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华虹宏力
HHGRACE

HUA HONG SEMICONDUCTOR LIMITED

華虹半導體有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01347)

(1) MAJOR AND CONNECTED TRANSACTION – ACQUISITION OF SHARE CAPITAL OF THE TARGET INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE; (2) APPLICATION FOR WHITEWASH WAIVER; (3) PROPOSED NON-PUBLIC ISSUANCE OF RMB SHARES TO RAISE SUPPORTING FUNDS; AND (4) RESUMPTION OF TRADING IN RMB SHARES

MAJOR AND CONNECTED TRANSACTION – ACQUISITION OF SHARE CAPITAL OF THE TARGET INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 29 August 2025, the Company has entered into the Acquisition Agreement with the Vendors, pursuant to which the Company has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, a total of 97.4988% of the share capital of the Target, in consideration of (i) the allotment and issuance of the Consideration Shares at a price of RMB43.34 per RMB Share in part and (ii) the payment of the Cash Consideration by the Company to the Vendors in part. The final consideration for the Proposed Acquisition will be determined after arm's length negotiations between the parties with reference to the appraised value of the Target Assets to be prepared by a qualified asset appraisal agency in the PRC which will be confirmed by way of entering into the Supplemental Agreement. The appraised value of the Target Assets and the qualification and experience of the PRC qualified asset appraisal agency issuing the Asset Valuation Report shall be reported on by the Hong Kong Independent Financial Adviser pursuant to Rule 11.1(b) of the Takeovers Code.

As HHGrace (a wholly-owned subsidiary of the Company) holds the remaining approximately 2.5012% of the share capital of the Target, upon completion, the Company is expected to hold, directly and indirectly, the entire share capital of the Target.

The Consideration Shares will be allotted and issued under the Proposed Acquisition Specific Mandate to be approved by the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders at the EGM.

Shareholders and potential investors of the Company should note that the final consideration for the Proposed Acquisition is subject to the finalisation of the appraised value of the Target Asset and the parties' negotiation. As such, the amount of Consideration Shares which may be issued to the Vendors is subject to further negotiation between the parties.

Further announcement(s) will be made by the Company in respect of, among other things, the appraised value of the Target Assets, the Asset Valuation Report to be prepared by a qualified asset appraisal agency in the PRC, the consideration for the Proposed Acquisition and the number of the Consideration Shares proposed to be issued, upon the entering into of the Supplemental Agreement by the Company and the Vendors in accordance with the applicable laws and regulations, including the requirements under Rule 11.1(b) of the Takeovers Code that the appraised value of the Target Assets and the qualification and experience of the PRC qualified asset appraisal agency issuing the Asset Valuation Report shall be reported on by the Hong Kong Independent Financial Adviser.

PROPOSED NON-PUBLIC ISSUANCE OF RMB SHARES TO RAISE FUNDS

The Company further proposed to conduct the Proposed Non-public Issuance of RMB Shares to not more than 35 specific target subscribers to raise supporting funds. The total amount of supporting funds to be raised thereunder shall not exceed 100% of the final Total Consideration for the Proposed Acquisition, and the number of RMB Shares to be issued shall not exceed 30% of the total issued share capital of the Company upon completion of the Proposed Acquisition.

The Proposed Non-public Issuance of RMB Shares is subject to the approval of the Shanghai Stock Exchange and registration with CSRC and completion of the Proposed Acquisition, but the Proposed Acquisition is not conditional on completion of the Proposed Non-public Issuance of RMB Shares.

IMPLICATIONS UNDER THE LISTING RULES

Proposed Acquisition

Based on the Target's unaudited revenue for the financial year of 2024, it is currently expected that the Proposed Acquisition will constitute a major transaction under Chapter 14 of the Listing Rules, subject to announcement, circular, and Shareholders' approval requirements and is not expected to constitute a very substantial acquisition (as defined under the Listing Rules). Subject to the appraised value of the Target Assets, the final consideration and the entering into of the Supplemental Agreement, the Company shall make further announcement(s) under Chapter 14 of the Listing Rules in relation to the Proposed Acquisition as and when appropriate.

As at the date of this announcement,

(i) Huahong Group, one of the Vendors, is a substantial shareholder of the Company and a connected person of the Company under Chapter 14A of the Listing Rules; and

(ii) China IC Fund II, one of the Vendors, holds 29% of the equity interests in Hua Hong Manufacturing, a subsidiary of the Company. China IC Fund II also holds 48,334,249 RMB Shares, representing approximately 2.8% of the total issued share capital of the Company. Accordingly, China IC Fund II is a connected person of the Company at subsidiary level under Chapter 14A of the Listing Rules.

Therefore, as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition is expected to exceed 5%, the Proposed Acquisition constitutes a connected transaction of the Company which is subject to the reporting, announcement and Proposed Acquisition LR Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save for the Directors who are considered to have material interests in the Proposed Acquisition under the Listing Rules and the Takeovers Code, namely (i) Mr. Jun Ye who is also the Chairman of SAIL (a member of the Huahong Concert Group); (ii) Mr. Guodong Sun who is also a director of Shanghai IC Fund (being one of the Vendors and a member of the Huahong Concert Group) and holds certain position in Sino-IC Capital which in turn manages the China IC Fund II (being one of the Vendors and a member of the Huahong Concert Group); (iii) Mr. Bo Chen who is the vice president of Huahong Group and (iv) Ms. Chengyan Xiong who is the director of the capital and finance department of Huahong Group, none of the Directors is required to abstain from voting on the board resolutions approving the Proposed Acquisition and the transactions contemplated thereunder.

Proposed Non-public Issuance of RMB Shares

In the event that after the book building process for the Proposed Non-public Issuance of RMB Shares, any connected person(s) of the Company becomes a target subscriber which shall participate in the Proposed Non-public Issuance of RMB Shares, such participation in the Proposed Non-public Issuance of RMB Shares will constitute a connected transaction of the Company, which is subject to the report, announcement and independent shareholders' approval under Chapter 14A of the Listing Rules.

Since participation by any connected person(s) in the Proposed Non-public Issuance of RMB Shares can only be determined after the book building process, it is currently envisaged that upon completion of the book building process, if any connected person does participate in the Proposed Non-public Issuance of RMB Shares, the Company will comply with the aforesaid connected transaction requirements as and when appropriate.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Application for Whitewash Waiver

As at the date of this announcement, Huahong Group holds directly and indirectly 348,804,167 Shares (comprising 1,198,517 RMB Shares and 347,605,650 Hong Kong Shares), representing approximately 20.12% of the total issued share capital of the Company. In addition, as at the date of this announcement, the Huahong Concert Group holds directly and indirectly 602,956,550 Shares (comprising 66,389,753 RMB Shares and 536,566,797 Hong Kong Shares), representing approximately 34.78% of the total issued share capital of the Company.

If the Proposed Acquisition materializes, it is expected that immediately after completion thereof, the voting rights held by Huahong Concert Group in the Company will increase by more than 2%. Accordingly, upon completion of the Proposed Acquisition, pursuant to Rule 26.1 of the Takeovers Code, Huahong Concert Group will be required to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by the Huahong Concert Group, unless the Whitewash Waiver from strict compliance with Rule 26.1 of the Takeovers Code is obtained from the Executive.

As such, completion of the Proposed Acquisition is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Takeovers Code Independent Shareholders. An application will be made by Huahong Group (on behalf of itself and Huahong Concert Group) to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to (i) the approval of the Whitewash Waiver by at least 75% of the votes cast by Takeovers Code Independent Shareholders either in person or by proxy at the EGM; and (ii) the approval of the Proposed Acquisition by more than 50% of the votes cast by Takeovers Code Independent Shareholders either in person or by proxy at the EGM as required under the Takeovers Code. The Proposed Acquisition will not proceed if the Whitewash Waiver is not obtained or if the Whitewash Waiver is not approved by the Takeovers Code Independent Shareholders.

As at the date of this announcement, the Company does not believe that the Proposed Acquisition gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavor to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular in relation to, among other things, the Whitewash Waiver. The Company notes that the Executive may not grant the Whitewash Waiver if the Proposed Acquisition does not comply with other applicable rules and regulations.

Upon the entering into of the Supplemental Agreement (which is currently expected to be entered into within 2025), further announcement(s) will be made by the Company in respect of, among other things, the final consideration of the Proposed Acquisition, the number of the Consideration Shares proposed to be issued and further information on the effect on the shareholding and voting rights expected to be held by the Huahong Concert Group in the Company as a result of the Proposed Acquisition.

INDEPENDENT BOARD COMMITTEE AND HONG KONG INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules and Rule 2.8 of the Takeovers Code, the Independent Board Committee (comprising all the independent non-executive Directors, namely Mr. Stephen Tso Tung Chang, Mr. Kwai Huen Wong, JP and Mr. Songlin Feng, who have no direct or indirect interest in the Proposed Acquisition and the Whitewash Waiver) has been formed to advise the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders on the Proposed Acquisition (including the grant of the Proposed Acquisition Specific Mandate and the approval of the Acquisition Agreement) and the Whitewash Waiver. As (i) Mr. Jun Ye is the Chairman of SAIL (a member of the Huahong Concert Group); (ii) Mr. Guodong Sun is a director of Shanghai IC Fund (being one of the Vendors and a member of member of the Huahong Concert Group) and holds certain position in Sino-IC Capital which in turn manages the China IC Fund II (being one of the Vendors and a member of the Huahong Concert Group); (iii) Mr. Bo Chen is the vice president of Huahong Group and (iv) Ms. Chengyan Xiong is the director of the capital and finance department of Huahong Group, each of them is not considered as independent for the purposes of giving advice or recommendations to the Takeovers Code Independent Shareholders under the Takeovers Code.

In this connection, the Hong Kong Independent Financial Adviser will be appointed to advise the Independent Board Committee, the Takeovers Code Independent Shareholders and the Proposed Acquisition LR Independent Shareholders in respect of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver. Further announcement(s) will be made by the Company upon the appointment of the Hong Kong Independent Financial Adviser.

GENERAL

As at the date of this announcement, the audit and valuation work for the Proposed Acquisition have not been completed. Following completion of the aforementioned audit and valuation work, the final consideration for the Proposed Acquisition will be confirmed by way of the Supplemental Agreement by the Company and the Vendors prior to the despatch of the circular in relation to, among other things, the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver. A circular is expected to be despatched to the Shareholders on a date which is more than 15 business days after the publication of this announcement as required under the Listing Rules and more than 21 days of the date of this announcement as required under Rule 8.2 of the Takeovers Code, as the terms of the Proposed Acquisition will only be finalized in or around the end of 2025 and more time is needed for the preparation of certain information to be included in the circular. The Company will apply to the Executive for the consent to extend the time for the despatch of the circular and further announcement(s) will be made in compliance with the requirements of the Listing Rules and the Takeovers Code.

The terms of the Proposed Non-public Issuance of RMB Shares including, among other things, the proposed size of issuance and use of proceeds, are subject to the further approval by the Board after the terms of the Proposed Acquisition are finalized.

EGM

The EGM will be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Acquisition; (ii) the Proposed Non-public Issuance of RMB Shares; (iii) the Specific Mandates; and (iv) the Whitewash Waiver.

The voting in relation to the Proposed Acquisition, the Proposed Non-public Issuance of RMB Shares, the Specific Mandates and the Whitewash Waiver at the EGM will be conducted by way of poll.

RESUMPTION OF TRADING IN A SHARES

At the request of the Company, trading in the RMB Shares on the STAR Board on the Shanghai Stock Exchange has been suspended from 18 August 2025. An application has been made by the Company to the Shanghai Stock Exchange for the resumption of trading in the RMB Shares on the Shanghai Stock Exchange from 1 September 2025.

Completion of the Proposed Acquisition and the Proposed Non-public Issuance of RMB Shares are subject to the satisfaction of certain conditions, and may or may not proceed. The Whitewash Waiver may or may not be granted by the Executive and if granted, will, among others things, be subject to the approval by at least 75% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Proposed Acquisition, respectively, at the EGM. Completion of the Proposed Acquisition is conditional upon, among other things, the approvals by the applicable competent authorities, the Whitewash Waiver being granted by the Executive and approved by the Takeovers Code Independent Shareholders, and completion of the Proposed Non-public Issuance of RMB Shares is subject to the completion of the Proposed Acquisition. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

1. MAJOR AND CONNECTED TRANSACTION – ACQUISITION AGREEMENT

The Board is pleased to announce that on 29 August 2025, the Company and the Vendors entered into the Acquisition Agreement, pursuant to which the Company has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, the Target Assets, in consideration of (i) the allotment and issuance of the Consideration Shares in part and (ii) the payment of the Cash Consideration in part.

1.1 Principal terms

The principal terms of the Acquisition Agreement are set out below:

Date 29 August 2025 (after trading hours)

Parties *Purchaser*

(1) the Company;

Vendors

(2) Huahong Group;

(3) Shanghai IC Fund;

(4) China IC Fund II; and

(5) Guotou IC Fund.

Target Assets Pursuant to the Acquisition Agreement, the Company has conditionally agreed to purchase and the Vendors have conditionally agreed to sell, the Target Assets, being 97.4988% of the equity interests in the Target Company, at the Total Consideration comprising in part Consideration Shares and in part Cash Consideration.

Total Consideration

Pursuant to the relevant laws, rules and regulations in the PRC, the parties have agreed to engage a qualified asset appraisal agency in the PRC to conduct a valuation on the Target Assets and issue the Asset Valuation Report.

The final Total Consideration for the Proposed Acquisition will be determined after arm's length negotiations between the parties with reference to the appraised value of the Target Assets set out in the Asset Valuation Report, and will be confirmed by way of entering into the Supplemental Agreement between the Company and the Vendors.

Notwithstanding that the final consideration for the Total Consideration remains to be determined, it is currently expected that the Proposed Acquisition will (i) constitute a major transaction (and not a very substantial acquisition) under Chapter 14 of the Listing Rules; and (ii) not constitute a material assets reorganisation pursuant to the Administrative Measures for the Material Asset Reorganisations of Listed Companies (《上市公司重大資產重組管理辦法》) under PRC law.

As at the date of this announcement, the audit and valuation work for the Proposed Acquisition have not been completed. It is currently expected that the audit and valuation work for the Proposed Acquisition will be completed within 2025 and the Asset Valuation Report will be issued by a qualified asset appraisal agency in the PRC within 2025.

Shareholders and potential investors of the Company should note that further announcement(s) will be made by the Company in respect of, among other things, the appraised value of the Target Assets, the Asset Valuation Report, the final consideration for the Proposed Acquisition and the number of the Consideration Shares proposed to be issued, upon the entering into of the Supplemental Agreement by the Company and the Vendors in accordance with the applicable laws and regulations, including the requirements under Rule 11.1(b) of the Takeovers Code that the appraised value of the Target Assets and the qualification and experience of the PRC qualified asset appraisal agency issuing the Asset Valuation Report shall be reported on by the Hong Kong Independent Financial Adviser.

Issue of Consideration Shares

In accordance with the relevant PRC laws and regulations, the issue price of the Consideration Shares shall be RMB43.34 per Consideration Share, representing not less than 80% of the average trading prices of the RMB Shares for the 120 trading days prior to the Pricing Benchmark Date.

The issue price of RMB43.34 per Consideration Shares represents:

(a) a discount of approximately 44.79% to the closing price per RMB Share of RMB78.50 as quoted on the Shanghai Stock Exchange on the last trading day prior to the Pricing Benchmark Date;

(b) a discount of approximately 31.78% to the average closing price per RMB Share of RMB63.53 based on the daily closing prices as quoted on the Shanghai Stock Exchange of the last 20 trading days immediately prior to the Pricing Benchmark Date;

(c) a discount of approximately 24.94% to the average closing price per RMB Share of RMB57.74 based on the daily closing prices as quoted on the Shanghai Stock Exchange of the last 60 trading days immediately prior to the Pricing Benchmark Date;

(d) a discount of approximately 19.99% to the average closing price per RMB Share of RMB54.17 based on the daily closing prices as quoted on the Shanghai Stock Exchange of the last 120 trading days immediately prior to the Pricing Benchmark Date;

(e) a premium of approximately 65.85% over the audited net asset value attributable to the Shareholders of approximately US$3.64 per Share as at 31 December 2024, based on the exchange rate of US$1 to RMB7.1884 on 31 December 2024 as announced by People's Bank of China; and

(f) a premium of approximately 65.97% over to the unaudited net asset value attributable to the Shareholders of approximately US$3.65 per Share as at 30 June 2025, based on the exchange rate of US$1 to RMB7.1586 on 30 June 2025 as announced by People's Bank of China.

During the period between the Pricing Benchmark Date and the date of issue of the Consideration Shares, in case of any ex-rights or ex-dividends events of the Company such as distribution of cash dividends, bonus issues, rights issues, allotment of shares, conversion of share premium into share capital or capitalisation issues, the issue price of the Consideration Shares will be adjusted correspondingly in accordance with the relevant PRC laws and regulations.

The final number of Consideration Shares and final amount of Cash Consideration to be issued by the Company to the Vendors shall be subject to, amongst others, the approval by the Shanghai Stock Exchange and registration with the CSRC, and shall be confirmed in the Supplemental Agreement.

The Consideration Shares will be issued under the Proposed Acquisition Specific Mandate to be sought at the EGM.

Lock-up period

(i) Each of Shanghai IC Fund, China IC Fund II and Guotou IC Fund, and (ii) Huahong Group has undertaken that it shall not transfer any of the Consideration Shares within (x) 12 months and (y) 36 months from the date of issue of the Consideration Shares, respectively, subject to any other lock-up period of different length as required or permitted by the applicable laws, rules and regulations, the listing rules of the Shanghai Stock Exchange, requirements imposed by regulatory authorities in the PRC and/or other circumstances set out in the respective letter of undertaking given by the Vendors. In respect of Huahong Group, in the event that the average closing price of the Shares for any 20 consecutive days within 6 months of completion of the Proposed Acquisition is lower than the Consideration Shares issue price, the lock-up period on the Consideration Shares it obtained shall automatically extend for 6 months.

The lock-up undertaking shall also be applicable to any additional RMB Shares received by the Vendors as a result of bonus issues, capitalization issues, and/or conversion of share premium into share capital after completion of the Consideration Share Issuance.

Conditions precedent to the effectiveness of the Acquisition Agreement

The effectiveness of the Acquisition Agreement is conditional upon the fulfilment of all of the following:

(i) the approval of the Proposed Acquisition by the Board and the Proposed Acquisition Independent Shareholders and the Takeovers Code Independent Shareholders at the EGM of the Company;

(ii) the approval of the Proposed Acquisition by the internal and external competent governing bodies of the Vendors;

(iii) the approval of Proposed Acquisition by the shareholders of the Target, and the waiver of the first right of refusal by the shareholders of the Target having been obtained;

(iv) the approval of the Proposed Acquisition by the state-owned assets supervision and administration authorities;

(v) the granting of a Whitewash Waiver by the Executive and the approval of the same by the Takeovers Code Independent Shareholders at the EGM of the Company;

(vi) the approval of the Proposed Acquisition by the Shanghai Stock Exchange and registration by the CSRC;

(vii) the Proposed Acquisition having obtained other necessary prior approvals, approvals or consents (if any) as required by laws, regulations and regulatory authorities.

There is no long stop date under the Acquisition Agreement in respect of the fulfilment and/or waiver of the conditions precedent. The parties will however endeavor to take necessary steps to procure the fulfillment of the conditions precedent and proceed with completion of the Proposed Acquisition.

In respect of the condition set out in paragraph (vii) above, as at the date of this announcement, the Company is not aware of any other approval and/or filings which are required to be obtained by it in respect of the Proposed Acquisition.

None of the above conditions precedent may be waived by any party to the Acquisition Agreement. None of the conditions precedent has been fulfilled as at the date of this announcement (except for the approval of the Board as mentioned in (i)). The Proposed Acquisition will not proceed if the Whitewash Waiver is not obtained or if the Whitewash Waiver is not approved by the Takeovers Code Independent Shareholders.

Completion Upon registration of the Proposed Acquisition with the CSRC, the parties agree to cooperate and complete the necessary steps in respect of completion in accordance with applicable laws and regulations within the validity period of the registration. Completion of the Proposed Acquisition shall take place upon completion registration of the Target Assets with the relevant administration of market regulation of the PRC, which is expected to be within one year from the date of the CSRC's agreement to register.

Completion audit The parties agree that an auditor with appropriate qualifications will be appointed to conduct a completion audit of the Target Assets as at the nearest month end before the date of the completion.

Termination The Acquisition Agreement shall be terminated in the following circumstances:

(i) if the parties mutually agree to terminate the Acquisition Agreement in writing prior to the date of completion of the Proposed Acquisition;

(ii) If the Acquisition Agreement is terminated, revoked, or deemed invalid due to objections to the content and performance of the Acquisition Agreement by the competent regulatory authorities, government authorities, securities registration or trading authorities, or judicial authorities, or the inability to perform the major terms and provisions of the Acquisition Agreement, which seriously affects the purpose of the Acquisition Agreement;

(iii) If the competent regulatory authorities, government authorities, securities registration or trading authorities, or judicial authorities expressly disagree with certain terms of the Acquisition Agreement which have a substantive impact on the Proposed Acquisition and would seriously affect the purpose of the Acquisition Agreement;

(iv) If there is a change in laws, regulations and rules on which the Acquisition Agreement is relied upon, rendering the key content of the Acquisition Agreement illegal, or as a result of national policies and orders, any party to the Acquisition Agreement becomes unable to perform its main obligations under the Acquisition Agreement;

(v) If any of the warranties and undertakings made by any party in the Acquisition Agreement becomes untrue or inaccurate in any material respect.

1.2 Information on the Target Company

The Target Company is a limited liability company established in the PRC on 18 January 2010. The Target Company is principally engaged in the business of 12-inch integrated circuit wafer foundry services in the PRC.

The Target Company's shareholding structure as at the date of this announcement is set out as follows:

Parties	**Equity interest as at the date of this announcement**
Huahong Group	63.5443%
Shanghai IC Fund	15.7215%
China IC Fund II	10.2503%
Guotou IC Fund	7.9827%
HHGrace	2.5012%
Total	**100.0000%**

The unaudited net asset value of the Target Company as at 30 June 2025 was RMB1,723 million. Upon completion of the Proposed Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and the financial information of the Target Company will be consolidated into the consolidated financial statements of the Group.

The financial information of the Target Company for the two financial years ended 31 December 2023 and 2024, prepared in accordance with Generally Accepted Accounting Principles of the PRC, was as follows:

	For the year ended 31 December 2023 (unaudited) *RMB million*	**For the year ended 31 December 2024** (unaudited) *RMB million*	**For the six months ended 30 June 2025** (unaudited) *RMB million*
Total Assets	8,895	6,262	7,580
Total Liabilities	8,151	4,986	5,741
Owners' equity	744	1,276	1,839
Revenue	2,579	4,988	2,466
Net profit	(363)	530	344

Pursuant to Rules 14.58(6) and (7) of the Listing Rules, the Company is required to disclose the above financial information relating to the Target Company in this announcement. Pursuant to Rule 10 of the Takeovers Code, disclosure of unaudited financial information relating to the profit figures of the Target Company constitute profit forecasts and should be reported on in accordance with Rule 10 of the Takeovers Code, and the reports must be included in this announcement in accordance with Rule 10.4 of the Takeovers Code. Due to the time constraint in issuing this announcement in compliance with Chapters 14 and 14A of the Listing Rules, the parties have encountered genuine practical difficulties in meeting the reporting requirements under Rule 10 of the Takeovers Code for the purpose of this announcement. The audited financial information of the Target Company will be included in the next document to be sent to the Shareholders following the announcement of the Supplemental Announcement, which is expected to be the circular in relation to (amongst others) the Proposed Acquisition and the Whitewash Waiver, in which case, the requirements to report on the profit figures of the Target Company will no longer apply.

The unaudited financial information relating to the profit figures of the Target Company does not meet the standard required under Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the financial information of the Target Company in assessing the merits and demerits of the Proposed Acquisition.

The subscribed capital by Huahong Group, and China IC Fund II in the Target Company was in aggregate approximately RMB1.50 billion.

1.3 Information on the parties to the Acquisition Agreement

(i) The Company

The Company primarily focuses on embedded non-volatile memory, power discrete, analog & power management, logic & RF and other specialty technology manufacturing platforms.

(ii) Huahong Group

Huahong Group is a high-tech industry group which primarily focuses on IC manufacturing, research and development of advanced IC manufacturing process, IC systems integration and application services, sale of electronic components and overseas venture capital investment. It is ultimately owned as to 59.48%, 15.37%, 15.37% and 9.78% by Shanghai SASAC, Shanghai International Group Corporation Limited (上海國際集團有限公司) ("**Shanghai International**"), Shanghai Guosheng Group Co., Ltd. (上海國盛(集團)有限公司) ("**Shanghai Guosheng**") and INESA (Group) Co., Ltd. (上海儀電(集團)有限公司), respectively, all of which are wholly-owned subsidiaries of Shanghai SASAC.

(iii) Shanghai IC Fund

Shanghai IC Fund is the local integrated circuit industry investment fund established by Shanghai Municipal Government to implement the national integrated circuit development program and Shanghai municipal IC industry development strategy, the investors of which include Shanghai's important state-owned investment groups, industrial groups and financial institutions. Shanghai IC Fund is owned approximately 30.70% by Shanghai Science and Technology Venture Capital (Group) Co., Ltd.* (上海科技創業投資(集團)有限公司) which is in turn ultimately owned by Shanghai SASAC. The other shareholders holding 10% or more of its shares are China Life Asset Management Company Limited (approximately 30.26%), an Independent Third Party, and China IC Fund (approximately 10.53%). The remaining minority shareholders are Shanghai Pudong Emerging Industries Investment Co., Ltd.* (上海浦東新興產業投資有限公司), Shanghai International Trust Co., Ltd.* (上海國際信託有限公司), CBIC Zhijixin (Jiaxing) Equity Investment* (中保投智集芯(嘉興)股權投資), CBIC Qixin (Jiaxing) Integrated Circuit Industry Investment Co., Ltd.* (中保投齊芯(嘉興)集成電路產業投資有限責任公司), China CITIC Financial Asset Management Co., Ltd.* (中國中信金融資產管理股份有限公司) and Shanghai Jiading Venture Capital Management Co., Ltd.* (上海嘉定創業投資管理有限公司).

(iv) China IC Fund II

China IC Fund II mainly invests via equity investment in the value chain of integrated circuit industry, primarily in integrated circuit chip manufacturing as well as chip designing, packaging, testing and equipment and materials. China IC Fund II is not regarded as a subsidiary of its single largest shareholder, the Ministry of Finance. There is no ultimate beneficial owner who controls, directly or indirectly, one-third or more of the equity interest in China IC Fund II. China IC Fund II is managed by Sino IC Capital.

As at the date of this announcement and based on the information provided by China IC Fund II, there were 27 fund investors in China IC Fund II, as set out below:

Fund investor	**Percentage of equity interest**
Ministry of Finance #	11.02%
China Development Bank Capital Co., Ltd. (國開金融有限責任公司) #	10.78%
Chongqing Strategic Emerging Industry Equity Investment Fund Partnership (Limited Partnership) (重慶戰略性新興產業股權投資基金合夥企業(有限合夥))	7.35%
Chengdu Tianfu Guoji Investment Co., Ltd. (成都天府國集投資有限公司)	7.35%
Wuhan Optics Valley Financial Holding Group Co., Ltd. (武漢光谷金融控股集團有限公司)	7.35%
Zhejiang Fuzhe Integrated Circuit Industry Development Co., Ltd. (浙江富浙集成電路產業發展有限公司)	7.35%
China National Tobacco Corporation (中國煙草總公司) #	7.35%

Fund investor	Percentage of equity interest
Shanghai Guosheng#	7.35%
Beijing E-Town International Investment & Development Co., Ltd. (北京亦莊國際投資發展有限公司) #	4.90%
Jiangsu Wanquan Integrated Circuit Industry Investment Co., Ltd. (江蘇疌泉集成電路產業投資有限公司)	4.90%
Beijing Guoyi Hospital Co., Ltd. (北京國誼醫院有限公司)	4.90%
China Mobile Capital Holding Co., Ltd. (中移資本控股有限責任公司) #	4.90%
Anhui Xinhuo IC Industry Investment Partnership (Limited Partnership) (安徽省芯火集成電路產業投資合夥企業(有限合夥))	3.67%
Anhui Wantou Anhua Modern Industrial Investment Partnership (Limited Partnership) (安徽皖投安華現代產業投資合夥企業(有限合夥))	3.67%
Guangzhou Industrial Investment Fund Management Co., Ltd. (廣州產業投資基金管理有限公司)	1.47%
Fujian State Owned Integrated Circuit Investment Co., Ltd. (福建省國資集成電路投資有限公司)	1.47%
Shenzhen Shenchao Technology Investment Co., Ltd. (深圳市深超科技投資有限公司)	1.47%
Huangpu Investment Holding (Guangzhou) Co., Ltd. (黃埔投資控股(廣州)有限公司)	0.98%
China Telecommunications Corporation (中國電信集團有限公司) #	0.73%
Unicom Capital Investment Holding Co., Ltd. (聯通資本投資控股有限公司) #	0.49%
China Electronics Corporation (中國電子信息產業集團有限公司) #	0.24%
Sino IC Capital#	0.07%
Shanghai Siqi Enterprise Management Partnership (Limited Partnership) (上海矽啓企業管理合夥企業(有限合夥)) #	0.05%
Beijing Jianguang Asset Management Co., Ltd. (北京建廣資產管理有限公司)	0.05%
Fujian San'an Group Co., Ltd. (福建三安集團有限公司) #	0.05%
Beijing Unis Communications Technology Group Ltd. (北京紫光通信科技集團有限公司) #	0.05%
GCL Capital Management Co., Ltd. (協鑫資本管理有限公司)	0.05%
Total:	**100.00%**

Note: # denotes an overlapping shareholder of China IC Fund and China IC Fund II.

China IC Fund II is also a shareholder of Target Company, and is jointly involved in the Proposed Acquisition as one of the Vendors alongside Huahong Group. Therefore, it is considered to be a member of the Huahong Concert Group.

For avoidance of doubt, China IC Fund, another shareholder of the Company, is not a party to the Proposed Acquisition and is not a party acting in concert with China IC Fund II and/or Huahong Group under the Takeovers Code.

Based on the information provided by China IC Fund and China IC Fund II, both China IC Fund and China IC Fund II are managed by Sino IC Capital. The voting right of Sino IC Capital (as a shareholder but not as the fund manager) at shareholders' meetings of China IC Fund and China IC Fund II is proportional to its respective shareholding interests in China IC Fund and China IC Fund II. However, each of them is not regarded as a subsidiary of its single largest shareholder, the Ministry of Finance of the PRC. There is no ultimate beneficial owner who controls, directly or indirectly, 20% or more of the equity interest in both China IC Fund and China IC Fund II.

Sino IC Capital does not control China IC Fund nor China IC Fund II because: (i) there is no ultimate beneficial owner directly or indirectly controlling China IC Fund II; (ii) China IC Fund and China IC Fund II are not regarded as subsidiaries of their single largest shareholder, Ministry of Finance, (iii) none of the 13 overlapping shareholders of China IC Fund and China IC Fund II can exert majority control over both China IC Fund and China IC Fund II; (iv) Sino IC Capital manages the investments of China IC Fund and China IC Fund II in accordance with the respective mandates it entered into with China IC Fund and China IC Fund II separately; and (v) China IC Fund and China IC Fund II have established independent investment policies and management processes, appointed independent committee members in their respective investment committees to ensure independence in investment decisions, and each has its separate accounts with independent financial accounting treatments.

(v) Guotou IC Fund

The initial committed capital of Guotou IC Fund is RMB45.01 billion, with Shanghai SASAC, through Shanghai Guojing Investment Development Co., Ltd.* (上海國經投資發展有限公司) ("**Shanghai Guojing**"), Shanghai State-owned Capital Investment Co., Ltd.* (上海國有資本投資有限公司), Shanghai International and Shanghai Guosheng, ultimately holding approximately 67.7762% of the partnership interest in aggregate. Shanghai Pudong Innovation Investment Development (Group) Co., Ltd.* (上海浦東創新投資發展(集團)有限公司), an Independent Third Party, holds approximately 22.2217% of the partnership interest. The remaining minority investors are Haitong Innovation Securities Investment Co., Ltd.* (海通創新證券投資有限公司), Guotai Junan Zhenyu Investment Co., Ltd.* (國泰君安證裕投資有限公司), Shanghai Shenneng Chengyi Equity Investment Co., Ltd.* (上海申能誠毅股權投資有限公司) and Shanghai International Trust Co., Ltd.* (上海國際信託有限公司). Guotou IC Fund focuses on investing in integrated circuit-related fields including but not limited to integrated circuit design, manufacturing and packaging and testing, equipment materials and components.

2. PROPOSED NON-PUBLIC ISSUANCE OF RMB SHARES TO RAISE SUPPORTING FUNDS

The Board is pleased to announce that, on 29 August 2025, the Board has approved the Proposed Non-public Issuance of RMB Shares to raise supporting funds. The total amount of supporting funds to be raised thereunder shall not exceed 100% of the final Total Consideration for the Proposed Acquisition, and the number of RMB Shares to be issued shall not exceed 30% of the total issued share capital of the Company upon completion of the Proposed Acquisition.

The Proposed Non-public Issuance of RMB Shares is subject to the approval of the Shanghai Stock Exchange and registration by CSRC and completion of the Proposed Acquisition, but the Proposed Acquisition is not conditional on completion of the Proposed Non-public Issuance of RMB Shares.

2.1 Details of the Proposed Non-public Issuance of RMB Shares

The details of the Proposed Non-public Issuance of RMB Shares are set out below:

Class of Shares to be issued	RMB Shares
Target subscribers	The Proposed Non-public Issuance of RMB Shares will be carried out by way of non-public issue of RMB Shares to not more than 35 specific target subscribers. Such specific target subscribers may include, but not limited to, institutional investors such as securities investment fund management company, securities firm, financial services company, asset management company, insurance company, and other legal person or natural person investors in the PRC that comply with the regulations of the CSRC and the Shanghai Stock Exchange. As at the date of this announcement, the Company has not entered into any agreement with any potential subscribers in respect of the Proposed Non-public Issuance of RMB Shares, nor has the Company received any persons' indication to participate in the Proposed Non-public Issuance of RMB Shares.
Number of RMB Shares to be issued	The total amount of supporting funds to be raised under the Proposed Non-public Issuance of RMB Shares shall not exceed 100% of the final Total Consideration for the Proposed Acquisition, and the number of RMB Shares to be issued shall not exceed 30% of the total issued share capital of the Company upon completion of the Proposed Acquisition.

Price Determination Date, pricing principles and issue price

The issue price shall not be lower than (i) 80% of the average trading price prices of the RMB Shares for the 20 trading days prior to the price determination date; or (ii) the floor price (being the latest audited net asset value per Share of the Company before price determination date, subject to adjustments due to ex-rights or ex-dividends event of the Company (such as distribution of cash dividend, bonus issue, rights issues, allotment of shares, conversion of share premium into share capital or capitalisation issues) during the period between the price determination date and the issue date), whichever is higher. The final issue price will be determined by the Board and the authorized persons of the Board and the lead underwriter according to the bookbuilding results in accordance with the authorisation of the general meeting of shareholders, the provisions of relevant laws and regulations and the requirements of regulatory authorities.

The price determination date and the specific time of issuance of the Proposed Non-public Issuance of RMB Shares shall be determined by the Company and the PRC independent financial adviser (the lead underwriter) taking into account the proposal for use of proceeds and market conditions and shall be subject to approval by the Shanghai Stock Exchange.

All the target subscribers will subscribe for the RMB Shares under the Proposed Non-public Issuance of RMB Shares at the same issue price in cash.

Conditions precedent of the Proposed Non-public Issuance of RMB Shares

The Proposed Non-public Issuance of RMB Shares is conditional upon:

(i) completion of the Proposed Acquisition;

(ii) the approval of the Proposed Non-public Issuance of RMB Shares by the Board and the Non-public Issuance Independent Shareholders at the EGM;

(iii) the approval of the Proposed Acquisition and the Proposed Non-public Issuance of RMB Shares by the competent state-owned assets supervision and administrative authorities or its authorised entities;

(iv) the approval of the Proposed Acquisition and the Proposed Non-public Issuance of RMB Shares by the Shanghai Stock Exchange and the registration of the Proposed Acquisition and the Proposed Non-public Issuance of RMB Shares by the CSRC; and

(v) the obtaining of any other necessary approval and/or filings in respect of the Proposed Non-public Issuance of RMB Shares from any applicable regulatory authorities.

None of the conditions above may be waived by any party to the Proposed Non-public Issuance of RMB Shares and therefore, if any of the conditions above is not satisfied, the Company will not proceed with the Proposed Non-public Issuance of RMB Shares.

In respect of the condition set out in paragraph (v) above, as at the date of this announcement, the Company is not aware of any other approval and/or filings which are required to be obtained by it in respect of the Proposed Non-public Issuance of RMB Shares.

None of the conditions precedent has been fulfilled as at the date of this announcement.

Lock-up period

All target subscribers shall not transfer the RMB Shares subscribed under the Proposed Non-public Issuance of RMB Shares within six months from the date of completion of the Proposed Non-public Issuance of RMB Shares, provided that if any applicable regulatory authorities of the PRC require a lock-up period of different length to be imposed, the lock-up period shall be the one as required by such regulatory authorities.

The lock-up undertaking shall also be applicable to any additional RMB Shares received by the target subscribers in respect of the relevant RMB Shares subscribed under the Proposed Non-public Issuance of RMB Shares as a result of bonus issues, conversion of share premium into share capital, capitalization issues and/or rights issue of the Company after completion of the Proposed Non-public Issuance of RMB Shares.

Place of listing of the RMB Shares to be issued	The RMB Shares to be issued under the Proposed Non-public Issuance of RMB Shares will be listed and traded on the STAR Board of Shanghai Stock Exchange
Use of proceeds	The net proceeds from the Proposed Non-public Issuance of RMB Shares (after deducting all applicable costs and expenses incurred in connection with the Proposed Non-public Issuance of RMB Shares) are intended to be used to (i) replenish the working capital of the Group and the repayment of debt, which shall not exceed 25% of the Total Consideration of the Target nor 50% of the funds raised in the Proposed Non-public Issuance; (ii) satisfy the Cash Consideration; (iii) financing projects of the Target; and (iv) payment of fees and levies in connection with the Proposed Acquisition. Further announcement(s) will be made by the Company in respect of the specific use and allocation of the net proceeds. If the Proposed Non-public Issuance of RMB Shares does not proceed or the actual proceeds to be raised from the Proposed Non-public Issuance of RMB Shares are less than the proposed use of proceeds, the Company will make up for the shortfall by utilizing its internal resources or other means of financing. The Company may make appropriate adjustments as to the order of priority, allocation amount and methods in respect of the proposed use of proceeds based on the net proceeds actually raised.
Specific mandate to issue RMB Shares	The Company will issue the RMB Shares under Proposed Non-public Issuance of RMB Shares pursuant to the Non-public Issuance the Specific Mandate to be sought from the Non-public Issuance Independent Shareholders at the EGM.
Rights of the RMB Shares to be issued	The RMB Shares to be issued under the Proposed Non-public Issuance of RMB Shares, when fully paid and issued, will rank pari passu in all respects amongst themselves and with the RMB Shares in issue at the time of the issuance of such RMB Shares. The Company will adjust the terms and conditions of the Proposed Non-public Issuance of RMB Shares in accordance with the latest requirements under the applicable PRC laws and regulations in the event of any inconsistency.

2.2 Possible Connected Transaction

It is expected that book building process will take place after the completion of the Proposed Acquisition. The price determination date and the specific time of issuance of the Proposed Non-public Issuance of RMB Shares shall be determined by the Company and the PRC independent financial adviser (the lead underwriter) taking into account the proposal for use of proceeds and market conditions and shall be subject to approval by the Shanghai Stock Exchange and the registration with CSRC.

In the event that after the book building process for the Proposed Non-public Issuance of RMB Shares, any connected person(s) of the Company becomes a target subscriber which shall participate in the Proposed Non-public Issuance of RMB Shares, such participation in the Proposed Non-public Issuance of RMB Shares will constitute a connected transaction of the Company, which is subject to the report, announcement and independent shareholders' approval under Chapter 14A of the Listing Rules.

Since participation by any connected person(s) in the Proposed Non-public Issuance of RMB Shares can only be determined after the book building process, it is currently envisaged that upon completion of the book building process, if any connected person does participate in the Proposed Non-public Issuance of RMB Shares, the Company will comply with the aforesaid connected transaction requirements as and when appropriate.

In the event the requisite independent shareholders' approval for any connected person(s) participating in the Proposed Non-public Issuance of RMB Shares is not successfully obtained, it is envisaged that such connected person(s) will not participate in the Proposed Non-public Issuance of RMB Shares.

2.3 Fund raising activities in the past 12 months

The Company has not conducted any equity fund raising exercises during the 12 months immediately preceding the date of this announcement.

Further details of the Proposed Non-public Issuance of RMB Shares, including its impact on the shareholding structure of the Company, will be announced as and when appropriate.

2.4 Shareholding structure of the Company

The shareholding structure of the Company as at the date of this announcement is set out as follows:

Shareholders	Hong Kong Shares held	RMB Shares held	Total Shares held	Percentage of issued Share capital *(Note 2)*
Huahong Concert Group				
Huahong Group	347,605,650	1,198,517	348,804,167	20.12%
SAIL	188,961,147	N/A	188,961,147	10.90%
China IC Fund II	N/A	48,334,249	48,334,249	2.79%
Others *(Note 1)*	N/A	16,856,987	16,856,987	0.97%
Sub-total	*536,566,797*	*66,389,753*	*602,956,550*	*34.78%*
China IC Fund	71,031,601	N/A	71,031,601	4.10%
Public	718,271,272	341,360,247	1,059,631,519	61.12%
Total:	**1,325,869,670**	**407,750,000**	**1,733,619,670**	**100.00%**

Notes:

1. Including Shanghai Hua Hong International, Inc., Haitong Innovation Securities Investment Co., Ltd. (海通創新證券投資有限公司), Guotai Junan Zhengyu Investment Co., Ltd. (國泰君安證裕投資有限公司), Shanghai Technology Venture Investment (Group) Co., Ltd. (上海科技創業投資(集團)有限公司) and Wisdom Power Technology.

2. Percentage holdings are subject to rounding adjustments and may not add up to the aggregate figures shown or 100%.

3. REASONS FOR AND BENEFITS OF PROPOSED ACQUISITION AND PROPOSED NON-PUBLIC ISSUANCE OF RMB SHARES

3.1 Proposed Acquisition

The Target Company is principally engaged in the business of 12-inch integrated circuit wafer foundry services in the PRC. It focuses on developing logic processes, and offers a comprehensive set of technical solutions for customers in communications and consumer electronics, etc.

Upon completion of the Proposed Acquisition, the Company expects to further enhance its 12-inch wafer foundry capacity. The strengths of process platforms of the Company and the Target are highly complementary, which facilitate development of more comprehensive wafer foundry and supporting services covering a wider range of application scenarios and technical specifications. In addition, by way of consolidating its control over the Target Company, the Company could benefit from integrated management, process platforms, R&D resources, bespoke design and supply chain between the two companies. The Company believes that this could generate synergies to achieve cost reduction, improved market share and economies of scale.

Further, during the Company's listing on the STAR Board on SSE, Huahong Group had undertaken to, in accordance with the national strategic deployment arrangement, after performing the approval procedures of the competent government departments, Huahong Group will inject the Target into the Company within three years of the listing. As such, this Proposed Acquisition is a demonstration of Huahong Group's commitment to the Company's listing, which is in line with market expectations.

The terms of the Acquisition Agreement and the transactions contemplated thereunder were agreed after arm's length negotiations between the parties thereto. The Directors (other than the Independent Board Committee, who will express its views after considering the advice from the Hong Kong Independent Financial Adviser) consider that the Acquisition Agreement and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

3.2 Proposed Non-public Issuance of RMB Shares

The proceeds to be raised from the Proposed Non-public Issuance of RMB Shares are proposed to be used for, amongst others, replenishing the working capital of the Group and the repayment of debt; satisfying the Cash Consideration; financing projects of the Target, which would improve the overall financial position and facilitate the future development of the Group.

4. IMPLICATIONS UNDER THE LISTING RULES

4.1 Proposed Acquisition

Based on the Target's unaudited revenue for the financial year of 2024, it is currently expected that the Proposed Acquisition will constitute a major transaction under Chapter 14 of the Listing Rules subject to announcement, circular, and Shareholders' approval requirements and is not expected to constitute a very substantial acquisition (as defined under the Listing Rules). Subject to the appraised value of the Target Assets, the final consideration and the entering into of the Supplemental Agreement, the Company shall make further announcement(s) under Chapter 14 of the Listing Rules in relation to the Proposed Acquisition as and when appropriate.

As HHGrace (a wholly-owned subsidiary of the Company) holds the remaining approximately 2.5012% of the share capital of the Target, upon completion, the Company is expected to hold, directly and indirectly, the entire share capital of the Target.

As at the date of this announcement,

(i) Huahong Group, one of the Vendors, is a substantial shareholder of the Company and a connected person of the Company under Chapter 14A of the Listing Rules; and

(ii) China IC Fund II, one of the Vendors, holds 29% of the equity interests in Hua Hong Manufacturing, a subsidiary of the Company. China IC Fund II also holds 48,334,249 RMB Shares, representing approximately 2.8% of the total issued share capital of the Company. Accordingly, China IC Fund II is a connected person of the Company at subsidiary level under Chapter 14A of the Listing Rules.

Therefore, as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition is expected to exceed 5%, the Proposed Acquisition constitutes a connected transaction of the Company which is subject to the reporting, announcement and Proposed Acquisition LR Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

4.2 Proposed Non-public Issuance of RMB Shares

In the event that after the book building process for the Proposed Non-public Issuance of RMB Shares, any connected person(s) of the Company becomes a target subscriber which shall participate in the Proposed Non-public Issuance of RMB Shares, such participation in the Proposed Non-public Issuance of RMB Shares will constitute a connected transaction of the Company, which is subject to the report, announcement and independent shareholders' approval under Chapter 14A of the Listing Rules.

Since participation by any connected person(s) in the Proposed Non-public Issuance of RMB Shares can only be determined after the book building process, it is currently envisaged that upon completion of the book building process, if any connected person does participate in the Proposed Non-public Issuance of RMB Shares, the Company will comply with the aforesaid connected transaction requirements as and when appropriate.

In the event the requisite independent shareholders' approval for any connected person(s) participating in the Proposed Non-public Issuance of RMB Shares is not successfully obtained, it is envisaged that such connected person(s) will not participate in the Proposed Non-public Issuance of RMB Shares.

4.3 Waivers from strict compliance with certain provisions of the Listing Rules

For the purpose of the issuance of the Consideration Shares under the Proposed Acquisition and the Proposed Non-public Issuance of RMB Shares, as the RMB Shares to be issued thereunder will be of the same class as the Hong Kong Shares (i.e. both are ordinary Shares carrying the same rights) but will not be listed on the Hong Kong Stock Exchange, the Company shall apply for a one-off waiver from strict compliance with Rules 8.20 and 13.26(1) of the Listing Rules such that there is no need to seek listing in respect of the Consideration Shares and the Proposed Non-public Issuance of RMB Shares on the Hong Kong Stock Exchange under Rules 8.20 and 13.26(1) of the Hong Kong Listing Rules, on the basis that the Company will continue to comply with the conditions for the Hong Kong Stock Exchange's granting of a similar waiver for the Company's initial issuance of the RMB Shares as announced on 7 June 2022.

5. IMPLICATIONS UNDER THE TAKEOVERS CODE

5.1 Application for Whitewash Waiver

As at the date of this announcement, Huahong Group holds directly and indirectly 348,804,167 Shares (comprising 1,198,517 RMB Shares and 347,605,650 Hong Kong Shares), representing approximately 20.12% of the total issued share capital of the Company. In addition, as at the date of this announcement, the Huahong Concert Group holds directly and indirectly 602,956,550 Shares (comprising 66,389,753 RMB Shares and 536,566,797 Hong Kong Shares), representing approximately 34.78% of the total issued share capital of the Company.

If the Proposed Acquisition materializes, it is expected that immediately after completion thereof, the voting rights held by Huahong Concert Group in the Company will increase by more than 2%. Accordingly, upon completion of the Proposed Acquisition, pursuant to Rule 26.1 of the Takeovers Code, Huahong Concert Group will be required to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by the Huahong Concert Group, unless the Whitewash Waiver from strict compliance with Rule 26.1 of the Takeovers Code is obtained from the Executive.

As such, completion of the Proposed Acquisition is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Takeovers Code Independent Shareholders. An application will be made by Huahong Group (on behalf of itself and Huahong Concert Group) to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to (i) the approval of the Whitewash Waiver by at least 75% of the votes cast by Takeovers Code Independent Shareholders either in person or by proxy at the EGM; and (ii) the approval of the Proposed Acquisition by more than 50% of the votes cast by Takeovers Code Independent Shareholders either in person or by proxy at the EGM as required under the Takeovers Code. The Proposed Acquisition will not proceed if the Whitewash Waiver is not obtained or if the Whitewash Waiver is not approved by the Takeovers Code Independent Shareholders.

As at the date of this announcement, the Company does not believe that the Proposed Acquisition gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavor to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular in relation to, among other things, the Whitewash Waiver. The Company notes that the Executive may not grant the Whitewash Waiver if the Proposed Acquisition does not comply with other applicable rules and regulations.

Upon the entering into of the Supplemental Agreement (which is currently expected to be within 2025), further announcement(s) will be made by the Company in respect of, among other things, the final consideration of the Proposed Acquisition, the number of the Consideration Shares proposed to be issued and further information on the effect on the shareholding and voting rights expected to be held by the Huahong Concert Group in the Company as a result of the Proposed Acquisition.

As at the date of this announcement:

(a) save as disclosed in the section headed "2.4. Shareholding structure of the Company" above, none of Huahong Group or the Huahong Concert Group holds, owns, controls or directs any shares, convertible securities, warrants, options or has entered into any derivatives in respect of the securities in the Company;

(b) none of Huahong Group or the Huahong Concert Group has received an irrevocable commitment to vote in favor of or against the Proposed Acquisition and the Whitewash Waiver;

(c) other than the Acquisition Agreement and (when entered into) the Supplemental Agreement, none of Huahong Group or the Huahong Concert Group has any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of Huahong Group or the Company which might be material to the Proposed Acquisition and the Whitewash Waiver;

(d) other than the Acquisition Agreement and (when entered into) the Supplemental Agreement, there is no agreement or arrangement to which Huahong Group is a party which relates to the circumstances in which it may or may not invoke or seek to invoke any conditions to the Proposed Acquisition and the Whitewash Waiver;

(e) none of Huahong Group or the Huahong Concert Group has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

(f) there is no consideration or benefit in whatever form paid or to be paid by Huahong Group and the Huahong Concert Group to the Company or any party acting in concert with it in connection with the Proposed Acquisition;

(g) save for the Consideration Shares to be issued by the Company under the Proposed Acquisition and the Cash Consideration, there is no other consideration or benefit in whatever form paid or to be paid by the Company and parties acting in concert with it to Huahong Group or the Huahong Concert Group in connection with the Proposed Acquisition; and

(h) there is no understanding, arrangement, agreement or special deal between (1) any Shareholder; and (2) (a) Huahong Group and the Huahong Concert Group; or (b) the Company, its subsidiaries or associated companies.

As at the date of this announcement, save for the Acquisition Agreement, none of Huahong Group or the Huahong Concert Group has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights of the Company, or has dealt for value in any shares, convertible securities, warrants, options or derivatives in respect of the securities in the Company within the six months period prior to and including the date of this announcement. Other than pursuant to the Acquisition Agreement and (when entered into) the Supplemental Agreement, none of Huahong Group or the Huahong Concert Group will acquire or dispose of any voting rights of the Company after the date of this announcement until completion of the Proposed Acquisition.

6. INDEPENDENT BOARD COMMITTEE AND HONG KONG INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules and Rule 2.8 of the Takeovers Code, the Independent Board Committee (comprising all the independent non-executive Directors, namely Mr. Stephen Tso Tung Chang, Mr. Kwai Huen Wong, JP and Mr. Songlin Feng, who have no direct or indirect interest in the Proposed Acquisition and the Whitewash Waiver) has been formed to advise the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders on the Proposed Acquisition (including the grant of the Proposed Acquisition Specific Mandate and the approval of the Acquisition Agreement) and the Whitewash Waiver. As (i) Mr. Jun Ye is the Chairman of SAIL (a member of the Huahong Concert Group); (ii) Mr. Guodong Sun is a director of Shanghai IC Fund (being one of the Vendors and a member of the Huahong Concert Group) and holds certain position in Sino-IC Capital which in turn manages the China IC Fund II (being one of the Vendors and a member of the Huahong Concert Group); (iii) Mr. Bo Chen is the vice president of Huahong Group and (iv) Ms. Chengyan Xiong is the director of the capital and finance department of Huahong Group, each of them is not considered as independent for the purposes of giving advice or recommendations to the Takeovers Code Independent Shareholders under the Takeovers Code.

In this connection, the Hong Kong Independent Financial Adviser will be appointed to advise the Independent Board Committee, the Takeovers Code Independent Shareholders and the Proposed Acquisition LR Independent Shareholders in respect of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver. Further announcement(s) will be made by the Company upon the appointment of the Hong Kong Independent Financial Adviser.

7. GENERAL

As at the date of this announcement, the audit and valuation work for the Proposed Acquisition have not been completed. Following completion of the aforementioned audit and valuation work, the final consideration for the Proposed Acquisition will be confirmed by way of entering into of the Supplemental Agreement by the Company and the Vendors and will be prior to the despatch of the circular in relation to, among other things, the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver.

The terms of the Proposed Non-public Issuance of RMB Shares including, among other things, the proposed size of issuance and use of proceeds, are subject to the further approval by the Board after the terms of the Proposed Acquisition are finalized.

It is currently expected that the abovementioned audit and valuation work of the Target Company for the Proposed Acquisition will be completed within 2025, following which, the terms of the Proposed Acquisition will be finalized. Further announcement(s) will be made by the Company in respect of the Proposed Acquisition and the Proposed Non-public Issuance of RMB Shares as and when appropriate in accordance with the applicable laws and regulations.

8. EGM

The EGM will be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Acquisition; (ii) the Proposed Non-public Issuance of RMB Shares; (iii) the Specific Mandates; and (iv) the Whitewash Waiver.

The voting in relation to the Proposed Acquisition, the Proposed Non-public Issuance of RMB Shares, the Specific Mandates and the Whitewash Waiver at the EGM will be conducted by way of poll.

In respect of the Proposed Acquisition and the Proposed Acquisition Specific Mandate, (i) with respect to the approvals required under the Listing Rules, Huahong Group and China IC Fund II and its associates, and China IC Fund (by virtue of its 10.53% holding in Shanghai IC Fund) and any Shareholders which have a material interest in the Proposed Acquisition and the Proposed Acquisition Specific Mandate will be required to abstain from voting on the relevant resolutions to be proposed at the EGM; and (ii) with respect to the approvals required under the Takeovers Code, the Huahong Concert Group and those who are involved in or interested in the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver will be required to abstain from voting on the relevant resolutions to be proposed at the EGM.

In respect of the Whitewash Waiver, the Huahong Concert Group and those who are involved in or interested in the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver will be required to abstain from voting on the relevant resolutions to be proposed at the EGM.

In respect of the Proposed Non-public Issuance of RMB Shares and the Non-public Issuance Specific Mandate, in the event that a Shareholder has indicated to participate in the Proposed Non-public Issuance of RMB Shares before the EGM, such Shareholder and his/her/its close associates (as defined under the Listing Rules) will be required to abstain from voting on the relevant resolutions to be proposed at the EGM.

Save as aforementioned, no other Shareholder has a material interest in the Proposed Acquisition, the Proposed Non-public Issuance of RMB Shares, the Specific Mandates and the Whitewash Waiver and therefore no other Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, (i) further details of the Proposed Acquisition, the Proposed Non-public Issuance of RMB Shares, the Specific Mandates and the Whitewash Waiver; (ii) a letter from the Independent Board Committee to the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders containing its recommendation in respect of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver; (iii) a letter from the Hong Kong Independent Financial Adviser to the Independent Board Committee, the Takeovers Code Independent Shareholders and the Proposed Acquisition LR Independent Shareholders containing its recommendation in respect of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver; (iv) the financial information of the Target Company; (v) the Asset Valuation Report; (vi) certain other information required under the Listing Rules and the Takeovers Code; and (vii) the notice of the EGM is expected to be despatched to the Shareholders on a date which is more than 15 business days after the publication of this announcement as required under the Listing Rules and more than 21 days of the date of this announcement as required under Rule 8.2 of the Takeovers Code, as the terms of the Proposed Acquisition will only be finalized in or around the end of 2025 and more time is needed for the preparation of certain information to be included in the circular. The Company will apply to the Executive for the consent to extend the time for the despatch of the circular and further announcement(s) will be made in compliance with the requirements of the Listing Rules and the Takeovers Code.

9. RESUMPTION OF TRADING IN RMB SHARES

At the request of the Company, trading in the RMB Shares on the STAR Board of the Shanghai Stock Exchange has been suspended from 18 August 2025. An application has been made by the Company to the Shanghai Stock Exchange for the resumption of trading in the RMB Shares on the Shanghai Stock Exchange from 1 September 2025.

Completion of the Proposed Acquisition and the Proposed Non-public Issuance of RMB Shares are subject to the satisfaction of certain conditions, and may or may not proceed. The Whitewash Waiver may or may not be granted by the Executive and if granted, will, among others things, be subject to the approval by at least 75% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Takeovers Code Independent Shareholders by way of poll in respect of the Proposed Acquisition, respectively, at the EGM. Completion of the Proposed Acquisition is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Takeovers Code Independent Shareholders, and completion of the Proposed Non-public Issuance of RMB Shares is subject to the completion of the Proposed Acquisition. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

10. DEFINITIONS

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follows:

"Acquisition Agreement"	the agreement dated 29 August 2025 entered into between the Company and the Vendor in relation to the Proposed Acquisition
"acting in concert"	has the meaning ascribed to it under the Takeovers Code
"Asset Valuation Report"	the asset valuation report in respect of the Target Assets to be issued by a qualified asset appraisal agency in the PRC
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of directors of the Company
"Cash Consideration"	the cash consideration payable by the Company to the Vendors pursuant to the Acquisition Agreement as part of the Total Consideration for the Proposed Acquisition
"China IC Fund"	China Integrated Circuit Industry Investment Fund Co., Ltd.* (國家集成電路產業投資基金股份有限公司), a company incorporated in the PRC on 26 September 2014 and a 4.10% shareholder of the Company
"China IC Fund II"	China Integrated Circuit Industry Investment Fund (Phase II) Co., Ltd.* (國家集成電路產業投資基金二期股份有限公司), a company established in the PRC on 22 October 2019 and a connected person of the Company at subsidiary level, one of the Vendors and a member of the Huahong Concert Group. For details of its ownership structure, please refer to the section 1.3 headed "Information on the parties to the Acquisition Agreement" of this announcement.
"Company"	Hua Hong Semiconductor Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration Share(s)"	the new RMB Share(s) to be allotted and issued by the Company to the Vendors pursuant to the Acquisition Agreement as part of the Total Consideration for the Proposed Acquisition

"Consideration Share Issuance"	the issuance of the Consideration Shares by the Company to the Vendors pursuant to the Acquisition Agreement
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, (i) the Proposed Acquisition; (ii) the Proposed Non-public Issuance of RMB Shares; (iii) the Specific Mandates; and (iv) the Whitewash Waiver
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
"Group"	the Company and its subsidiaries
"Guotou IC Fund"	Shanghai Guotou IC Fund Leading Integrated Circuit Private Equity Investment Fund Partnership (Limited Partnership)* (上海國投先導集成電路私募投資基金合夥企業(有限合夥)), one of the Vendors and a member of the Huahong Concert Group. Shanghai SASAC owns approximately 67.7762% of the partnership interest in Guotou IC Fund in aggregate. For details of its ownership structure, please refer to the section 1.3 headed "Information on the parties to the Acquisition Agreement" of this announcement.
"HHGrace"	Shanghai Huahong Grace Semiconductor Manufacturing Corporation (上海華虹宏力半導體製造有限公司), a company incorporated in the PRC on 24 January 2013 and a wholly-owned subsidiary of our Company
"Huahong Concert Group"	Huahong Group and parties acting in concert with it (including Shanghai IC Fund, China IC Fund II, Guotou IC Fund and SAIL)

"Huahong Group"	Shanghai Huahong (Group) Co., Ltd. (上海華虹(集團)有限公司), one of the Vendors. It is a company incorporated in the PRC on 9 April 1996 as Shanghai Hua Hong Microelectronics Co., Ltd. and renamed as Shanghai Huahong (Group) Co., Ltd. in 1998, and a substantial Shareholder of the Company. It is ultimately owned as to 59.48%, 15.37%, 15.37% and 9.78% by Shanghai SASAC, Shanghai International Group Corporation Limited (上海國際集團有限公司), Shanghai Guosheng Group Co., Ltd (上海國盛(集團)有限公司) and INESA (Group) Co., Ltd. (上海儀電(集團)有限公司), respectively, all of which are wholly-owned subsidiaries of Shanghai SASAC
"Hua Hong Manufacturing"	Hua Hong Semiconductor Manufacturing (Wuxi) Co., Ltd.* (華虹半導體製造(無錫)有限公司), a company incorporated in the PRC on 17 June 2022 and a non-wholly owned subsidiary of the Company held as to approximately 21.90%, 29.10%, 20.00% and 29.00% by the Company, HHGrace, Wuxi Xi Hong Lian Xin and China IC Fund II, respectively
"Hua Hong Wuxi"	Hua Hong Semiconductor (Wuxi) Limited, a company incorporated in the PRC on 10 October 2017 and a non-wholly-owned subsidiary of the Company held as to approximately 22.22%, 28.78%, 20.00%, 20.58% and 8.42% by the Company, HHGrace, Wuxi Xi Hong Guo Xin, China IC Fund and China IC Fund II, respectively
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Independent Financial Adviser"	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee, the Takeovers Code Independent Shareholders and the Proposed Acquisition LR Independent Shareholders in respect of the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver
"Hong Kong Shares"	ordinary Share(s) which are listed on the Hong Kong Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Independent Board Committee"	an independent committee of the Board, comprising all the independent non-executive Directors who have no direct or indirect interest in the Proposed Acquisition and the Whitewash Waiver, namely Mr. Stephen Tso Tung Chang, Mr. Kwai Huen Wong, JP and Mr. Songlin Feng, established pursuant to the requirements of the Listing Rules and the Takeovers Code to advise the Proposed Acquisition LR Independent Shareholders and the Takeovers Code Independent Shareholders on the Proposed Acquisition (including the grant of the Proposed Acquisition Specific Mandate and the approval of the Acquisition Agreement) and the Whitewash Waiver
"Independent Third Party(ies)"	person(s) which is not a connected person of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Non-Public Issuance Specific Mandate"	the specific mandate to be sought at the EGM to issue RMB Shares pursuant to the Proposed Non-public Issuance of RMB Shares
"Non-public Issuance Independent Shareholders"	Shareholders other than Shareholders who have indicated to participate in the Non-public Issuance of RMB Shares before the EGM and their close associates (as defined under the Listing Rules)
"PRC"	the People's Republic of China, and for the sole purpose of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
"Pricing Benchmark Date"	the date of the announcement of the resolutions of the Board in respect of the Proposed Acquisition on the Shanghai Stock Exchange, being 31 August 2025
"Proposed Acquisition"	the proposed acquisition of the Target Assets from the Vendors pursuant to the Acquisition Agreement
"Proposed Acquisition LR Independent Shareholders"	Shareholders, other than Huahong Group, China IC Fund and China IC Fund II and its associates, which do not have a material interest in the Proposed Acquisition and the Proposed Acquisition Specific Mandate under the Listing Rules and the relevant PRC laws and regulations
"Proposed Acquisition Specific Mandate"	the specific mandate to be sought at the EGM to issue the Consideration Shares pursuant to the Acquisition Agreement

"Proposed Non-public Issuance of RMB Shares"	the proposed non-public Issuance of RMB Shares to not more than 35 specific target subscribers
"RMB"	Renminbi, the lawful currency of the PRC
"RMB Share(s)"	the RMB share(s) of the Company, which are listed on the STAR Board of the Shanghai Stock Exchange in the PRC
"SAIL"	Shanghai Alliance Investment Limited (上海聯和投資有限公司), a substantial shareholder directly and indirectly holding approximately 10.90% of the Shares of our Company, and a member of the Huahong Concert Group. It was incorporated in the PRC on 26 September 1994 and is currently wholly-owned by Shanghai SASAC
"SFC"	the Securities and Futures Commission of Hong Kong
"Shanghai IC Fund"	Shanghai Integrated Circuit Industry Investment Fund Co., Ltd.* (上海集成電路產業投資基金股份有限公司), a company established under the laws of the PRC, one of the Vendors and a member of the Huahong Concert Group. Shanghai IC Fund is owned approximately 30.70% by Shanghai Science and Technology Venture Capital (Group) Co., Ltd.* (上海科技創業投資(集團)有限公司) which is in turn ultimately owned by Shanghai SASAC. For details of its ownership structure, please refer to the section 1.3 headed "Information on the parties to the Acquisition Agreement" of this announcement.
"Shanghai SASAC"	Shanghai Municipal State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會)
"Share(s)"	ordinary shares in the capital of the Company
"Shareholder(s)"	holders of ordinary shares in the capital of the Company
"Sino IC Capital"	Sino IC Capital Co., Ltd.* (華芯投資管理有限責任公司), the fund manager of China IC Fund and China IC Fund II. Its ultimate beneficial owner is China Development Bank Capital Co., Ltd. (國開金融有限責任公司), which is an Independent Third Party of the Company
"Specific Mandate(s)"	the Proposed Acquisition Specific Mandate and the Non-Public Issuance Specific Mandate

"STAR Board"	the Science and Technology Innovation Board of the Shanghai Stock Exchange
"Supplemental Agreement"	the supplemental agreement to the Acquisition Agreement to be entered into between the Company and the Vendors within 2025 based on current expectation
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"Takeovers Code Independent Shareholders"	Shareholders other than (i) Huahong Concert Group and (ii) those who are interested in or involved in the Proposed Acquisition, the Proposed Acquisition Specific Mandate and the Whitewash Waiver
"Target Assets"	97.4988% of the equity interests in the Target Company
"Target Company" or "Target"	Shanghai Huali Microelectronics Corporation* (上海華力微電子有限公司), a company established in the PRC with limited liability, of which the Vendors hold in aggregate 97.4988% as at the date of this announcement
"Total Consideration"	the consideration payable by the Company to the Vendors for the Proposed Acquisition pursuant to the Acquisition Agreement to be determined and finalized based on a valuation of the Target Assets to be conducted by a qualified PRC asset appraisal agency
"trading day(s)"	a day on which the Shanghai Stock Exchange is open for dealing or trading in securities
"Vendor(s)"	Huahong Group, Shanghai IC Fund, China IC Fund II and Guotou IC Fund
"Whitewash Waiver"	a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of Huahong Group to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by Huahong Group which would otherwise arise as a result of the issue of the Consideration Shares under the Proposed Acquisition
"Wuxi Xi Hong Guo Xin"	Wuxi Xi Hong Guo Xin Investment Co., Ltd.* (無錫錫虹國芯投資有限公司), a professional investment company incorporated in the PRC on 16 January 2023, jointly controlled by municipal and district-level state-owned enterprises, holding 20.00% of the shares of Hua Hong Wuxi, a non-wholly owned subsidiary of the Company

"Wuxi Xi Hong Lian Xin"	Wuxi Xi Hong Lian Xin Investment Co., Ltd.* (無錫錫虹聯芯投資有限公司), a professional investment company incorporated in the PRC on 19 December 2017, jointly established by municipal and district-level state-owned enterprises, holding 20.00% of the shares of Hua Hong Manufacturing, a non-wholly owned subsidiary of the Company.
"%"	per cent

By Order of the Board
Hua Hong Semiconductor Limited
Mr. Junjun Tang
Chairman and Executive Director

Shanghai, the PRC
31 August 2025

As at the date of this announcement, the directors of the Company are:

Executive Directors
Junjun Tang *(Chairman)*
Peng Bai *(President)*

Non-executive Directors
Jun Ye
Guodong Sun
Bo Chen
Chengyan Xiong

Independent Non-executive Directors
Stephen Tso Tung Chang
Kwai Huen Wong, JP
Songlin Feng

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

* *For identification purpose only.*