BASiC Semiconductor Co., Ltd.
深圳基本半導體股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 9971)

DISCLOSEABLE TRANSACTION CONSTRUCTION OF SILICON CARBIDE MODULE PACKAGING PRODUCTION LINE BASE

INTRODUCTION

The Board hereby announces that on July 27, 2026 (after trading hours), the Company entered into the EPC Contract with the Contractor for the Project, pursuant to which the Contractor agrees to undertake the Project at the Company's silicon carbide module packaging production line base for a total Contract Price of RMB193,300,000.

IMPLICATIONS OF LISTING RULES

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transaction contemplated under the EPC Contract exceed 5% but all are less than 25%, the transaction contemplated under the EPC Contract constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board hereby announces that on July 27, 2026 (after trading hours), the Company entered into the Engineering, Procurement and Construction (EPC) Contract with the Contractor for the Project, pursuant to which the Contractor agrees to undertake the Project at the Company's silicon carbide module packaging production line base for a total consideration of RMB193,300,000.

THE EPC CONTRACT

Date: July 27, 2026 (after trading hours)

Principal terms of the EPC Contract are set forth below.

Parties: (1) The Company

(2) the Contractor

To the best of the Directors' knowledge, information, and belief, based on all reasonable enquiries made, the Contractor and its ultimate beneficial owners are independent third parties other than the Company and the Company's connected persons.

Key matters and scope of work: This Project involves the construction of the Company's production line base located at the southwest corner of the intersection of Danzi Avenue and Cuijing Road, Pingshan District, Shenzhen. The Group has obtained the right to use state-owned land for this purpose, and the Contractor is responsible for the Project's construction work.

Project scale: Total floor area of 59,357.54 square metres, comprising two buildings, including production facilities, offices, dormitories, and other supporting structures.

Consideration and payment terms: The total consideration payable by the Company under the EPC Contract is RMB193,300,000 (tax inclusive) (the "**Contract Price**"), the Contract Price is a fixed lump-sum Contract Price.

The Group will settle the consideration using internal financial resources and bank loans.

The consideration shall be paid by the Company to the Contractor by reference to the following construction progress:

(1) Advance payment: 20% of the Contract Price must be paid upon signing the EPC Contract.

(2) Progress payments:

  a. Payments shall be made monthly based on construction progress; 80% of the payment shall be made for the actual work completed each month and verified and confirmed by the supervisor and the employer. Cumulative interim payments shall not exceed 80% of the total Contract Price;

  b. Upon successful completion and acceptance of the Project, receipt of the completion acceptance filing acknowledgement, and submission of complete documentation by the Contractor, payment shall be made up to 85% of the Contract Price;

  c. Upon the Contractor's completion of all work specified in the EPC Contract, completion of the final settlement procedures, and fulfilment of other conditions specified in the EPC Contract, the Company shall pay up to 97% of the total Contract Price.

(3) Quality retention money: 3% of the Contract Price shall be retained and paid upon completion of the final construction acceptance and settlement.

Basis for determining the Contract Price: The Contractor was selected through a public tendering process, in which seven tenderers, including the Contractor, submitted bids for our consideration. The Contract Price was determined through public tender and arm's length negotiation with reference to the scope of the works to be undertaken, the expected scale and quality of the Project, the current estimated costs of construction and the prevailing prices of Projects of similar nature. The Contract Price is a fixed lump-sum price, and shall not be adjusted except for changes expressly agreed in the EPC Contract.

REASONS FOR AND BENEFITS OF THE EPC CONTRACT

The Board (including the independent non-executive Directors) is of the view that (1) the entering into of the EPC Contract will be conducive to the implementation of the Company's future operating strategies and will support the Company in meeting the growing downstream market demand in areas such as new energy vehicles, intelligent computing centres, and photovoltaic energy storage; and (2) the terms of the EPC Contract and the transactions contemplated thereunder have been entered into after arm's length negotiations and on normal commercial terms, are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE CONTRACTING PARTIES

(1) The Company

The Company is a joint stock limited liability company incorporated under the laws of the PRC, and its H shares are listed on the Main Board of the Stock Exchange (stock code: 9971). The Company is an enterprise in the third-generation semiconductor power device industry in China, specializing in the research and development, manufacturing and sales of silicon carbide (SiC) power devices. It has integrated capabilities spanning SiC chip design, wafer manufacturing, module packaging, and gate driver design and testing. Its products are widely applied in key sectors such as new energy vehicles, intelligent computing centres, photovoltaic energy storage, rail transit, and smart grids.

(2) The Contractor

The Contractor is a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of China State Construction Engineering Corporation Limited (its shares are listed on the Shanghai Stock Exchange, stock code: 601668.SH). Headquartered in Beijing, the Contractor holds six super-grade qualifications, including general contracting for housing construction and general contracting for municipal public works, as well as specialised qualifications in areas such as Class A building engineering design, foundation works, decoration and finishing, steel structure works, bridge works, and highway subgrade works.

IMPLICATIONS OF LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the EPC Contract exceed 5% but are all less than 25%, the transactions contemplated under the EPC Contract constitute a discloseable transaction of the Company. Accordingly, the transactions are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules but are exempt from the Shareholders' approval requirement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set forth below:

"Board" or "Board of Directors"	the Board of Directors of the Company
"Company", "our Company" or "the Company"or "BASiC Semiconductor"	BASiC Semiconductor Co., Ltd., a joint stock limited liability company incorporated in the PRC, whose H-shares are listed on the Main Board of the Stock Exchange (stock code: 9971)
"connected person"	has the meaning ascribed to it under the Listing Rules
"Contractor"	China Construction Second Engineering Bureau Co., Ltd.
"Director(s)"	the director(s) of the Company
"EPC Contract"	the engineering, procurement and construction contract ("工程總承包合約") dated July 27, 2026 entered into between the Company and the Contractor in relation to the Project
"Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	any entity or person who 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, as amended, supplemented or otherwise modified from time to time
"China" or "PRC"	the People's Republic of China
"Project"	the construction of silicon carbide module packaging production lines contemplated under the EPC Contract
"Contract Price"	the total consideration payable by the Company under the EPC Contract
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of the share(s) of the Company

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By order of the Board
BASiC Semiconductor Co., Ltd.
Dr. Wang Zhihan
Chairman

Hong Kong, July 28, 2026

As at the date of this announcement, the Board of the Company comprises: (i) Dr. Wang Zhihan, Dr. He Weiwei, Mr. Fu Junyin and Ms. Yan Rui as executive Directors; and (ii) Mr. Li Juping, Mr. Ye Xiang and Mr. Wang Susheng as independent non-executive Directors.