2024. He remains as a member of the audit committee (the “**Audit Committee**”) of the Board and has ceased to be a member of each of the remuneration committee (the “**Remuneration Committee**”) of the Board and the nomination committee (the “**Nomination Committee**”) of the Board following his re-designation.

Mr. Li Yang (李陽) (“**Mr. Li**”), was appointed as an independent non-executive Director and also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee on 19 April 2022.

Mr. Li obtained a diploma from the Shenzhen University (深圳大學) in 1992 and a Master of Business Administration from Shenzhen Economic and Management Institute (深圳經濟管理學院) in 2000. Mr. Li also completed a Master’s Degree programme in 2001 at the Graduate School of Chinese Academy of Social Sciences (中國社會科學院研究生院), majoring in World Economics.

Mr. Li has over 20 years of experience in investment activities and business management, and has extensive industry experience in fashion apparel, trendy brand promotion, information technology and other businesses. He has held directorships in several companies listed on the Main Board of the Stock Exchange and a public company listed on the stock market of the People’s Republic of China. From September 2014 to June 2018, Mr. Li acted as the deputy chairman and an executive director of China

Best Group Holding Limited (stock code: 370). From July 2015 to September 2016, he acted as the chairman and a director of Shanxi Guanghe Landscape Culture Communication Co., Ltd.* (山西廣和山水文化傳播股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600234). From February 2017 to December 2018, he also served as an independent non-executive director of Sino Haijing Holdings Limited (stock code: 1106). From November 2018 to December 2020, he acted as the deputy chairman and an executive director of Leyou Technologies Holdings Limited (stock code: 1089), which was privatized by way of a scheme of arrangement under the Companies Act of its place of incorporation and its listing was withdrawn on 24 December 2020. From August 2020 to February 2021, he also acted as an executive director of CT Environmental Group Limited (stock code: 1363), the listing of which was cancelled under Rule 6.01A of the Listing Rules. On 19 January 2022, Mr. Li was appointed as the chairman of the board and an executive director of Virtual Mind Holding Company Limited (formerly known as CEFC Hong Kong Financial Investment Company Limited) (stock code: 1520). On 21 March 2023, Mr. Li was appointed as an executive director and deputy chairman of IBO Technology Company Limited, a company whose shares are listed on the Stock Exchange (stock code: 2708).

Pursuant to the service agreement made between the Company and Mr. Li, Mr. Li has been appointed as an executive Director for an initial term of three years commencing from 9 February 2024, renewable automatically for successive terms of one year each commencing from the next day after the expiry of the then term of employment, subject to retirement by rotation and re-election at annual general meetings in accordance with the articles of association of the Company and the Listing Rules. Under the aforesaid service agreement, the annual remuneration package of Mr. Li may amount up to HK\$1.2 million. The remuneration of Mr. Li has been determined with reference to the prevailing market condition, his role and responsibilities and the Company's remuneration policy. Such remuneration has been recommended by the Remuneration Committee and approved by the Board and will be reviewed by the Remuneration Committee and the Board on an annual basis. As at the date of this announcement, save as disclosed above, Mr. Li (i) has not held any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) does not have any interest in the shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)); (iii) does not hold any other positions in the Company or its subsidiaries; and (iv) does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Listing Rules) of the Company.

Mr. Li has confirmed that there is no information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there is no other matter that needs to be brought to the attention of the shareholders of the Company.

The Board would like to extend its welcome to Mr. Li on his re-designation as an executive Director.

NON-COMPLIANCE WITH RULE 3.10(1) AND RULE 3.10A OF LISTING RULES

In light of the above re-designation and the changes to the composition of the Board and the Board committees as stated above, the Company is not in compliance with (i) Rule 3.10(1) of the Listing Rules, which stipulates that the Board must include at least three independent non-executive Directors; and (ii) Rule 3.10A of the Listing Rules, which stipulates that the number of independent non-executive Directors shall represent at least one-third of the Board.

The Board is in the process of identifying a suitable candidate to fill the vacancy of an independent non-executive Director and will use its best endeavours to ensure that a suitable candidate is appointed as soon as practicable and, in any event, within three months from 9 February 2024 pursuant to Rule 3.11 of the Listing Rules. Further announcement will be made by the Company in relation to such appointment as and when appropriate.

By order of the Board
HG Semiconductor Limited
Dr. Xu Zhihong
Chairman and Executive Director

Hong Kong, 9 February 2024

As at the date of this announcement, the executive Directors are Dr. Xu Zhihong, Mr. Zhao Yi Wen, Mr. Lu Kailin (formerly known as Mr. Lyu Xiangrong), Mr. Li Yang and Mr. Leung Kin Pang; the non-executive Director is Dr. Wang David Nin-kou; and the independent non-executive Directors are Mr. Zou Haiyan and Mr. Siu Miu Man, Simon, MH.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

* *for identification purposes only*