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HUA HONG SEMICONDUCTOR LIMITED

華虹半導體有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01347)

**FURTHER UPDATE ON
(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) SPECIAL DEAL**

References are made to, amongst others, (i) the announcements of Hua Hong Semiconductor Limited (the “**Company**”) dated 31 August 2025, 31 December 2025 and 10 February 2026; and (ii) the circular of the Company dated 22 January 2026 (the “**Circular**”), each in relation to (a) the Proposed Acquisition, (b) the Whitewash Waiver, (c) the Proposed Non-public Issuance of RMB Shares and (d) the Special Deal. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

The Board hereby announces that on 30 March 2026, the Company submitted certain updated financial information and reporting materials to the Shanghai Stock Exchange for the purpose of seeking their approval on the Proposed Acquisition and the Proposed Non-public Issuance of RMB Shares. All terms and conditions of the Proposed Acquisition (including the Acquisition Agreement, the Supplemental Agreement, the Compensation Agreement and the Asset Valuation Report), the Whitewash Waiver, the Proposed Non-public Issuance of RMB Shares and the Special Deal, which were approved by the relevant Shareholders at the EGM held on 10 February 2026, remain unchanged.

Your attention is drawn to the overseas regulatory announcement of the Company setting out the announcements published on 30 March 2026 by the Company in relation to the Proposed Acquisition and the Proposed Non-public Issuance of RMB Shares on the Shanghai Stock Exchange (the “**SSE Announcements**”).

In addition, English translation and the Chinese version of the relevant parts of the following SSE Announcements containing updates to the information previously announced are attached to this announcement as Appendix I:

- (i) Report on the Company’s issuance of shares to purchase assets and raise supporting funds and related party transactions (Draft) (華虹半導體有限公司發行股份購買資產並募集配套資金暨關聯交易報告書(草案)) (the “**Report on the Proposed Acquisition and Proposed Non-public Issuance of RMB Shares and Related Party Transactions**”);
- (ii) The Report of the RMB share independent financial adviser on the Company’s Proposed Issuance of Shares to purchase assets and raise supporting funds and related transactions (國泰海通證券股份有限公司關於華虹半導體有限公司發行股份購買資產並募集配套資金暨關聯交易之獨立財務顧問報告) (the “**RMB Share Independent Financial Adviser Opinion Announcement**”); and
- (iii) Pro forma consolidated financial statements and review report for the year 2024 and 2025 (2024 年度及 2025 年度備考合併財務報表及審閱報告) (the “**Review Report on Pro Forma Financial Information**”).

Please refer to the SSE Announcements for full text of each of the above items.

WARNING

Completion of the Proposed Acquisition is conditional upon, among other things, the approvals by the applicable competent authorities, and completion of the Proposed Non-public Issuance of RMB Shares is conditional upon, among other things, the completion of the Proposed Acquisition. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Hua Hong Semiconductor Limited
Mr. Peng Bai
Chairman and Executive Director

Shanghai, the PRC
30 March 2026

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

Executive Director:

Peng Bai (*Chairman and 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.

APPENDIX I
THE COMPANY’S REPORT ON THE PROPOSED ACQUISITION AND PROPOSED
NON-PUBLIC ISSUANCE OF RMB SHARES AND RELATED PARTY TRANSACTIONS,
PRC INDEPENDENT FINANCIAL ADVISER’S APPRAISAL OPINION,
PRC INDEPENDENT FINANCIAL ADVISER’S OPINION, EXPLANATION ON THE
DILUTION OF IMMEDIATE RETURNS, AUDITOR’S REVIEW REPORT ON PRO
FORMA FINANCIAL INFORMATION

(A) Excerpt From the Report on the Acquisition of Assets by Issuing Shares and Raising Supporting Funds and Connected Transactions of Hua Hong Semiconductor Limited (the “Company” or “Listed Company”) (Draft)

Impact of the transaction on key financial indicators of the Listed Company

Based on financial reports of the Listed Company and the Pro Forma Review Report issued by Ernst & Young, excluding the supporting fund raising, the impact of the transaction on the key financial indicators of the Listed Company is as follows:

Unit: RMB ’0000

Item	2025/31 December 2025		2024/31 December 2024	
	Listed Company (audited)	Pro Forma Statement (unaudited)	Listed Company (audited)	Pro Forma Statement (unaudited)
Total assets	10,012,329.13	10,610,932.80	8,793,523.15	9,356,042.83
Total liabilities	3,702,853.87	4,092,273.00	2,521,468.25	2,965,008.50
Equity attributable to shareholders of the Company	4,516,029.04	4,725,213.57	4,360,233.22	4,474,671.92
Operating revenue	1,729,145.07	2,228,795.71	1,438,830.77	1,927,405.55
Total profit	-65,100.61	11,125.88	-98,831.81	-36,817.13
Net income	-80,714.30	-4,487.81	-103,218.38	-41,203.70
Net profit attributable to shareholders of the parent company	37,661.14	118,428.37	38,057.62	95,531.55
Basic earnings per share (RMB/Share)	0.22	0.62	0.22	0.50

Upon completion of the transaction, the Target Company will become a subsidiary within the consolidated scope of the Listed Company.

SECTION X FINANCIAL ACCOUNTING INFORMATION

I. Financial and accounting information of the Target Company

According to the audit report issued by Da Hua Certified Public Accountants (Special General Partnership), the main financial data of the Target Company for the past two full financial years ended 31 December 2025 are as follows:

(I) Summary of balance sheet

Unit: RMB '0000

Item	31 December 2025 (audited)	31 December 2024 (audited)
Total assets	663,273.27	625,889.26
Total liabilities	437,230.13	499,195.99
Total ownership interest	226,043.14	126,693.27
TOTAL LIABILITIES AND OWNERS' EQUITY	663,273.27	625,889.26

(II) Key information of consolidated income statement

Unit: RMB '0000

Item	2025 (audited)	2024 (audited)
I. Total operating revenue	510,114.63	498,797.09
IV. Total profit (total loss is indicated by “-”)	77,326.52	52,152.40
V. Net profit (net loss is indicated by “-”)	77,326.52	52,152.40
1. Net profit attributable to owners of the parent company	77,326.52	52,152.40

(III) Key information of the consolidated cash flow statement

Unit: RMB '0000

Item	2025 (audited)	2024 (audited)
Net cash flows from operating activities	168,764.18	205,760.40
Net cash flow from investing activities	-23,000.36	-5,407.40
Net cash flow from financing activities	-24,037.63	-364,375.59
V. Net increase in cash and cash equivalents	114,454.99	-158,723.93

VI. Analysis on the Impact of the transaction on the Listed Company

(I) Impact of the transaction on the Listed Company's current earnings per share and other financial and non-financial indicators

According to the Pro Forma Review Report issued by Ernst & Young Hua Ming LLP, and the Listed Company's audit report for 2024 and 2025, the change in earnings per share of the Listed Company before and after the completion of the transaction is as follows:

Item	For the year of 2025		For the year of 2024	
	Before the transaction (audited)	After the transaction (pro forma consolidated)	Before the transaction (audited)	After the transaction (pro forma consolidated)
Equity attributable to shareholders of the parent company (RMB '0000)	4,516,029.04	4,725,213.57	4,360,233.22	4,474,671.92
Net profit attributable to owners of the parent company (RMB '0000)	37,661.14	118,428.37	38,057.62	95,531.55
Basic earnings per share (RMB/Share)	0.22	0.62	0.22	0.50

Note: The above pro forma consolidated financial data does not take into account the impact of the supporting fund raising.

If the transaction is implemented, the Listed Company's equity attributable to owners of the parent company, net profit attributable to owners of the parent company, and basic earnings per share will increase.

Main liabilities and contingent liabilities

As of 31 December 2025, the key liabilities of the Target Company (audited) are as follows:

Unit: RMB '0000, %

Item	Amount	Percentage
Accounts payable	71,583.60	16.37
Contract liabilities	10,571.94	2.42
Employee benefits payable	9,811.54	2.24
Taxes payable	378.46	0.09
Other payables	7,888.69	1.80
Non-current liabilities due within one year	56,308.32	12.88
Other current liabilities	1,196.00	0.27
Current liabilities	157,738.56	36.08
Long-term borrowings	247,225.00	56.54
Lease liabilities	30,528.01	6.98
Provisions	127.56	0.03
Deferred revenue	1,611.00	0.37
Non-current liabilities	279,491.57	63.92
Total	437,230.13	100.00

VII. Main Financial Data of the Target Company

The audited key financial data of the Target Company for the two years ended 31 December 2024 and 31 December 2025 are as follows:

Unit: RMB '0000

Item	31 December 2025 (audited)	31 December 2024 (audited)	31 December 2023 (audited)
Total assets	663,273.27	625,889.26	889,982.17
Total liabilities	437,230.13	499,195.99	815,741.47
Equity	226,043.14	126,693.27	74,240.70
Equity attributable to shareholders of the Company	226,043.14	126,693.27	74,240.70
Item	2025 (audited)	2024 (audited)	2023 (audited)
Operating revenue	510,114.63	498,797.09	257,920.73
Total profit	77,326.52	52,152.40	-37,229.11
Net profit	77,326.52	52,152.40	-37,229.11

VIII. Key Financial Data of the Listed Company

(II) Key financial indicators

Item	2025 (unaudited)	2024 (audited)	2023 (audited)
Basic earnings per share (RMB)	0.22	0.22	1.31
Weighted average return on net assets (%)	0.85	0.88	6.49
Debt-to-asset ratio (%)	36.98	28.67	27.20
Gross profit margin (%)	18.72	17.43	27.10

V. Ownership of Major Assets, Major Liabilities and External Guarantees of the Target Company

(I) Major assets

1. Major fixed assets

As of 31 December 2025, the fixed assets of the Target Company (unaudited) were as follows:

Unit: RMB '0000

Fixed assets	Original book value	Net book amount	Newness rate
Plant facilities	126,490.91	7,479.04	5.91%
Machinery and equipment	1,396,912.40	138,499.70	9.91%
Tools and instruments	1,206.80	236.94	19.63%
Computer and communication equipment	20,207.23	1,642.42	8.13%
Office equipment	94.00	15.43	16.42%
Transportation equipment	72.33	23.77	32.86%
Total	1,544,983.66	147,897.29	9.57%

As of 31 December 2025, the Target Company did not own any properties, and the details of its major operating lease properties are as follows:

Lessor	Address of lease property	Leased area	Lease term	Usage
HHGrace	Premise at Plot 2, Block 13, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai	91,563.11 square meters	1 March 2010 to 28 February 2030	Plant
		Chemical warehouse, power plant and production plant 192 square meters	20 years from the date of acceptance and delivery 1 June 2021 to 31 December 2026	Plant

The use of the above premises by the Target Company by way of lease does not violate the mandatory provisions of laws and administrative regulations.

II. Pro Forma Consolidated Financial Statements of the Listed Company

(I) Pro forma consolidated balance sheet

Unit: RMB '0000

Item	31 December 2025	31 December 2024
Current assets:		
Monetary funds	3,786,650.50	3,397,570.68
Prepayments	6,385.57	4,630.04
Notes receivable	33,452.20	35,167.39
Accounts receivable	232,044.66	229,770.89
Other receivables	4,721.23	2,388.88
Inventories	659,621.38	653,791.40
Non-current assets due within one year	1,302.87	-
Other current assets	368,233.56	244,568.01
Total current assets	5,092,411.97	4,567,887.28
Long-term receivables	5,642.88	-
Long-term equity investments	59,045.21	53,950.10
Other equity instrument investments	320,036.00	200,930.40
Investment properties	36,673.32	-
Fixed assets	3,408,797.52	3,057,530.27
Construction in process	1,456,197.22	1,351,831.32
Right-of-use assets	10,988.16	14,555.83
Intangible assets	64,579.43	73,912.89
Deferred income tax assets	-	14,512.28
Other non-current assets	155,997.29	20,260.00
Total non-current assets	5,518,520.83	4,788,155.55
Total assets	10,610,932.80	9,356,042.83
Accounts payable	301,430.04	300,880.32
Advance payment	41.65	-
Contract liabilities	106,357.32	89,498.56

Item	31 December 2025	31 December 2024
Employee compensation payables	88,794.64	72,825.17
Taxes payable	16,637.58	29,760.24
Other payables	524,324.06	490,956.82
Non-current liabilities due within one year	333,747.35	285,959.74
Other current liabilities	75,663.27	51,719.95
Total current liabilities	1,446,995.92	1,321,600.79
Long-term borrowings	2,206,218.92	1,620,985.06
Lease liabilities	11,020.65	12,988.09
Long-term payables	417,919.00	—
Estimated liabilities	0.02	527.35
Deferred revenue	1,611.00	1,611.00
Deferred income tax liabilities	8,507.50	7,296.21
Total non-current liabilities	2,645,277.08	1,643,407.71
Total liabilities	4,092,273.00	2,965,008.50
Shareholder's equity		
Share capital	3,500,488.66	3,465,470.33
Capital reserves	706,754.46	693,037.15
Other comprehensive income	138,778.21	55,597.51
Special reserves	196.94	—
Surplus reserves	185,489.44	170,368.19
Undistributed profits	193,505.87	90,198.75
Total equity attributable to the shareholders of the parent company	4,725,213.57	4,474,671.92
Minority interests	1,793,446.23	1,916,362.41
Total shareholders' equity	6,518,659.80	6,391,034.33
Total liabilities and owners' equity	10,610,932.80	9,356,042.83

(II) Pro forma consolidated income statement

Unit: RMB '0000

Item	2025	2024
I. Total operating revenue	2,228,795.71	1,927,405.55
II. Total operating costs	2,143,226.58	1,900,280.18
Including: Cost of sales	1,787,918.16	1,597,673.33
Taxes and surcharges	12,646.54	10,540.31
Selling expenses	8,450.10	7,862.72
Administrative expenses	96,129.04	94,154.00
Research and development expenses	222,510.94	185,521.06
Finance costs	15,571.80	4,528.77
Including: interest charges	55,612.29	74,059.54
Interest income	53,350.40	89,252.46
Add: Other income	39,056.96	26,383.74
Investment income	3,095.11	1,099.09
Including: Investment income from associates	3,095.11	1,097.84
Credit impairment loss (net loss indicated by “-”)	-2,330.98	1,949.95

Item	2025	2024
Asset impairment loss (net loss indicated by “-”)	-117,611.99	-93,294.03
Income from asset disposal (net loss indicated by “-”)	3,201.90	-100.82
III. Operating profit (loss indicated by “-”)	10,980.13	-36,836.71
Add: Non-operating income	254.08	596.83
Less: Non-operating expenses	108.33	577.25
IV. Total profit (total loss indicated by “-”)	11,125.88	-36,817.13
Less: Income tax expenses	15,613.69	4,386.57
V. Net profit (net loss indicated by “-”)	-4,487.81	-41,203.70
1. Net profit attributable to owners of the parent company	118,428.37	95,531.55
2. Minority interest income	-122,916.18	-136,735.25
VI. Other comprehensive income after tax		
Other comprehensive income after tax attributable to owners of the parent company	83,180.70	9,738.83
VII. Total comprehensive income	78,692.89	-31,464.87
Total comprehensive income attributable to the owner of the parent company	201,609.08	105,270.39
Total comprehensive income attributable to minority shareholders	-122,916.18	-136,735.25
VIII. Earnings per share	—	—
Basic earning per share	0.62	0.50
Diluted earning per share	0.62	0.50

(C) **Excerpt from the PRC Independent Financial Adviser’s Report issued by Guotai Haitong Securities Co., Ltd. on the Acquisition of Assets by Issuing Shares and Raising Supporting Funds and Related Transactions of Hua Hong Semiconductor Limited**

Section VIII Verification Opinions of the PRC Independent Financial Adviser

II. Analysis of the compliance of the transaction

Upon verification, the PRC independent financial adviser is of the opinion that:

- The transaction is in compliance with the national industrial policies and the provisions of laws and administrative regulations on environmental protection, land management, anti-monopoly, foreign investment and external investment, and complies with the provisions of Article 11 (1) of the Administrative Measures for Reorganization;
- The transaction will not result in the Listed Company's shares failing to meet the listing conditions, and it complies with the provisions of Article 11(2) of the Administrative Measures for Reorganization;
- The ownership of the assets to be involved in the transaction is clear, there are no legal obstacles to the transfer of assets, and the transaction does not involve the handling of creditors' rights and debts, which complies with the provisions of Article 11(4) of the Administrative Measures for Reorganization;
- The transaction is conducive to enhancing the Listed Company's ability to continue its operations, and there are no circumstances that may cause the Listed Company's principal assets to be cash or have no specific business operations after the reorganization, which complies with the provisions of Article 11(5) of the Administrative Measures for Reorganization;
- The transaction will not adversely affect the independence of the Listed Company, and the independence of the Listed Company complies with relevant regulations and Article 11(6) of the Administrative Measures for Reorganization;
- The transaction is beneficial to the Company in maintaining a sound and effective corporate governance structure, and complies with the requirements of Article 11(7) of the Administrative Measures for Reorganization;
- The transaction will not lead to a change in control of the Listed Company and does not constitute a backdoor listing as stipulated in Article 13 of the Administrative Measures for Reorganization;
- The transaction is in compliance with the provisions of Article 43(1) of the Administrative Measures for Reorganization;
- The transaction is in compliance with the provisions of Article 43(2) of the Administrative Measures for Reorganization;
- The transaction is in compliance with the provisions of Article 44 of the Administrative Measures for Reorganization;
- The transaction is in compliance with the requirements of Article 45 of the Administrative Measures for Reorganization and its applicable opinions;

- The transaction is in compliance with the provisions of Article 46 of the Administrative Measures for Reorganization;
- The transaction is in compliance with the provisions of Article 47 of the Administrative Measures for Reorganization;
- The transaction is in compliance with Article 20 of the Measures for the Ongoing Supervision of Companies Listed on the STAR Board (Trial), Rule 11.2 of the Rules Governing the Listing of Stocks on the STAR Board and Article 8 of the Rules for Review of Restructuring;
- The transaction is beneficial to the Listed Company in enhancing its market position and operating performance, strengthening its sustainable development capabilities, and improving its corporate governance mechanism;
- The transaction is conducive to enhancing its sustainable operating capabilities, and improving its corporate governance mechanism, which complies with the requirements of the Code of Corporate Governance for Listed Companies and other regulations and guidelines;
- The asset delivery arrangement agreed upon in the transaction will not lead to the risk that the Listed Company will not be able to acquire the Target Assets in a timely manner after the transaction, and the default liabilities related to the asset delivery arrangement are valid and effective;
- The transaction constitutes a connected transaction, and the pricing and procedures of the connected transaction comply with relevant regulations; The transaction is necessary for the continuous and stable development of the Listed Company; this related party transaction is in the interests of the Listed Company and all shareholders, and does not harm the interests of the Listed Company and non-connected shareholders;
- There has been no material adverse change in the financial condition and operating results of the Target Company of the transaction. After the completion of the transaction, the Listed Company will have the ability to continue operating. The transaction will not have a material adverse effect on the financial position and operating results of the Listed Company, and it is conducive to the sustainable development of the Listed Company.
- The assets involved in the transaction are fairly priced, and there is no impairment of the legitimate rights and interests of the Listed Company and its shareholders, which complies with Article 11(3) of the Administrative Measures for Reorganization;
- Some of the counterparties in the transaction are private equity investment funds, and the relevant counterparties have completed the private equity investment fund filing procedures;

- In the transaction, the PRC independent financial adviser did not directly or indirectly engage any third parties for remuneration; and the issuer's aforementioned engagement of other third parties for consideration is legal and compliant and satisfies the requirements of the relevant provisions of the Opinions on Strengthening the Prevention and Control of Integrity Risks in the Engagement of Third Parties by Securities Companies in Investment Banking Businesses;
- The Listed Company in the transaction is a SSE STAR Board Listed Company. The Target Assets operate in the semiconductor and integrated circuit industry, which aligns with the STAR Board's positioning. The industry of the Target Assets is the same as that of the Listed Company, and the Target Assets have synergistic effects with the Listed Company's principal business. The transaction complies with Article 11.2 of the Rules Governing the Listing of Securities on STAR Board, Article 20 of the Measures for the Continuous Supervision of Companies Listed on the Sci-Tech Innovation Board (Trial), and Article 8 of the Rules for the Review of Restructuring;
- The transaction does not involve the issuance of convertible bonds, preferred shares, targeted warrants, or depositary receipts;
- The share lock-up period arrangements obtained by the relevant counterparties to the transaction are in compliance with the relevant provisions such as Article 74 and Item (3) of Paragraph 1 of Article 63 of the Measures for the Administration of Takeovers of Listed Companies;
- The profit and loss arrangement during the transitional period of the transaction is reasonable;
- The specific integration and control arrangements of the Listed Company for the assets to be acquired are in line with industry development trends and the actual situation of the Company, and the relevant arrangements can achieve the Listed Company's control over the assets to be acquired, which is reasonable;
- As of the date of this PRC independent financial adviser's report, the transaction has fulfilled the approval and authorisation procedures that should be fulfilled at this stage; and the decision-making procedures and approval procedures yet to be performed for the transaction and related risks have been disclosed in the restructuring report;
- The proceeds raised from the transaction comply with the provisions of Articles 11, 12, and 55 to 58 of the Administrative Measures for Registration;
- The transaction does not involve approval related to project establishment, and environmental protection, etc;
- As of the date of this PRC independent financial adviser report, the ownership of the Target Company to be acquired was clear. External guarantees, major liabilities, and contingent liabilities have been disclosed in the restructuring report. There were no restrictions on the equity interests of the Target Company in the transaction, such as mortgages or pledges, and there are no major disputes involving litigation, arbitration, judicial enforcement, or other circumstances that would hinder the transfer of ownership;

- As of the date of this independent financial adviser report, the ownership of the major assets of the Target Company to be acquired was clear, and there were no circumstances such as seizure or freezing, except for certain equipment mortgaged for loans. The relevant circumstances have been disclosed in the restructuring report, and the Target Company was not involved in major disputes such as litigation, arbitration, or judicial enforcement;
- The transaction does not involve the acquisition of non-equity assets;
- The Target Company's main assets and main products are not involved in any material outstanding litigation, and the transaction complies with the provisions of Article 11 and Article 44 of the Administrative Measures for Reorganization;
- The Target Company's main assets and main products are not involved in any material disputes, such as pending material litigation;
- As of the signing date of the PRC independent financial adviser report, there was no non-operating appropriation of funds of the Target Company by its related parties;
- As of the signing date of this report from the PRC independent financial adviser, the Target Company was not involved in NEEQ listing, previous IPO, or restructuring that has been rejected or terminated;
- The number of target subscribers for the transaction does not exceed 200. The target subscribers are not unlisted joint stock companies with more than 200 shareholders. Therefore the relevant rules and regulations for the aforesaid scenarios do not apply;
- The Target Company's related party identification and disclosure of related party transaction information during the reporting period are complete, and the related party transactions are necessary and reasonable;
- During the reporting period, the related party transactions of the Target Company were necessary and reasonable, and there were no circumstances that materially affected independence or were obviously unfair;
- After the completion of the transaction, the Listed Company will not have any new obviously unfair connected transactions, and the decision-making authority and decision-making procedures for connected transactions are stipulated in the Listed Company's institutional documents;
- After the completion of the transaction, the Listed Company will not enter into any new related party transactions that are obviously unfair, and the transaction complies with the relevant provisions of Article 44 of the Administrative Measures for Reorganization;
- The Listed Company, the counterparty, and other relevant parties have issued undertakings in accordance with the Administrative Measures for Reorganization, Format Standard No. 26, and 1-7 of the Applicable Guidelines under Regulatory Rules – Listing No. 1, among other provisions;

- As of the date of this PRC independent financial adviser's report, there was no significant public opinion or media questioning that would have a material adverse impact on the transaction;
- This appraisal has given full consideration to matters that may have a material impact on the appraisal conclusion, and the assessment and handling of relevant matters are reasonable and fair;
- This appraisal adopts the appraisal results under the market approach as the final appraisal conclusion, and does not involve using the appraisal results under the income approach as the pricing basis;
- The specific appraisal model, selection, and basis for the market value ratio in the market approach adopted in this appraisal are reasonable. The basis for the selection of comparable companies, adjustment factors, and liquidity discount is reasonable. Through a comprehensive and reasonable analysis of listed companies in the same industry, comparable listed companies to the Target Company were selected, and the selection of these comparable companies is reasonable;
- This appraisal adopts the appraisal results under the market approach as the final appraisal conclusion, and does not involve using the appraisal results under the asset-based approach as the pricing basis;
- The transaction did not use the results of other appraisal methods or appraisal reports as the pricing basis;
- The reasons for the differences between the appraised value in the transaction and the prices of previous equity transfers or capital increases are reasonable;
- In the appraisal process, considering the transaction value multiples, appraisal appreciation rate, the operating model of the Target Assets, R&D investment, performance growth, and pricing of comparable companies and transactions in the same industry, the appraisal price of the transaction is reasonable, and the comparable listed companies and comparable transactions are comparable;
- The pricing process and the consideration of the transaction are fair and reasonable;
- No relevant matters that would have a significant impact on the appraisal results occurred between the appraisal date and the date of issuance of the restructuring report;
- The transaction does not involve goodwill accounting treatment and impairment risks;
- The relevant industrial policies, international trade policies, laws and regulations affecting the development of the industry in which the assets to be acquired in the transaction are located, as well as related risks, have been disclosed in the restructuring report;
- The selection of comparable companies in the same industry is objective, comprehensive, accurate, and comparable;

- The restructuring report quoted third-party data, and the data quoted are authentic and authoritative;
- The Target Company's sales and procurement business models are stable, the pricing of related transactions is fair, and they are commensurate with the business scale of its customers and suppliers;
- During the reporting period, transactions between the Target Company and new customers and suppliers with larger transaction amounts were reasonable;
- During the reporting period, among the top five customers of the Target Company, there were enterprises associated with its controlling shareholder, Shanghai Huahong (Group) Co., Ltd.. Save for the above, during the reporting period, the Target Company, its controlling shareholder, de facto controller, directors, supervisors, senior management and other core personnel were not associated with the top five customers and suppliers;
- During the reporting period, the Target Company did not have sales to a single customer exceeding 50% of its operating revenue. The concentration of its top five customers is generally consistent with comparable companies Nexchip and UNT. The higher sales concentration compared to other comparable companies is due to its smaller business scale, which is reasonable. There was no case where the proportion of purchases from a single supplier exceeded 50% of the total purchases, or where there was significant reliance on a few suppliers. The pricing of the related transactions is fair, and the relatively high sales concentration will not have a material adverse impact on the Target Company's ability to continue as a going concern;
- The financial position of the Target Company is real, and its operating results are consistent with industry characteristics, scale characteristics, and sales models;
- The provision policy for bad debts of the Target Company's accounts receivable does not have significant differences from those of listed companies in the same industry. Although there are some differences in the provision ratio for bad debts compared to listed companies in the same industry, it is more prudent. The Target Company's accounts receivable mainly consist of amounts due from semiconductor design enterprises. Based on the subsequent collection status from major customers and publicly available information to verify customer credit or financial conditions, no further individual impairment provision is required, and relevant bad debt provisions have been adequately made;
- At the end of each reporting period, the Target Company had no long-term idle or damaged fixed assets involving asset impairment; the depreciation policy for the Target Company's significant fixed assets did not differ significantly from that of comparable companies in the same industry, was reasonable, and depreciation of fixed assets was fully provided; the method for determining the recoverable amount of the Target Company's fixed assets was appropriate, the impairment test methods, key assumptions, and parameters were reasonable, and the accounting treatment related to asset impairment was accurate;
- The provision for impairment of inventories of the Target Company is adequate, and there are no material anomalies in the inventory count results;

- The Target Company does not have intangible assets identified and recognized in a business combination;
- The Target Company has no financial investments;
- During the reporting period, the changes in the revenue structure of the Target Company matched the needs of its customers, and the differences from comparable listed companies in the same industry were reasonable due to their respective characteristics. The seasonal fluctuations in the Target Company's revenue are consistent with those of comparable listed companies in the same industry. The proportion of domestic and overseas revenue is reasonable due to different business characteristics and differences from listed companies, and the revenue-related situation of the Target Company is reasonable;
- The specific revenue recognition policy of the Target Company matches the contractual agreements and actual implementation, does not differ significantly from that of comparable companies in the same industry, and complies with the provisions of the Accounting Standards for Business Enterprises and relevant rules;
- The Target Company is not involved in concession rights;
- The operating revenue of the Target Company during the reporting period is true, accurate, and complete, and there are no special or abnormal circumstances;
- The changes in income of the assets to be acquired and the matching relationship between such income and financial data such as costs and expenses are reasonable;
- The cost allocation method of the Target Company is in line with accounting standards, the cost allocation is accurate and complete, and there is no significant difference between the cost composition and that of comparable companies in the same industry;
- The reasons for the fluctuation in the gross profit margin of the Target Company are reasonable, and the differences in the gross profit margin of the Target Company's related products compared to comparable companies in the same industry due to differences in product structure, product process platforms, and business models are also reasonable;
- The changes in sales expenses, administrative expenses, and research and development expenses of the Target Company during the reporting period were reasonable, and the differences in the proportion of relevant expenses to operating revenue compared to comparable companies in the same industry were also reasonable. The sales expenses during the reporting period were legal, compliant, true, and complete;
- During the reporting period, the Target Company did not experience a situation where net cash flow from operating activities was consistently negative or significantly lower than net profit;
- The Target Company does not involve resource-based rights such as land use rights and mining rights;

- The consideration for the transaction is fair and reasonable, fully protecting the legitimate rights and interests of all shareholders of the Listed Company;
- The appraisal method for the transaction is appropriate, the appraisal assumptions are reasonable, and the values of important appraisal parameters are reasonable;
- After the completion of the transaction, the Listed Company will continue to maintain its sound and effective corporate governance structure in accordance with relevant regulations such as the Company Law, the Securities Law, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the Rules Governing the Listing of Securities on STAR Board;
- The relevant information in the application documents is true, accurate and complete, and contains information that is material to investors in making investment decisions, and the level of disclosure has reached the extent necessary for investors to make investment decisions;
- The information disclosed in the transaction is consistent, reasonable and inherently logical; it is concise and easy to understand and can be read and comprehended by general investors. The information for which exemption from disclosure is sought in the transaction, in strict accordance with Article 4, Article 5, and Article 6 of the “Format Standard No. 26” and Article 20 of the Rules for Review of Restructuring and other relevant laws and regulations, is information involving business secrets. It does not involve information that has a significant impact on the judgment of the Company’s financial condition, research and development status, operating condition, or continuous operating capability, nor is it publicly available information. The exemption from disclosure will not constitute a significant obstacle to investors’ decision-making;
- The transaction does not constitute a material asset restructuring and does not involve the divestment of assets. The independent financial advisor, legal counsel and accountants have conducted special reviews on the disclosures of the Listed Company in accordance with the Guidance on the Application of Regulatory Rules – Listing Category No. 1, issued clear opinions, and submitted special review reports.

(D) Excerpt from the Pro Forma Consolidated Financial Statements and Review Report for 2024 and 31 December 2025

Review Report

Ernst & Young Hua Ming (2026) Zhuan Zi No. 70013197_B04
Hua Hong Semiconductor Limited

To all shareholders of Hua Hong Semiconductor Limited:

We have reviewed the accompanying pro forma consolidated financial statements of Hua Hong Semiconductor Limited prepared on the basis of preparation described in Note 2 to the pro forma consolidated financial statements, which comprise the pro forma consolidated balance sheet as at 31 December 2024 and 31 December 2025, the pro forma consolidated income statement for the years 2024 and 2025 and notes to the pro forma consolidated financial statements. The preparation of these pro forma consolidated financial statements is the responsibility of the management of Hua Hong Semiconductor Limited, and our responsibility is to issue a review report on these financial statements based on the implementation of our review work.

We conducted our review in accordance with China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statements. The standard requires us to plan and perform the review to obtain limited assurance as to whether the financial statements are free from material misstatement. A review is limited primarily to inquiries of relevant personnel of the company and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not conducted an audit and therefore do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying pro forma consolidated financial statements are not prepared, in all material respects, in accordance with the basis of preparation described in Note 2 to the pro forma financial statements.

We draw the attention of users of the pro forma consolidated financial statements to Note 2 to the pro forma consolidated financial statements, which describes the basis of preparation. The management of Hua Hong Semiconductor Limited prepared the pro forma consolidated financial statements for the purpose of the major asset reorganization of the Listed Company. As a result, the pro forma consolidated financial statements may not be suitable for other purposes. This report is for the sole purpose of Hua Hong Semiconductor Limited submitting documents to the Shanghai Stock Exchange for the purpose of a major asset restructuring and shall not be used for any other purpose. The content of this paragraph does not affect the published review conclusions.

Basis of preparation

In accordance with the relevant provisions of the Rules No. 26 on Contents and Format of Information Disclosure by Companies Publicly Issuing Securities – Significant Asset Restructuring of Listed Companies (Revised in 2018) (the “Format Standard No. 26”) issued by the CSRC, these pro forma financial statements are prepared by the Company for the purpose of applying to the CSRC for the proposed acquisition of assets by issuing shares as described in Note 1, and are only for the Company’s application to the China Securities Regulatory Commission for the acquisition of assets by issuing shares and raising supporting funds.

For the purpose of providing users with more relevant information, the pro forma consolidated financial statements have been prepared on the assumption that the business structure resulting from the spin-off described in Note 1.1(2) and the transaction described in Note 1.2 has been in existence at the beginning of the earliest period presented in the pro forma consolidated financial statements, and have been prepared in accordance with the following specific methods:

- (1) The pro forma consolidated financial statements are prepared based on the consolidated financial statements of the Group for the years 2024 and 2025 (audited) (the “Relevant Period”) and the post-spin-off financial statements of the Target Company for the relevant period (audited by Da Hua Certified Public Accountants (Special General Partnership), which issued a standard unqualified audit report, with the report number of Da Hua Shen Zi [2025] 0011016213 and Da Hua Shen Zi [2026] 0011007164);
- (2) The pro forma consolidated financial statements consider the effect of the new issue of shares in accordance with the asset acquisition plan by way of issuing shares as described in Note 1.2, assuming that the Company had purchased 97.4988% equity interest in the Target Company by way of issuing 190,768,392 new A shares at a price of RMB43.34 per share as proposed in the Proposed Acquisition, and the transaction was completed before January 1, 2024.
- (3) Assuming the spin-off was completed on January 1, 2024, the Group has continuously held a 2.5012% equity interest in the new company during the Relevant Period;
- (4) As described in Note 1, the ultimate actual controller of the Company and the Target Companies is the Shanghai SASAC. Based on the assumption that the asset acquisition by way of share issuance was completed before January 1, 2024, and the organizational structure and related businesses after the completion of the acquisition existed as of January 1, 2024, the transaction is subject to the accounting principles for business combinations under common control. This means that, from the beginning of the earliest period presented in these pro forma consolidated financial statements (January 1, 2024), the assets and liabilities of the Target Companies acquired by the Company are consolidated into the pro forma consolidated financial statements at their carrying amounts in the financial statements of the ultimate controlling party, and the difference from the transaction price is adjusted to capital reserve. The net profit attributable to shareholders of the parent company/total comprehensive income in the pro forma consolidated income statement represents the sum of the net profit attributable to shareholders of the Company/total comprehensive income before the reorganization and the net profit attributable to the Target Companies/total comprehensive income before the reorganization, taking into account consolidation elimination adjustments;

- (5) The pro forma consolidated financial statements have eliminated all intra-group assets, liabilities, equities, income, and expenses arising from transactions between the Group and the Target Company in accordance with the business structure after the completion of the aforementioned assumed transaction;
- (6) For the specific purpose of preparing these pro forma consolidated financial statements, these pro forma consolidated financial statements only present the pro forma consolidated balance sheet and the consolidated income statement of the enlarged group for the Relevant Period, but exclude the presentation of the consolidated cash flow statement, the consolidated statement of changes in owners' equity and the related notes. The management of the Company believes that the pro forma consolidated cash flow statement, pro forma consolidated statement of changes in owners' equity, and related notes for the Relevant Period are not materially significant to the users of these pro forma consolidated financial statements for specific purposes. Therefore, these pro forma consolidated financial statements do not include a pro forma consolidated cash flow statement, pro forma consolidated statement of changes in owners' equity, and related notes. Additionally, these pro forma consolidated financial statements only present limited pro forma consolidated notes relevant to the basis of preparation of the aforementioned pro forma consolidated financial statements, and do not disclose information related to earnings per share, risks associated with financial instruments, fair value, capital management, and segment reporting;
- (7) As the financial statements of the Target Company for the Relevant Period after the spin-off only present the total equity in the owners' equity section, without specifically distinguishing the detailed items of owners' equity, and the notes do not disclose the amount of deductible temporary differences and deductible losses for which deferred tax assets are not recognized, nor the explanation of the relationship between income tax expense and accounting profit, the relevant presentation and disclosure in these pro forma consolidated financial statements are consistent with them;
- (8) The audited financial statements of the Target Company for the Relevant Period have been prepared in accordance with the same accounting system and accounting policies as those of the Company, in accordance with the relevant provisions of the Standard on Format No. 26;
- (9) The relevant proposals as described in Note 1.2 to the pro forma consolidated financial statements were able to be approved by the China Securities Regulatory Commission, and the reorganization was able to be implemented in accordance with the proposal;

(10) The transaction does not take into account the transaction costs and related taxes that may arise.

Save for the assumptions described above, the pro forma consolidated financial statements have not considered the effects of other events that may be relevant to the Proposed Acquisition. Due to certain inherent limitations in the preparation of the pro forma consolidated financial statements that affect the reliability of the information, they may not give a true picture of the Group's consolidated financial position as at 31 December 2024 and 31 December 2025, and the consolidated operating results for 2024 and 2025 if the transaction of acquisition of assets by way of issuing shares had been completed on January 1, 2024.

The pro forma financial statements are presented on a going concern basis.

In preparing the pro forma consolidated financial statements, historical cost is used as the valuation principle, except for certain financial instruments. In the event that impairment of assets occurs, a provision of impairment is made accordingly in accordance with the relevant regulations.

The pro forma consolidated financial statements are prepared by the Company for the purpose of reporting to the China Securities Regulatory Commission on the issuance of shares for the acquisition of assets and the raising of supporting funds, and shall not be used for any other purpose.