华虹宏力
HHGrace

HUA HONG GRACE SEMICONDUCTOR LIMITED

華虹宏力半導體有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01347)

COMPLETION OF THE MAJOR AND CONNECTED TRANSACTION

References are made to, amongst others, (i) the announcements of the Company dated 31 August 2025, 31 December 2025, 10 February 2026, 30 March 2026, 11 June 2026 and 8 July 2026; and (ii) the circular of the Company dated 22 January 2026 (the "**Circular**"), each in relation to, amongst others, the Proposed Acquisition. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

The Company is pleased to announce that all the conditions precedent as set out in the Acquisition Agreement (as supplemented by the Supplemental Agreement) have been satisfied and Completion took place on 9 September 2026. Pursuant to the Acquisition Agreement (as supplemented by the Supplemental Agreement), the Total Consideration of RMB8,267,902,153.26 was settled by the allotment and issuance of 190,768,392 Consideration Shares under the Proposed Acquisition Specific Mandate (together with such cash consideration in lieu of fractional Shares). All such Consideration Shares have been registered with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 9 September 2026. The issue price of the Consideration Shares is RMB43.34 per Consideration Share, representing not less than 80% of the Average Trading Price of the RMB Shares for the 120 trading days prior to the Pricing Benchmark Date.

At the Completion of the Proposed Acquisition, the final adjusted lock-up period of each Vendor has been determined as follows:

(1) Huahong Group shall not transfer any of the Consideration Shares subscribed for within 36 months from the date of issue of the Consideration Shares (i.e. 9 September 2026). In the event that (i) within 6 months after the Completion, the closing price of the Shares for 20 consecutive trading days is lower than the Consideration Shares issue price, or (ii) the closing price of the Shares at the end of the 6-month period after the Completion is lower than the Consideration Shares issue price, the lock-up period on the Consideration Shares obtained by Huahong Group shall automatically extend for an additional 6-month period.

(2) Shanghai IC Fund shall not transfer any of the Consideration Shares subscribed for within 6 months from the date of issue of the Consideration Shares.

(3) China IC Fund II shall not transfer (i) 10,163,843 Consideration Shares subscribed for within 12 months from the date of issue of the Consideration Shares, and (ii) 9,892,171 Consideration Shares subscribed for within 36 months from the date of issue of the Consideration Shares.

(4) Guotou IC Fund shall not transfer any of the Consideration Shares subscribed for within 36 months from the date of issue of the Consideration Shares.

The abovementioned lock-up period arrangement of the Vendors shall also apply 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.

Upon completion of the Consideration Share Issuance, the total issued Shares of the Company increased from 1,737,726,402 Shares to 1,928,494,794 Shares, of which the total issued RMB Shares increased from 407,750,000 Shares to 598,518,392 Shares, and the total issued Hong Kong Shares are 1,329,976,402 Shares. The Company has become, directly and indirectly, interested in the entire issued share capital of the Target. As such, the Target has become a wholly-owned subsidiary of the Company and the financial results and assets and liabilities of the Target will be consolidated into the financial statements of the Group.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company immediately upon Completion and the allotment and issuance of the Consideration Shares:

Shareholders	*Hong Kong Shares held*	*Percentage of Hong Kong Shares held* (Note 2)	*RMB Shares held*	*Percentage of RMB Shares held* (Note 2)	*Total Shares held*	*Percentage of issued Share capital* (Note 2)
Huahong Group (Note 1)	347,605,650	26.14%	125,530,570	20.97%	473,136,220	24.53%
SAIL (Note 1)	188,961,147	14.21%	–	–%	188,961,147	9.80%
Shanghai IC Fund	–	–%	30,761,109	5.14%	30,761,109	1.60%
Guotou IC Fund	–	–%	15,619,216	2.61%	15,619,216	0.81%
China IC Fund II	–	–%	68,390,263	11.43%	68,390,263	3.55%
Others (Note 1)	–	–%	16,856,987	2.82%	16,856,987	0.87%
Huahong Concert Group sub-total	536,566,797	40.34%	257,158,145	42.97%	793,724,942	41.16%
China IC Fund (Note 3)	62,351,603	4.69%	–	–%	62,351,603	3.23%
Other public Shareholders	731,058,002	54.97%	341,360,247	57.03%	1,072,418,249	55.61%
Total:	**1,329,976,402**	**100.00%**	**598,518,392**	**100%**	**1,928,494,794**	**100.00%**

Notes:

1. The shareholding of Huahong Group includes Shanghai Hua Hong International, Inc., its wholly-owned subsidiary. The shareholding of SAIL includes Wisdom Power Technology Limited, its wholly-owned subsidiary. Others include 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) and Shanghai Technology Venture Investment (Group) Co., Ltd. (上海科技創業投資(集團)有限公司).

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

3. China IC Fund is not one of the Vendors, and is not considered to be part of the Huahong Concert Group given it is not a party acting in concert with Huahong Group nor China IC Fund II to consolidate control over the Company, based on its historical investment in the Company and different compositions of fund investors and decision-making process vis-à-vis China IC Fund II.

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

Shanghai, the PRC
11 September 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