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NEXCHIP SEMICONDUCTOR CORPORATION

合肥晶合集成電路股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2249)

**(I) CONNECTED TRANSACTION
ENTERING INTO THE CAPITAL INCREASE AGREEMENT
(II) FURTHER INFORMATION IN RELATION TO THE CONNECTED
TRANSACTION INVOLVING THE CAPITAL INCREASE AND
SHAREHOLDERS AGREEMENT**

CAPITAL INCREASE AGREEMENT

The Board hereby announces that on September 30, 2026, the Company entered into the Capital Increase Agreement with the Target Company, Other Investors in this Round and Other Existing Shareholders, in relation to, among others, (i) the proposed capital contribution made by the Company with its 100% equity interests in Hefei Jingwei at a consideration of RMB908,253,309.72, of which RMB844,258,514.33 will be credited to the registered capital of the Target Company and RMB63,994,795.39 will be credited to the capital reserve of the Target Company; and (ii) the capital contribution made by Other Investors in this Round in cash in the aggregate amount of RMB1,294,000,000.00, of which RMB1,202,825,804.04 will be credited to the registered capital of the Target Company and RMB91,174,195.96 will be credited to the capital reserve of the Target Company. Upon completion of the Capital Increase, the Company's direct shareholding in the Target Company will increase from approximately 16.6667% to approximately 32.1599%. The Target Company will not become a subsidiary of the Company, and its financial statements will not be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

The Capital Increase involves both the Company's subscription for the increased registered capital of the Target Company, which increases the shareholding of the Company in the Target Company from approximately 16.6667% to approximately 32.1599% (the "**Acquisition**"), and the Company's contribution of 100% equity interests in Hefei Jingwei and transfer of such equity interests to the Target Company (the "**Disposal**"). Pursuant to Rule 14.24 of the Listing Rules, in the case of a transaction involving both an acquisition and a disposal, the applicable percentage ratios shall be calculated separately for the acquisition and the disposal, and the transaction will be classified by reference to the larger of the two. As all applicable percentage ratios for each of the Acquisition and the Disposal are below 5%, the Capital Increase does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

In respect of the Divestment Repurchase Right and the Default Repurchase Right granted to the Company under the Capital Increase Agreement, given that the Company may exercise such repurchase rights at its sole and absolute discretion, and that the Company is not required to pay any premium for being granted such repurchase rights, pursuant to Rule 14.75(1) of the Listing Rules, the transaction is classified only by reference to the relevant premium when such repurchase rights are granted. The Company will comply with the Listing Rules as applicable at the time when it subsequently exercises any of such repurchase rights.

As at the date of this announcement, as Hefei SCVC is a wholly-owned subsidiary of Hefei Construction Investment, the Controlling Shareholder of the Company, Hefei SCVC is a connected person of the Company. Given that the Target Company is a 30%-controlled company of Hefei Construction Investment, the Controlling Shareholder of the Company, the Target Company is a connected person of the Company. Accordingly, pursuant to Chapter 14A of the Listing Rules, the transactions under the Capital Increase Agreement constitute connected transactions of the Company. In respect of the Capital Increase, as one or more of the applicable percentage ratios are 0.1% or more but all applicable percentage ratios are below 5%, such transactions are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempt from the circular, independent financial advice and independent shareholders' approval requirements.

(I) ENTERING INTO THE CAPITAL INCREASE AGREEMENT

The Board hereby announces that on September 30, 2026, the Company entered into the Capital Increase Agreement with the Target Company, Other Investors in this Round and Other Existing Shareholders, in relation to, among others, (i) the proposed capital contribution made by the Company with its 100% equity interests in Hefei Jingwei at a consideration of RMB908,253,309.72, of which RMB844,258,514.33 will be credited to the registered capital of the Target Company and RMB63,994,795.39 will be credited to the capital reserve of the Target Company; and (ii) the capital contribution made by Other Investors in this Round in cash in the aggregate amount of RMB1,294,000,000.00, of which RMB1,202,825,804.04 will be credited to the registered capital of the Target Company and RMB91,174,195.96 will be credited to the capital reserve of the Target Company. Upon completion of the Capital Increase, the Company's direct shareholding in the Target Company will increase from approximately 16.6667% to approximately 32.1599%. The Target Company will not become a subsidiary of the Company, and its financial statements will not be consolidated into the financial statements of the Group.

A. THE CAPITAL INCREASE AGREEMENT

The principal terms of the Capital Increase Agreement are summarized as follows:

Date

September 30, 2026

Parties

- (1) the Company;
- (2) the Target Company;
- (3) Other Investors in this Round; and
- (4) Other Existing Shareholders.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, save for the Target Company, Hefei SCVC, Lu'an Jinghui Chuangxin Equity Investment Fund Partnership (Limited Partnership) (六安晶匯創芯股權投資基金合夥企業(有限合夥)) and Hefei Jinghuijuxin Investment Fund Partnership Enterprise (Limited Partnership) (合肥晶匯聚芯投資基金合夥企業(有限合夥)), the Other Investors in this Round, the Other Existing Shareholders and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons. The Company holds interests in Lu'an Jinghui Chuangxin Equity Investment Fund Partnership (Limited Partnership) and Hefei Jinghuijuxin Investment Fund Partnership Enterprise (Limited Partnership). Hefei SCVC and the Target Company are connected persons of the Company. Details of their connected relationship are set out in the section headed "Listing Rules Implications" below.

Effectiveness of the Agreement

The Capital Increase Agreement shall be established upon the signature or sealing by the legal representatives or authorized representatives of each party and the affixing of their respective company chops, and shall become effective upon the consideration and approval of the Capital Increase by the general meeting of the Company.

The Capital Increase

Pursuant to the Capital Increase Agreement, the registered capital of the Target Company will increase from RMB1,200,000,000.00 to RMB3,247,084,318.37. The capital contribution arrangements of Investors in this Round are as follows:

Name of Investors	Method of Contribution	Amount of Contribution (RMB'0,000)	Credited to Registered Capital (RMB'0,000)	Credited to Capital Reserve (RMB'0,000)
Hefei SCVC	Monetary contribution	5,000.0000	4,647.7040	352.2960
The Company	100% equity interests in Hefei Jingwei	90,825.3310	84,425.8514	6,399.4795
Hefei Jianxiang	Monetary contribution	105,000.0000	97,601.7847	7,398.2153
Provincial Sci-Tech Innovation Investment	Monetary contribution	10,000.0000	9,295.4081	704.5919
Hua'an Jianyuan	Monetary contribution	5,000.0000	4,647.7040	352.2960
Huachun Baoxin	Monetary contribution	4,400.0000	4,089.9796	310.0205

Before and after the completion of the Capital Increase, the shareholders' capital contributions and shareholding structure of the Target Company are as follows:

Name of shareholders	Before the Capital Increase		After the Capital Increase	
	Registered capital subscribed for (RMB'0,000)	Approximate percentage of shareholding (%)	Registered capital subscribed for (RMB'0,000)	Approximate percentage of shareholding (%)
Hefei Jianxiang	10,000.00	8.3333	107,601.7847	33.1380
The Company	20,000.00	16.6667	104,425.8514	32.1599
Hefei SCVC	30,000.00	25.0000	34,647.7040	10.6704
Provincial Sci-Tech Innovation Investment	6,500.00	5.4167	15,795.4081	4.8645
Lu'an Jinghui Chuangxin Equity Investment Fund Partnership (Limited Partnership)	10,000.00	8.3333	10,000.0000	3.0797
Hua'an Jianyuan	5,000.00	4.1667	9,647.7040	2.9712
Anhui Jiaokong Zhaoshang Information New Infrastructure Private Equity Fund Partnership (Limited Partnership) (安徽交控招商信息新基建私募基金合夥企業(有限合夥))	9,000.00	7.5000	9,000.0000	2.7717
Huachun Baoxin	4,000.00	3.3333	8,089.9796	2.4915
Anhui Province Emerging Industries Sci-Tech Innovation Fund Phase I Partnership (Limited Partnership) (安徽省新興產業科創基金一期合夥企業(有限合夥))	8,000.00	6.6667	8,000.0000	2.4637
Qingdao Gaoxin Zhihui Venture Capital Partnership (Limited Partnership) (青島高信智匯創業投資合夥企業(有限合夥))	5,500.00	4.5833	5,500.0000	1.6938
Hefei Jinghuijuxin Investment Fund Partnership Enterprise (Limited Partnership)	5,000.00	4.1667	5,000.0000	1.5398
Hefei Jingguan	3,000.00	2.5000	3,000.0000	0.9239
Xuancheng Anhua Innovation Equity Investment Partnership (Limited Partnership) (宣城安華創新股權投資合夥企業(有限合夥))	2,000.00	1.6667	2,000.0000	0.6159
Anhui Kechuang Xinyan Venture Capital Fund Partnership (Limited Partnership) (安徽科創新研創業投資基金合夥企業(有限合夥))	1,000.00	0.8333	1,000.0000	0.3080
USTC Silicon Valley Guidance Fund (Anhui) Partnership (Limited Partnership) (科大硅谷引導基金(安徽)合夥企業(有限合夥))	1,000.00	0.8333	1,000.0000	0.3080
Total	120,000.00	100	324,708.4318	100

Note: The aggregate of the approximate shareholding percentages and amounts set out in the above table may differ from the sum of the individual items due to rounding.

Pursuant to the transaction arrangements, upon completion of the Capital Increase, shareholding held by the Company directly in the Target Company will increase from approximately 16.6667% to approximately 32.1599%. As the number of directors nominated by the Company to the Target Company will not constitute a majority of its board of directors, the Company is unable to exercise control over the Target Company. Accordingly, the Target Company will not become a subsidiary of the Company, and its financial statements will not be consolidated into the financial statements of the Group.

Consideration for the Capital Increase and Basis of Pricing

Pursuant to the Capital Increase Agreement, the subscription price for the Capital Increase is RMB1.0758 for each RMB1 of the increased registered capital, which is applicable to each of the Investors in this Round. The subscription price of the Capital Increase has been determined by reference to the appraised value of the Target Company determined with the income approach as set out in the valuation report (the “**Target Company Asset Valuation Report**”) prepared by Lianhe Zhonghe Land and Real Estate Asset Valuation Co., Ltd. (聯合中和土地房地產資產評估有限公司) (“**Lianhe Zhonghe**”), an independent asset valuer, with December 31, 2025 as the valuation benchmark date. According to the Target Company Asset Valuation Report, the appraised value of the total equity attributable to the shareholders of the Target Company as at the valuation benchmark date was RMB1,291.00 million. Based on the registered capital of the Target Company of RMB1,200.00 million before the Capital Increase, the above appraised value is equivalent to approximately RMB1.0758 for each RMB1 of registered capital, and accordingly, the subscription price for the Capital Increase has been fixed at RMB1.0758 for each RMB1 of the increased registered capital. The Board also notes that the Target Company recorded a loss for the six months ended June 30, 2026. The operating forecasts used in the Target Company Asset Valuation Report have taken into account the Target Company’s loss for 2026, and the Target Company’s actual operating performance for the six months ended June 30, 2026 did not deviate materially from the relevant forecasts and key parameters used in the valuation. From the valuation benchmark date to the date of this announcement, there have been no material changes in the Target Company’s business, assets, financial condition, and the key assumptions underlying the valuation, and the Target Company Asset Valuation Report remains valid. Further details of the Target Company Asset Valuation Report are set out in Appendix I to this announcement. The subscription price of the Capital Increase has been determined after arm’s length negotiations among the parties, after fully taking into account the current development stage, capital requirements and future development plans of the Target Company, and factors such as the participation of the Company and Other Investors in this Round in the Capital Increase at the same subscription price.

For the avoidance of doubt, the Target Company Asset Valuation Report adopts the income approach and therefore constitutes a profit forecast under Rule 14.61 of the Listing Rules. However, pursuant to Rule 14A.68(7) of the Listing Rules, given that the Target Company is not and does not intend to become a subsidiary of the Company, the disclosure requirements in respect of profit forecast under Rule 14.60A of the Listing Rules are not applicable.

In respect of the equity contribution of the Company, the pricing of 100% equity interests in Hefei Jingwei held by the Company was based on the valuation results set out in the asset valuation report (the “**Hefei Jingwei Asset Valuation Report**”) issued by Tongzhi Xinde (Beijing) Real Estate Assets Appraisal Co., Ltd. (同致信德(北京)房地產資產評估有限公司) (“**Tongzhi Xinde**”), an independent asset valuer. According to the Hefei Jingwei Asset Valuation Report, Tongzhi Xinde used the asset-based approach to evaluate the total equity attributable to the shareholders of Hefei Jingwei on June 30,

2026, the valuation benchmark date, and the appraised value was RMB908,253,309.72. Therefore, the parties have agreed that the Company shall make a capital contribution with 100% equity interests in Hefei Jingwei at a consideration of RMB908,253,309.72, of which RMB844,258,514.33 will be credited to the registered capital of the Target Company and RMB63,994,795.39 will be credited to the capital reserve of the Target Company. Further details of the Hefei Jingwei Asset Valuation Report are set out in Appendix II to this announcement.

Conditions Precedent

The payment of capital contribution to the Target Company or completion of equity contribution by the Company and Other Investors in this Round as agreed in the Capital Increase Agreement shall be subject to the confirmation of satisfaction of each condition below by each relevant Investor in this Round, and such conditions may also be wholly or partially waived at the discretion of the relevant Investors in this Round:

- (1) the Target Company has obtained or completed all internal and external authorization, valuation, audit, registration, examination and approval or approval procedures required for the Capital Increase, including valid resolution of the shareholders of the Target Company approving the Capital Increase and the waiver by Other Existing Shareholders of the Target Company of their pre-emptive rights;
- (2) the Capital Increase Agreement has been signed by the parties and has become effective, and no default event has occurred since the date of signing; if any default event has occurred, such default event has been resolved or waived to the satisfaction of the Investors in this Round;
- (3) as of the Completion Date, the representations, warranties and undertakings made by the Target Company under the Capital Increase Agreement remain true, complete and accurate;
- (4) as of the Completion Date, the Target Company's asset condition, business operations, financial condition and other aspects are substantially the same as those at the time of signing the Capital Increase Agreement, and no material adverse change has occurred; and
- (5) there is no action or proceeding by any government authority that restricts, prohibits, delays or otherwise prevents or seeks to prevent the completion of the Capital Increase, and based on reasonable and good faith judgment, there is no circumstance that may prevent the Capital Increase from being completed, to be unlawful or that may constitute a material adverse effect.

Capital Contribution Arrangements

Pursuant to the Capital Increase Agreement, after all the conditions precedent set out in the Capital Increase Agreement have been satisfied, or the conditions precedent have been wholly or partially waived by the relevant Investors in this Round, the relevant Investors in this Round shall complete their capital contribution in a lump sum in accordance with the Capital Increase Agreement before the latest deadline set out in the payment notice issued by the Target Company. The capital contribution obligations of each of the Investors in this Round are independent of one another.

In respect of the equity contribution of the Company, the equity contribution of the Company shall be completed as of the date on which all the conditions precedent set out in the Capital Increase Agreement have been satisfied and the Target Company has issued to the Company a confirmation letter in respect of the conditions precedent to the Capital Increase. The subscription price of the equity contribution shall not be adjusted as a result of the profit or loss of Hefei Jingwei prior to the Completion Date, and Hefei Jingwei shall not distribute any dividends prior to the Completion Date.

Restrictions on Transfer of Equity Interests

Pursuant to the Capital Increase Agreement, before the other investors (other than the Company) as defined in the Capital Increase Agreement have completed their divestment and before the Target Company has completed an initial public offering or a disposal of its entire business satisfactory to all investors, unless otherwise provided in the Capital Increase Agreement, without the prior written consent of the other investors, the Company shall not transfer, sell or otherwise dispose of any part of its equity interests in the Target Company, nor shall it pledge or create any other encumbrance over such equity interests. In addition, in the event that the Company intends to sell its equity interests in the Target Company to a third party and other investors are entitled to exercise the co-sale right pursuant to the Capital Increase Agreement, if such third party does not accept the purchase of the equity interests that such other investors intend to sell together, the Company shall not complete the relevant sale to such third party.

Divestment Repurchase Right

Pursuant to the Capital Increase Agreement, any investor may divest from the Target Company by the following methods: (i) divest through the secondary market after the Target Company completes a separate initial public offering; (ii) merger and acquisition or restructuring by an industry-related party; or (iii) acquisition by an industry-related party through negotiation (collectively, the “**Qualified Divestment**”). In respect of the divestment methods under items (ii) and (iii) above, the investor has the right to refuse such divestment arrangements. For the avoidance of doubt, an investor’s refusal of the divestment arrangements set forth in (ii) and (iii) above does not result in the loss of any other shareholder rights under the Capital Increase Agreement, including the Divestment Repurchase Right described below.

If, as of June 30, 2030, the Company has still not completed a Qualified Divestment, the Company has the right to require the Target Company to repurchase or to designate a third party to repurchase the equity interests in the Target Company held by the Company at that time at a price equal to 100% of the principal of the cumulative investment made by the Company plus the investment return calculated at an interest rate of 6% per annum on a simple interest basis (the “**Divestment Repurchase Right**”). If the Company exercises the Divestment Repurchase Right, the Target Company shall repurchase or designate a third party to repurchase, and the Company shall use its best efforts to facilitate the successful implementation of the relevant repurchase transaction. The Company may, in its sole discretion, determine whether to exercise the Divestment Repurchase Right.

In determining whether to exercise the Divestment Repurchase Right, the Company will consider the relevant facts and circumstances at the time, including: (i) the then operating and financial conditions, business prospects and development of the Target Company; (ii) whether other viable divestment options exist at that time and the relevant terms thereof; (iii) the strategic and economic value to the Company of continuing to hold the equity interests in the Target Company as compared with exercising the Divestment Repurchase Right; (iv) the applicable repurchase price and the economic return expected to be obtained by the Company; (v) the practical feasibility and timing of implementing the repurchase; and (vi) the overall interests of the Company and its shareholders.

Default Repurchase Right

Pursuant to the Capital Increase Agreement, if any of the following material default events occurs: (i) the information provided or disclosed by the Target Company to the investors in the relevant round of transaction materially deviates from the actual situation, or there is concealment, misleading statements, false statements or suspected fraud, or the Target Company materially breaches the agreement of the relevant transaction documents or has material integrity issues; or (ii) the business license of the Target Company is revoked by an administrative authority, or the qualifications, permits or pre-approvals for construction projects relating to its principal business are revoked or can no longer be obtained, or the Target Company ceases operation, is dissolved or other matters materially affecting the rights and interests of the investors occur, the Company shall have the right to require the Target Company to repurchase all or part of the equity interests in the Target Company then held by the Company within 24 months from the date on which it becomes aware of the relevant circumstances (the “**Default Repurchase Right**”). The Target Company shall complete the relevant repurchase within three months after receiving the written repurchase notice from the Company. For the avoidance of doubt, in respect of item (i) above, the Company is only entitled to request a repurchase where the relevant circumstances involve the Company; in respect of item (ii) above, all investors are entitled to request a repurchase.

Pursuant to the Capital Increase Agreement, the relevant repurchase price shall not be lower than the Company's relevant investment amount $\times (1 + 6\% \times N/365)$, less the cumulative cash dividends received by the Company in respect of the relevant equity interests in the Target Company, where N is the number of days from the date of payment of the relevant subscription amount for the Capital Increase (inclusive) to the date of full payment of the relevant repurchase amount (exclusive). If the repurchase is implemented by instalments, the relevant repurchase price shall be calculated separately according to the actual payment time of each repurchase amount.

In determining whether to exercise the Default Repurchase Right, the Company will consider the relevant facts and circumstances at the time, including: (i) the nature, materiality and remediability of the relevant default event; (ii) the then operating and financial conditions, business prospects and development of the Target Company; (iii) the strategic and economic value to the Company of continuing to hold the equity interests in the Target Company as compared with exercising the Default Repurchase Right; (iv) the applicable repurchase price and the economic return expected to be obtained by the Company; (v) the practical feasibility and timing of implementing the repurchase; and (vi) the overall interests of the Company and its shareholders.

B. REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

In 2025, the photomask business was spun off from the existing businesses of the Company and has been operated independently by the Target Company. Contribution amounting to RMB200 million has been made to the Target Company. The Capital Increase is a further integration of assets and resources based on the above existing industrial layout.

The photomask business in which the Target Company is engaged was spun off from the original photomask business of the Company, and its development positioning is highly synergistic with the principal business of the Company. The Capital Increase will facilitate the Company in further focusing on its principal business and optimizing its industrial layout. Through the contribution of its 100% equity interests in Hefei Jingwei, and the integration of its principal assets into the Target Company, the Capital Increase will help revitalize existing assets, achieve centralized allocation and efficient utilization of photomask production resources, further strengthen the synergy chain between wafer fabrication and photomask supporting facilities, and enhance the stability and autonomous controllability of its supply chain.

In assessing whether the terms of the Capital Increase are fair and reasonable, the Board has taken into account, among others, the valuation results set forth in the Target Company Asset Valuation Report and the subscription price determined based thereon, the participation of the Company and Other Investors in this Round in the Capital Increase at the same subscription price, the pricing of the equity contribution of the Company based on independent asset valuation results, and the fact that the Capital Increase will facilitate the integration of the assets and resources relating to the photomask business.

In view of the above reasons, the Directors (including the independent non-executive Directors) are of the view that the terms of the Capital Increase Agreement and the transactions thereunder are fair and reasonable, on normal commercial terms or better, and in the interests of the Company and the Shareholders as a whole, notwithstanding that such transactions are not entered into in the ordinary and usual course of business of the Group.

C. LISTING RULES IMPLICATIONS

The Capital Increase involves both the Company's subscription for the increased registered capital of the Target Company, which increases the shareholding of the Company in the Target Company from approximately 16.6667% to approximately 32.1599% (the "**Acquisition**"), and the Company's contribution of 100% equity interests in Hefei Jingwei and transfer of such equity interests to the Target Company (the "**Disposal**"). Pursuant to Rule 14.24 of the Listing Rules, in the case of a transaction involving both an acquisition and a disposal, the applicable percentage ratios shall be calculated separately for the acquisition and the disposal, and the transaction will be classified by reference to the larger of the two. As all applicable percentage ratios for each of the Acquisition and the Disposal are below 5%, the Capital Increase does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

In respect of the Divestment Repurchase Right and the Default Repurchase Right granted to the Company under the Capital Increase Agreement, given that the Company may exercise such repurchase rights at its sole and absolute discretion, and that the Company is not required to pay any premium for being granted such repurchase rights, pursuant to Rule 14.75(1) of the Listing Rules, the transaction is classified only by reference to the relevant premium when such repurchase rights are granted. The Company will comply with the Listing Rules as applicable at the time when it subsequently exercises any of such repurchase rights.

As at the date of this announcement, as Hefei SCVC is a wholly-owned subsidiary of Hefei Construction Investment, the Controlling Shareholder of the Company, Hefei SCVC is a connected person of the Company. Given that the Target Company is a 30%-controlled company of Hefei Construction Investment, the Controlling Shareholder of the Company, the Target Company is a connected person of the Company. Accordingly, pursuant to Chapter 14A of the Listing Rules, the transactions under the Capital Increase Agreement constitute connected transactions of the Company. In respect of the Capital Increase, as one or more of the applicable percentage ratios are 0.1% or more but all applicable percentage ratios are below 5%, such transactions are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempt from the circular, independent financial advice and independent shareholders' approval requirements.

The Board has resolved and approved the Capital Increase Agreement and the transactions contemplated thereunder. As Mr. Tsai Kuo-Chih and Mr. Lu Qinhang also serve as directors of the Target Company, and Mr. Lu Qinhang and Mr. Guo Zhaozhi also serve as directors of Hefei SCVC, each of them has abstained from voting on the relevant Board resolutions. Save as above, none of the other Directors has any material interest in the transactions under the Capital Increase Agreement that requires abstention from voting on the relevant Board resolutions.

Notwithstanding that the Capital Increase is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules, pursuant to the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》) and the Articles of Association of the Company, the Capital Increase is still required to be submitted to the general meeting of the Company for approval. As at the date of this announcement, Hefei Construction Investment and its party acting in concert, Hefei Xinping Industrial Investment Fund (Limited Partnership), together hold 797,211,391 A Shares of the Company, representing approximately 35.67% of the total number of issued shares of the Company; Mr. Tsai Kuo-Chih holds 73,543 A Shares of the Company, representing approximately 0.003% of the total number of issued Shares of the Company. The aforesaid Shareholders are required to abstain from voting on the relevant resolution approving the Capital Increase at the general meeting.

D. GENERAL INFORMATION

The Company and the Group

The Company is a joint stock company established under the laws of the PRC with limited liability, the A Shares and H Shares of which are listed on the SSE (stock code: 688249) and the Main Board of the Stock Exchange (stock code: 2249), respectively. The Group is a dedicated wafer fabrication service provider, primarily translating IC design blueprints provided by fabless, fablite and integrated device manufacturers into high-quality processed wafers at scale.

Hefei Jingwei

Hefei Jingwei is a limited liability company established under the laws of the PRC, and is primarily engaged in the manufacturing, sales, design of and services for integrated circuit chips and products, and the research and development of electronic specialty materials. As at the date of this announcement, Hefei Jingwei is directly held as to 100% of its equity interests by the Company. The principal assets of Hefei Jingwei are the machinery and equipment related to photomask production, construction in progress and externally acquired intangible assets.

Hefei Jingwei was established on June 11, 2026. According to its audited financial information, as at June 30, 2026, the total assets and owner's equity of Hefei Jingwei were both RMB917,717,736.09, and it had no liabilities. Details of the asset valuation of the 100% equity interests in Hefei Jingwei are set out in Appendix II to this announcement. From the date of establishment to June 30, 2026, the revenue, profit before tax and profit after tax of Hefei Jingwei were all zero.

Target Company

The Target Company is a limited liability company established under the laws of the PRC, and is principally engaged in the research and development, production and sales of semiconductor photomasks at 28nm and above process nodes. As at the date of this announcement, the Target Company is held as to approximately 25.0000% by Hefei SCVC, approximately 16.6667% by the Company, approximately 8.3333% by Hefei Jianxiang, approximately 8.3333% by Lu'an Jinghui Chuangxin Equity Investment Fund Partnership (Limited Partnership), approximately 7.5000% by Anhui Jiaokong Zhaoshang Information New Infrastructure Private Equity Fund Partnership (Limited Partnership), approximately 6.6667% by Anhui Province Emerging Industries Sci-Tech Innovation Fund Phase I Partnership (Limited Partnership), approximately 5.4167% by Provincial Sci-Tech Innovation Investment, approximately 4.5833% by Qingdao Gaoxin Zhihui Venture Capital Partnership (Limited Partnership), approximately 4.1667% by Hefei Jinghuijuxin Investment Fund Partnership Enterprise (Limited Partnership), approximately 4.1667% by Hua'an Jianyuan, approximately 3.3333% by Huachun Baoxin, approximately 2.5000% by Hefei Jingguan, approximately 1.6667% by Xuancheng Anhua Innovation Equity Investment Partnership (Limited Partnership), approximately 0.8333% by Anhui Kechuang Xinyan Venture Capital Fund Partnership (Limited Partnership), and approximately 0.8333% by USTC Silicon Valley Guidance Fund (Anhui) Partnership (Limited Partnership). As the Target Company is a 30%-controlled company of Hefei Construction Investment, the Controlling Shareholder of the Company, the Target Company is a connected person of the Company.

The Target Company was established on March 28, 2025. As at the date of this announcement, the registered capital of the Target Company is RMB1,200.00 million, of which RMB1,172.13 million has been paid up, and the unpaid RMB27.87 million represents in full the subscribed capital contribution not yet paid by Hefei Jingguan. Pursuant to the Capital Increase Agreement, Hefei Jingguan shall fully pay up all of its subscribed capital contribution before completion of the joint stock reform of the Target Company or August 26, 2029, whichever is earlier. The principal financial information prepared by the Target Company in accordance with China Accounting Standards is set out below:

Unit: RMB'0,000

Item	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Total assets	256,230.65	189,524.39
Total liabilities	156,658.30	79,678.85
Total owner's equity	99,572.34	109,845.54

Item	For the six months ended June 30, 2026 (Unaudited)	For the period from the date of establishment to December 31, 2025 (Audited)
Revenue	2,546.29	2,247.17
Total profit	-10,273.19	-7,367.46
Net profit	-10,273.19	-7,367.46

Other Investors in this Round

Hefei SCVC is a limited liability company established under the laws of the PRC, and is principally engaged in activities including private equity investment fund management, venture capital fund management services, and engaging in equity investment, investment management and asset management through private funds. As at the date of this announcement, it is wholly held by Hefei Construction Investment and is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government (合肥市人民政府國有資產監督管理委員會).

Hefei Jianxiang is a limited liability company established under the laws of the PRC, and is principally engaged in project investment activities. As at the date of this announcement, it is wholly held by the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government.

Provincial Sci-Tech Innovation Investment is a limited liability company established under the laws of the PRC, and is principally engaged in activities including investment activities using its own funds, asset management and venture capital investment. As at the date of this announcement, its equity interests are held as to (i) approximately 56.00% by Anhui Provincial State-owned Capital Operation Holdings Group Co., Ltd. (安徽省國有資本運營控股集團有限公司); (ii) approximately 20.00% by Huaihe Energy Holding Group Co., Ltd. (淮河能源控股集團有限責任公司); (iii) approximately 12.00% by Anhui Wanbei Coal-Electricity Group Co., Ltd. (安徽省皖北煤電集團有限責任公司); and (iv) approximately 12.00% by Huaibei Mining (Group) Co., Ltd. (淮北礦業(集團)有限責任公司). Each of the four shareholders above is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government (安徽省人民政府國有資產監督管理委員會).

Hua'an Jianyuan is a limited partnership established under the laws of the PRC, and is principally engaged in activities including private equity investment. As at the date of this announcement, its executive partners and fund managers are HUA AN JIA YE Investment Co., Ltd. (華安嘉業投資管理有限公司) and Jianxin Jintou Private Equity Fund Management (Beijing) Co., Ltd. (建信金投私募基金管理(北京)有限公司), and its capital contributions are held as to (i) approximately 30.00% by Anhui Artificial Intelligence Theme Investment Fund Partnership (Limited Partnership) (安徽省人工智能主題投資基金合夥企業(有限合夥)) (**"Artificial Intelligence Theme Investment Fund"**) as a limited partner. The capital contributions of Artificial Intelligence Theme Investment Fund are held as to approximately 50.00%, 20.00% and 15.67% by Anhui Caijin Investment Co., Ltd. (安徽省財金投資有限公司) (which is wholly controlled by Anhui Provincial Department of Finance (安徽省財政廳)), Hefei High-Quality Development Guidance Fund Co., Ltd. (合肥市高質量發展引導基金有限公司) (which is wholly controlled by the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government), and HuaAn Securities Co., Ltd. (華安證券股份有限公司) (a joint stock company with limited liability listed on the SSE (stock code: 600909)) as limited partners, respectively, and approximately 1.00% by HUA AN JIA YE Investment Co., Ltd. (which is wholly owned by HuaAn Securities Co., Ltd.) as a general partner. None of the remaining four limited partners hold 10% or more of the capital contributions of Artificial Intelligence Theme Investment Fund; (ii) approximately 29.90% by CCB Financial Asset Investment Co., Ltd. (建信金融資產投資有限公司) as a limited partner. CCB Financial Asset Investment Co., Ltd. is wholly owned by China Construction Bank Corporation (中國建設銀行股份有限公司) (a joint stock company with limited liability listed on the SSE and the Stock Exchange (stock code: 601939.SH/0939.HK)); (iii) approximately 20.00% by HUA AN JIA YE Investment Co., Ltd. as a general partner; (iv) approximately 10.00% by Hefei Beicheng Construction Investment and Development Holding Group Co., Ltd. (合肥北城建設投資發展控股集團有限公司) as a limited partner. Hefei Beicheng Construction Investment and Development Holding Group Co., Ltd. is held as to 82.12% by the Changfeng County Finance Bureau (長豐縣財政局) and 17.88% by Hefei Construction Investment Holding (Group) Co., Ltd. (合肥市建設投資控股(集團)有限公司) (which is wholly controlled by the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government); (v) approximately 10.00% by Hefei High-Quality Development Guidance Fund Co., Ltd. as a limited partner; and (vi) approximately 0.10% by Jianxin Jintou Private Equity Fund Management (Beijing) Co., Ltd. (which is wholly controlled by China Construction Bank Corporation) as a general partner.

Huachun Baoxin is a limited partnership established under the laws of the PRC, and is principally engaged in equity investment activities. As at the date of this announcement, its executive partner and fund manager is Huatai Baoli Investment Management Co., Ltd. (華泰寶利投資管理有限公司), and its capital contributions are held as to (i) approximately 76.67% by Huatai Life Insurance Co., Ltd. (華泰人壽保險股份有限公司) (which is ultimately controlled by Huatai Insurance Group Co., Ltd. (華泰保險集團股份有限公司)) as a limited partner; (ii) approximately 15.00% by Huatai Property & Casualty Insurance Co., Ltd. (華泰財產保險有限公司) (which is ultimately controlled by Huatai Insurance Group Co., Ltd.) as a limited partner; (iii) approximately 5.00% by Huatai Asset Management Co., Ltd. (華泰資產管理有限公司) (which is ultimately

controlled by Huatai Insurance Group Co., Ltd.) as a limited partner; (iv) approximately 1.67% by Hainan Zhiguan Investment Partnership Enterprise (Limited Partnership) (海南止觀投資合夥企業(有限合夥)) as a limited partner. The capital contributions of Hainan Zhiguan Investment Partnership Enterprise (Limited Partnership) are held as to approximately 98.02% by Wang Zimu (王梓木) as a limited partner, and approximately 1.98% by Hainan Lingjue Investment Co., Ltd. (海南靈覺投資有限公司) (which is held as to 51% and 49% by Hou Songlin (侯松林) and Liu Xiaoxu (劉曉旭), respectively) as a general partner; (v) approximately 1.00% by Ningbo Yangtai Business Management Partnership (Limited Partnership) (寧波揚泰企業管理合夥企業(有限合夥)) (“**Ningbo Yangtai**”) as a limited partner. The capital contributions of Ningbo Yangtai are held as to approximately 36.72% by Li Sheng (李勝) as a general partner and approximately 35.42% by Jiang Songyan (姜松巖) as a limited partner. None of the remaining eight limited partners hold 10% or more of the capital contributions of Ningbo Yangtai; and (vi) 0.67% by Huatai Baoli Investment Management Co., Ltd. (which is ultimately controlled by Huatai Insurance Group Co., Ltd.) as a general partner.

Other Existing Shareholders

Lu'an Jinghui Chuangxin Equity Investment Fund Partnership (Limited Partnership) is a limited partnership established under the laws of the PRC, and is principally engaged in activities including venture capital investment and investment activities using its own funds, and engaging in equity investment, investment management and asset management through private funds. As at the date of this announcement, its executive partner is Shanghai Jinghe Huixin Enterprise Management Consulting Partnership (Limited Partnership) (上海晶合匯信企業管理諮詢合夥企業(有限合夥)) (which is ultimately controlled by Huang Mingduan (黃明端)), its fund manager is Hefei Jinghe Huixin Private Equity Fund Management Co., Ltd. (合肥晶合匯信私募基金管理有限公司) (which is ultimately controlled by Huang Mingduan), and its capital contributions are held as to (i) approximately 30.7692% directly by the Company as a limited partner; (ii) approximately 29.2308% by Anhui Province New Materials Industry Theme Investment Fund Partnership (Limited Partnership) (安徽省新材料產業主題投資基金合夥企業(有限合夥)) as a limited partner. The capital contributions of Anhui Province New Materials Industry Theme Investment Fund Partnership (Limited Partnership) are held as to approximately 54.5455% and 44.5455% by Anhui Caijin Investment Co., Ltd. and Anhui Province Industrial Investment New Materials Industry Investment Fund Partnership Enterprise (Limited Partnership) (安徽省產投新材料產業投資基金合夥企業(有限合夥)) (“**Anhui Province Industrial Investment New Materials**”) as limited partners, respectively, and approximately 0.9091% by Hefei Industrial Investment Capital Venture Investment Management Co., Ltd. (合肥產投資本創業投資管理有限公司) as a general partner. In particular, the capital contributions of Anhui Province Industrial Investment New Materials are held as to approximately 40.8163%, 20.4082%, 17.9592%, 12.2449% and 8.1633% by Hefei Venture Capital Guidance Fund Co., Ltd. (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government), Hefei Xinzhan Science and Technology Industry Development Group Co., Ltd. (合肥新站科技產業發展集團有限

公司) (which is ultimately controlled by the Finance Bureau (Office of the State-owned Assets Supervision and Administration Commission) of Anhui Hefei Xinzhan High-tech Industrial Development Zone (安徽合肥新站高新技術產業開發區財政局(國有資產監督管理委員會辦公室)), Hefei Industrial Investment Holdings (Group) Co., Ltd. (合肥市產業投資控股(集團)有限公司) (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government), Chuzhou Industrial Development Investment Co., Ltd. (滁州市產業發展投資有限公司) (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Chuzhou Municipal People's Government (滁州市人民政府國有資產監督管理委員會)), and Lu'an Industrial Investment Fund Co., Ltd. (六安市產業投資基金有限公司) (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Lu'an Municipal People's Government (六安市人民政府國有資產監督管理委員會)) as limited partners, respectively, and the capital contributions of Anhui Province Industrial Investment New Materials are held as to approximately 0.4082% by Hefei Industrial Investment Capital Venture Investment Management Co., Ltd. (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government) as a general partner; (iii) approximately 7.6923% by each of Hefei Xihuicheng Microelectronics Co., Ltd. (合肥新匯成微電子股份有限公司) (a joint stock company with limited liability listed on the SSE (stock code: 688403)), Shanghai Gentech Co., Ltd. (上海正帆科技股份有限公司) (a joint stock company with limited liability listed on the SSE (stock code: 688596)), Hwatsing Technology Co., Ltd. (華海清科股份有限公司) (a joint stock company with limited liability listed on the SSE (stock code: 688120)) and Ferrotec (An Hui) Technology Development Co., Ltd. (安徽富樂德科技發展股份有限公司) (a joint stock company with limited liability listed on the Shenzhen Stock Exchange (stock code: 301297)) as limited partners; (iv) approximately 7.6154% by Guangzhou Guanggang Gases & Energy Co., Ltd. (廣州廣鋼氣體能源股份有限公司) (a joint stock company with limited liability listed on the SSE (stock code: 688548)) as a limited partner; (v) approximately 1.4615% by Tianjin Gaoxin Mingrun Venture Capital Partnership (Limited Partnership) (天津高信明潤創業投資合夥企業(有限合夥)) (“**Gaoxin Mingrun**”) as a limited partner. The capital contributions of Gaoxin Mingrun are held as to approximately 94.3709% and 4.9669% by WORTH PLUS HOLDINGS LIMITED and LONG THRIVE GLOBAL LIMITED as limited partners, respectively, and approximately 0.6623% by Shanghai Gaoxin Asset Management Co., Ltd. (上海高信資產管理有限公司) (which is controlled by Cao Bin (曹斌), who holds approximately 45% of its equity interest) as a general partner; and (vi) approximately 0.1538% by Shanghai Jinghe Huixin Enterprise Management Consulting Partnership (Limited Partnership) as a general partner.

Anhui Jiaokong Zhaoshang Information New Infrastructure Private Equity Fund Partnership (Limited Partnership) (安徽交控招商信息新基建私募基金合夥企業(有限合夥)) is a limited partnership established under the laws of the PRC, and is principally engaged in equity investment, investment management, asset management and other activities through private funds. As at the date of this announcement, its executive partner and fund manager is China Merchants Zhiyuan Capital Investment Co., Ltd. (招商致遠資本投資有限公司), and its capital contributions are held as to (i) approximately 39.90% by Anhui New Infrastructure Construction Fund Co., Ltd. (安徽省新型基礎設施建設基金有限公司) (which is ultimately controlled by the State-owned Assets

Supervision and Administration Commission of Anhui Provincial People's Government) as a limited partner; (ii) approximately 20.00% by China Merchants Zhiyuan Capital Investment Co., Ltd. as a general partner. China Merchants Zhiyuan Capital Investment Co., Ltd. is wholly controlled by China Merchants Securities Co., Ltd. (招商證券股份有限公司) (a joint stock company with limited liability listed on the SSE and the Stock Exchange (stock code: 600999.SH/6099.HK)); (iii) approximately 20.00% by Hefei High-Quality Development Guidance Fund Co., Ltd. as a limited partner; (iv) approximately 10.00% by China State-owned Enterprise Structural Adjustment Fund Phase II Co., Ltd. (中國國有企業結構調整基金二期股份有限公司) (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)) as a limited partner; (v) approximately 9.80% by China Merchants Securities Investment Co., Ltd. (招商證券投資有限公司) as a limited partner. China Merchants Securities Investment Co., Ltd. is wholly owned by China Merchants Securities Co., Ltd.; (vi) approximately 0.20% by Shenzhen Tonghui Enterprise Management Partnership (Limited Partnership) (深圳市同暉企業管理合夥企業(有限合夥)) ("**Shenzhen Tonghui**") as a limited partner. The capital contributions of Shenzhen Tonghui are held as to approximately 40% by each of Xie Fan (謝凡) and Gao Fenglong (高豐龍) as limited partners, and approximately 20% by Zhao Xinyi (趙新異) as a general partner; and (vii) approximately 0.10% by Anhui Jiaokong Capital Fund Management Co., Ltd. (安徽交控資本基金管理有限公司) (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government).

Anhui Province Emerging Industries Sci-Tech Innovation Fund Phase I Partnership (Limited Partnership) is a limited partnership established under the laws of the PRC and is principally engaged in equity investment, investment management, asset management and other related business activities through private funds. As at the date of this announcement, its executive partner and fund manager is Hefei High-tech Venture Capital Management Partnership (Limited Partnership) (合肥高新創業投資管理合夥企業(有限合夥)), and its capital contributions are held as to (i) approximately 69.00% by Hefei High-tech Venture Capital Co., Ltd. (合肥高新創業投資有限公司) (which is ultimately controlled by the Administrative Committee of Hefei High-tech Industrial Development Zone (合肥高新技術產業開發區管理委員會)) as a limited partner; (ii) approximately 30.00% by Anhui Province Emerging Industries Development Fund Co., Ltd. (安徽省新興產業發展基金有限公司) (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government) as a limited partner; and (iii) approximately 1.00% by Hefei High-tech Venture Capital Management Partnership (Limited Partnership) (which is ultimately controlled by the Administrative Committee of Hefei High-tech Industrial Development Zone) as a general partner.

Qingdao Gaoxin Zhihui Venture Capital Partnership (Limited Partnership) is a limited partnership established under the laws of the PRC, and is principally engaged in activities including venture capital investment and investment using its own funds. As at the date of this announcement, its executive partner is Xinyu Xingtaotou No.1 Project Investment Partnership (Limited Partnership) (新余市信高投一號項目投資合夥企業(有

限合夥), its fund manager is Shanghai Gaoxin Private Equity Fund Management Co., Ltd. (上海高信私募基金管理有限公司) (“**Gaoxin Private Equity Fund**”), and its capital contributions are held as to (i) approximately 16.13% by each of Zhao Dan (趙丹), Zhuo Lefen (卓樂芬), Li Peiling (李培靈) and Hainan Huakun Venture Capital Partnership (Limited Partnership) (海南華昆創業投資合夥企業(有限合夥)) as limited partners, among which, the capital contributions of Hainan Huakun Venture Capital Partnership (Limited Partnership) are held as to approximately 90% and 10% by Zhang Qian (張茜) as a limited partner and Wang Jingliang (王敬良) as a general partner, respectively; (ii) approximately 8.06% by each of He Jian (何劍) and Cheng Liping (程莉萍) as limited partners; (iii) approximately 8.06% by Shanghai Gaoxin Zhongzhu Venture Capital Partnership (Limited Partnership) (上海高信中築創業投資合夥企業(有限合夥)) as a limited partner. The capital contributions of Shanghai Gaoxin Zhongzhu Venture Capital Partnership (Limited Partnership) are held as to approximately 80.73%, 10.96% and 7.97% by Ding Mingyuan (丁明淵), Xu Liqun (徐立群) and Sheng Lei (盛磊) as limited partners, respectively, and approximately 0.33% by Gaoxin Private Equity Fund (which is held as to 45%, 25%, 20% and 10% by Cao Bin, Zhu Xinhua (朱新華), Qingdao Youbi Equity Investment Partnership Enterprise (Limited Partnership) (青島右弼股權投資合夥企業(有限合夥)) and Qingdao Xuanji Investment Partnership Enterprise (Limited Partnership) (青島璇璣創業投資合夥企業(有限合夥)), respectively) as a general partner; (iv) approximately 8.06% by Shanghai Gaoxin Yiyi Venture Capital Partnership (Limited Partnership) (上海高信怡奕創業投資合夥企業(有限合夥)) as a limited partner. The capital contributions of Shanghai Gaoxin Yiyi Venture Capital Partnership (Limited Partnership) are held as to approximately 99.00% by Zhang Fang (張芳) as a limited partner and approximately 1.00% by Gaoxin Private Equity Fund as a general partner; (v) approximately 1.61% by Jiang Chuan (姜川) as a limited partner; and (vi) approximately 1.61% by Xinyu Xingtaotou No.1 Project Investment Partnership (Limited Partnership) as a general partner. The capital contributions of Xinyu Xingtaotou No.1 Project Investment Partnership (Limited Partnership) are held as to approximately 60.00% and 40.00% by Cao Bin as a general partner and Zhu Xinhua as a limited partner, respectively.

Hefei Jinghuijuxin Investment Fund Partnership Enterprise (Limited Partnership) is a limited partnership established under the laws of the PRC, and is principally engaged in activities including venture capital investment and investment using its own funds. As at the date of this announcement, its executive partner and fund manager is Gaoxin Private Equity Fund, and its capital contributions are held as to (i) approximately 40.00% directly by the Company as a limited partner; (ii) approximately 30.00% by Anhui Province New Generation Information Technology Industry Fund Partnership (Limited Partnership) (安徽省新一代信息技術產業基金合夥企業(有限合夥)) (“**New Generation Information Technology Industry Fund**”) as a limited partner. The capital contributions of New Generation Information Technology Industry Fund are held as to approximately 40.00% by Anhui Caijin Investment Co., Ltd. (which is ultimately controlled by Anhui Provincial Department of Finance) as a limited partner, approximately 39.92% by Changxin Xinju Equity Investment (Anhui) Co., Ltd. (長鑫芯聚股權投資(安徽)有限公司) (which is wholly owned by CXMT Corporation (長鑫科技集團股份有限公司), a joint stock company with limited liability listed on the SSE (stock code: 688825)) as a limited partner, approximately 10.02% by Hefei Venture Capital Guidance Fund Co., Ltd. (合肥市創業投資引導基金有限公司) (which is ultimately

controlled by the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government) as a limited partner, approximately 9.98% by Hefei Venture Capital Guidance Fund Phase II Co., Ltd. (合肥市創業投資引導基金二期有限公司) (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Hefei Municipal People's Government) as a limited partner, and approximately 0.08% by Anhui Qihang Xinrui Private Equity Fund Management Co., Ltd. (安徽啟航鑫睿私募基金管理有限公司) (which is wholly controlled by CXMT Corporation) as a general partner; (iii) approximately 12.79% by Hefei Xinhui Cheng Microelectronics Co., Ltd. as a limited partner; (iv) approximately 4.00% by each of Wuhan Jingce Electronic Group Co., Ltd. (武漢精測電子集團股份有限公司) (a joint stock company with limited liability listed on the Shenzhen Stock Exchange (stock code: 300567)), Tianjin Gaoxin Mingrun Venture Capital Partnership (Limited Partnership) and Shanghai Putuo Science and Technology Investment Co., Ltd. (上海普陀科技投資有限公司) (which is wholly controlled by Shanghai Putuo District State-owned Assets Supervision and Administration Commission (上海市普陀區國有資產監督管理委員會) (Shanghai Putuo District Collective Assets Supervision and Administration Commission (上海市普陀區集體資產監督管理委員會))) as limited partners; (v) approximately 2.21% by Hefei Jingman Venture Capital Partnership (Limited Partnership) (合肥晶滿創業投資合夥企業(有限合夥)) (“**Hefei Jingman**”) as a limited partner. The capital contributions of Hefei Jingman are held as to approximately 35.81% and 31.94% by Wang Xingya (王興亞) and Cao Zongye (曹宗野) as limited partners, respectively, and approximately 3.23% by Gaoxin Private Equity Fund as a general partner. None of the remaining five limited partners hold 10% or more of the capital contributions of Hefei Jingman; (vi) approximately 2.00% by Hefei Huixin Venture Capital Partnership (Limited Partnership) (合肥匯芯創業投資合夥企業(有限合夥)) (“**Hefei Huixin**”) as a limited partner. The capital contributions of Hefei Huixin are held as to approximately 60.00%, 12.73%, 9.09% and 9.09% by Anhui Aoyana Technology Co., Ltd. (安徽奧雅納科技有限公司) (which is ultimately controlled by Liu Jiangtao (劉江濤)), Qi Bo (齊博), Peng Weitang (彭煒棠) and Liang Hua (梁華) as limited partners, respectively, and approximately 9.09% by Gaoxin Private Equity Fund as a general partner; and (vii) approximately 1.00% by Gaoxin Private Equity Fund as a general partner.

Hefei Jingguan is a limited partnership established under the laws of the PRC, and is principally engaged in business management consulting activities. As at the date of this announcement, its executive partner is Hefei Jingzhan Enterprise Management Co., Ltd. (合肥晶湛企業管理有限公司) (“**Hefei Jingzhan**”), and its capital contributions are held as to (i) approximately 0.0033% by Hefei Jingzhan (which is held as to 51% and 49% by Xu Zhiwei (徐志緯) and Liu Zhiwei (劉智維)) as a general partner; (ii) approximately 52.2302% by Hefei Meichuang Enterprise Management Partnership (Limited Partnership) (合肥鎂創企業管理合夥企業(有限合夥)) (“**Hefei Meichuang**”) as a limited partner. The capital contributions of Hefei Meichuang are held as to approximately 12.7632% by Guo Shengzhong (郭聖忠) as a limited partner and approximately 0.0006% by Hefei Jingzhan as a general partner. None of the remaining 47 limited partners hold 10% or more of the capital contributions of Hefei Meichuang; (iii) approximately 28.9991% by Hefei Meisheng Enterprise Management Partnership (Limited Partnership) (合肥鎂晟企業管理合夥企業(有限合夥)) (“**Hefei Meisheng**”) as a limited partner. The capital contributions of Hefei Meisheng are held as to approximately 57.8141% by Xu Zhenfei

(徐振飛) as a limited partner and approximately 0.0034% by Hefei Jingzhan as a general partner. None of the remaining 15 limited partners hold 10% or more of the capital contributions of Hefei Meisheng; and (iv) approximately 18.7674% by Hefei Meituo Enterprise Management Partnership (Limited Partnership) (合肥鎂拓企業管理合夥企業 (有限合夥)) (“**Hefei Meituo**”) as a limited partner. The capital contributions of Hefei Meituo are held as to approximately 62.6648% by Feng Rui (封瑞) as a limited partner and approximately 0.0007% by Hefei Jingzhan as a general partner. None of the remaining 36 limited partners hold 10% or more of the capital contributions of Hefei Meituo.

Xuancheng Anhua Innovation Equity Investment Partnership (Limited Partnership) is a limited partnership established under the laws of the PRC, and is principally engaged in activities including private equity investment. As at the date of this announcement, its executive partner and fund manager is HUA AN JIA YE Investment Co., Ltd., and its capital contributions are held as to (i) approximately 26.00% by Anhui Provincial SME Development Fund Co., Ltd. (安徽省中小企業發展基金有限公司) (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Anhui Provincial People’s Government) as a limited partner; (ii) 25.00% by Guangde Tongrui Equity Investment Co., Ltd. (廣德桐汭股權投資有限公司) (which is wholly controlled by the Administrative Committee of Anhui Guangde Economic Development Zone (安徽廣德經濟開發區管理委員會)) as a limited partner; (iii) 25.00% by Xuancheng City Industrial Chain Investment Guidance Fund Co., Ltd. (宣城市產業鏈投資引導基金有限公司) (“**Xuancheng Industrial Chain Investment**”) as a limited partner. Xuancheng Industrial Chain Investment is held as to 20%, 20%, 16% and 14% by Xuancheng Kaisheng Industrial Investment Development Co., Ltd. (宣城開盛產業投資發展有限公司) (which is wholly controlled by the State-owned Assets Supervision and Administration Commission of Xuancheng Municipal People’s Government (宣城市人民政府國有資產監督管理委員會)), Xuancheng Industrial Investment Group Co., Ltd. (宣城市產業投資集團有限公司) (which is wholly controlled by the State-owned Assets Supervision and Administration Commission of Xuancheng Municipal People’s Government), Ningguo Ningsheng Industrial Investment Group Co., Ltd. (寧國市寧盛產業投資集團有限公司) (which is wholly controlled by the State-owned Assets Supervision and Administration Commission of Ningguo City (寧國市國有資產監督管理委員會)) and Guangde Tongrui Equity Investment Co., Ltd., respectively. None of the remaining six shareholders hold 10% or more of the equity interests of Xuancheng Industrial Chain Investment; (iv) 20.00% by Anhui Mixed Ownership Reform Fund Co., Ltd. (安徽省混合所有制改革基金有限公司) (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Anhui Provincial People’s Government) as a limited partner; and (v) 4.00% by HUA AN JIA YE Investment Co., Ltd. as a general partner.

USTC Silicon Valley Guidance Fund (Anhui) Partnership (Limited Partnership) is a limited partnership established under the laws of the PRC, and is principally engaged in activities including equity investment, investment management and asset management through private funds. As at the date of this announcement, its executive partner is GUITEK Service Platform (Anhui Province) Co., Ltd. (科大硅谷服務平台 (安徽) 有限公司), and its fund manager is Hefei Innovation Scitech Venture Capital Co., Ltd. (合肥市創新科技風險投資有限公司) (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Hefei Municipal People’s

Government), and its capital contributions are held as to (i) approximately 53.42% by Hefei Venture Capital Guidance Fund Phase II Co., Ltd. as a limited partner; (ii) approximately 33.33% by Anhui State-owned Financial Capital Investment Management Co., Ltd. (安徽省國有金融資本投資管理有限公司) (which is ultimately controlled by Anhui Provincial Department of Finance) as a limited partner; (iii) approximately 13.18% by Hefei Venture Capital Guidance Fund Co., Ltd. as a limited partner; and (iv) approximately 0.07% by GUiTEK Service Platform (Anhui Province) Co., Ltd. (“GUiTEK”) as a general partner. GUiTEK is held as to 23%, 15%, 12% and 12% by iFLYTEK Co., Ltd. (科大訊飛股份有限公司) (a joint stock company with limited liability listed on the Shenzhen Stock Exchange (stock code: 002230)), Hefei Industrial Investment Holdings (Group) Co., Ltd. (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Hefei Municipal People’s Government), Hefei Shushan Technology Innovation Investment Group Co., Ltd. (合肥蜀山科技創新投資集團有限公司) (which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Hefei Shushan District People’s Government (合肥市蜀山區人民政府國有資產監督管理委員會)), and Hefei High-tech Venture Capital Co., Ltd., respectively. None of the remaining nine shareholders hold 10% or more of the equity interests of GUiTEK.

Anhui Kechuang Xinyan Venture Capital Fund Partnership (Limited Partnership) is a limited partnership established under the laws of the PRC, and is principally engaged in activities including equity investment, investment management and asset management through private funds. As at the date of this announcement, its executive partner and fund manager is Hefei High-tech Venture Capital Management Partnership (Limited Partnership), and its capital contributions are held as to (i) approximately 50.00% by Anhui New R&D Institution Special Fund Partnership (Limited Partnership) (安徽省新型研發機構專項基金合夥企業(有限合夥)) as a limited partner. The capital contributions of Anhui New R&D Institution Special Fund Partnership (Limited Partnership) are held as to approximately 83.33% and 13.67% by Anhui Caijin Investment Co., Ltd. and Hefei High-tech Venture Capital Co., Ltd. as limited partners, respectively, and approximately 3.00% by Hefei High-tech Venture Capital Management Partnership (Limited Partnership) as a general partner; (ii) approximately 30.00% by USTC Silicon Valley Guidance Fund (Anhui) Partnership (Limited Partnership) as a limited partner; (iii) approximately 19.00% by Hefei High-tech Venture Capital Co., Ltd. as a limited partner; and (iv) approximately 1.00% by Hefei High-tech Venture Capital Management Partnership (Limited Partnership) as a general partner.

(II) FURTHER INFORMATION IN RELATION TO THE CONNECTED TRANSACTION INVOLVING THE CAPITAL INCREASE AND SHAREHOLDERS AGREEMENT

Reference is made to the announcement of Nexchip Semiconductor Corporation dated August 31, 2026 in relation to the connected transaction involving the entering into of the Capital Increase and Shareholders Agreement (the “**Announcement**”). Unless otherwise defined in this Part (II), capitalised terms used in this Part (II) shall have the same meanings as those defined in the Announcement.

The Board wishes to provide Shareholders and potential investors with the following further information in relation to the Announcement.

1. COMMERCIAL RATIONALE FOR INJECTING HEFEI RUIYU TECHNOLOGY INTO RUIJING SEMICONDUCTOR

The difference between the net asset values of Anhui Ruijing Semiconductor Co., Ltd. (安徽瑞晶半導體有限公司) (“**Ruijing Semiconductor**”) and Hefei Ruiyu Technology should be considered in the context of the respective stages of development and capitalisation of the two entities. Ruijing Semiconductor was newly established in January 2026 and has been introducing capital and investors progressively. As disclosed in the Announcement, prior to the Capital Increase under the Capital Increase and Shareholders Agreement (“**Ruijing Semiconductor Capital Increase**”), Ruijing Semiconductor had a registered capital of RMB500.5 million, of which only RMB30 million had been paid up at the relevant time. The Existing Shareholders remain subject to their respective contribution obligations with respect to the subscribed but unpaid registered capital in their names, and are required to fully pay up such registered capital in accordance with applicable PRC laws and regulations and the agreed contribution arrangements. Under the current agreed contribution schedule, the capital contribution deadline for the Existing Shareholders is December 31, 2030. As at the date of this announcement, the aggregate paid-up capital contributions of the shareholders of Ruijing Semiconductor amounted to RMB801,916,989, including the Company’s completed non-cash contribution of the 100% equity interests in Hefei Ruiyu Technology, with approximately RMB109.5 million remaining unpaid. Of such unpaid amount, approximately RMB49.0 million was attributable to shareholders other than the Employee Shareholding Platforms and is expected to be fully paid up by October 30, 2026. The capital contributions of the Employee Shareholding Platforms will be made in accordance with the relevant employee equity incentive arrangements and applicable contribution deadlines. Accordingly, the net asset value of Ruijing Semiconductor of approximately RMB30.0 million as at April 30, 2026 principally reflected the amount of capital that had been paid up at that early stage, rather than the total capital subscribed by its Existing Shareholders, and should not, in itself, be regarded as representing the valuation basis for the Ruijing Semiconductor Capital Increase.

Although the Company’s contribution to Ruijing Semiconductor takes the legal form of a contribution of the 100% equity interests in Hefei Ruiyu Technology, Hefei Ruiyu Technology was established principally to hold the assets relating to the BGBM Business, and its principal assets comprise the dedicated machinery and equipment for the BGBM Business. Therefore, from a commercial perspective, such arrangement would enable the BGBM-related machinery and equipment to be transferred to and integrated into Ruijing Semiconductor as a whole through the contribution of the 100% equity interests in Hefei Ruiyu Technology.

Given that the BGBM technology platform differs to some extent from the process platforms on which the Company currently focuses, including display driver ICs, CMOS image sensors, power management ICs and Logic ICs, in terms of process route, customer base and market positioning, the Company has not classified the BGBM Business as part of its core businesses. Upon completion of the contribution of the 100% equity interests in Hefei Ruiyu Technology, the Group no longer directly engages in the BGBM Business. The BGBM Business is thereafter undertaken by Ruijing Semiconductor, and the Group participates in the future development of such business

through its equity interest in Ruijing Semiconductor. As disclosed in the prospectus of the Company dated June 30, 2026, the Ruijing Investment and the injection of the relevant equipment held by Hefei Ruiyu Technology in respect of such non-core business were contemplated to enable the Company to better focus its resources on its core operations and optimise its business structure. The arrangement will also facilitate the integration of the relevant assets relating to its BGBM Business into Ruijing Semiconductor to meet its production line construction requirements, enhance the Company's asset utilisation efficiency, enable the Company to leverage the resources and strengths of the other shareholders of Ruijing Semiconductor and share the potential long-term economic returns from the development of Ruijing Semiconductor through its equity investment.

2. BASIS FOR THE BOARD'S VIEW THAT THE RUIJING SEMICONDUCTOR CAPITAL INCREASE IS FAIR AND REASONABLE

In considering whether the terms of the Ruijing Semiconductor Capital Increase and the contribution of the equity interests in Hefei Ruiyu Technology are fair and reasonable, the Board took into account, among other things, the following factors.

First, the subscription price applicable to the investors participating in the Ruijing Semiconductor Capital Increase is RMB1 for each RMB1 of registered capital of Ruijing Semiconductor, which is the same basis on which the Existing Shareholders subscribed for the registered capital of Ruijing Semiconductor. Accordingly, the Company subscribed for its interest in Ruijing Semiconductor on the same pricing basis as the Other Capital Contributors participating in the Ruijing Semiconductor Capital Increase and the Existing Shareholders.

In addition, the Board took into account the timing of the Company's non-cash contribution and the capital contributions of the other shareholders. As at the date of this announcement, the Company had completed its non-cash contribution of the 100% equity interests in Hefei Ruiyu Technology, and shareholders other than the Employee Shareholding Platforms had already paid up substantially all of their respective subscribed capital, with only approximately RMB49.0 million remaining unpaid, which is expected to be fully paid by October 30, 2026. The Employee Shareholding Platforms are subject to separate contribution arrangements having regard to their nature as employee incentive vehicles. The Board considers that, having regard to the substantial capital contributions already made by the relevant shareholders, the expected payment of the remaining amounts within a relatively short period and the same pricing basis applicable to the investors, the timing of the capital contributions is aligned with Ruijing Semiconductor's funding requirements and project development schedule, and the overall arrangement of the Ruijing Semiconductor Capital Increase is fair and reasonable.

Third, in determining the amount of registered capital of Ruijing Semiconductor to be subscribed by the Company through its non-cash contribution, the 100% equity interests in Hefei Ruiyu Technology to be contributed by the Company were independently valued. Based on the valuation conducted by an independent and qualified valuer using the asset-based approach, the appraised value of the entire equity interests in Hefei Ruiyu

Technology as at April 20, 2026 was approximately RMB240.917 million. Accordingly, applying the subscription price of RMB1 for each RMB1 of registered capital referred to above, the Company subscribed for approximately RMB240.917 million of the registered capital of Ruijing Semiconductor by contributing the 100% equity interests in Hefei Ruiyu Technology. The appraised value was equal to Hefei Ruiyu Technology's audited net asset value of approximately RMB240.917 million as at the same date. Hefei Ruiyu Technology had no liabilities as at the valuation date and its principal assets comprised the dedicated machinery and equipment relating to the BGBM Business.

Fourth, as explained above, the relatively low net asset value of Ruijing Semiconductor as at April 30, 2026 principally reflected its status as a newly established company and the then progress of payment of its subscribed capital. Accordingly, a direct comparison between Ruijing Semiconductor's net asset value as at that particular date and the appraised value of all equity interests in Hefei Ruiyu Technology would not provide an appropriate basis for assessing the fairness of the Ruijing Semiconductor Capital Increase.

Finally, the Board also took into account the commercial benefits of the transaction, including that the transaction would enable the Company to further focus its resources on its principal business, leverage the resources and strengths of the other shareholders of Ruijing Semiconductor, facilitate the deployment of the BGBM-related machinery and equipment to Ruijing Semiconductor's production line, improve the utilisation efficiency of the relevant assets and allow the Company to directly share the potential long-term economic returns from the development of Ruijing Semiconductor through its approximately 26.43% equity interests.

Having considered the above factors as a whole, the Board considers that the terms of the Ruijing Semiconductor Capital Increase, including the arrangement of contribution of the 100% equity interests in Hefei Ruiyu Technology, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. OPERATIONS AND FINANCIAL INFORMATION OF RUIJING SEMICONDUCTOR AND HEFEI RUIYU TECHNOLOGY

As at the date of this announcement, neither Ruijing Semiconductor nor Hefei Ruiyu Technology has commenced commercial operations. Ruijing Semiconductor is currently progressing the construction of its relevant wafer processing production line.

Ruijing Semiconductor plans to construct a BGBM production line in Wuhu, Anhui Province with a designed monthly capacity of 40,000 12-inch wafers, principally for research and development and processing services relating to 12-inch wafer back-end processes. Construction of the production facility is expected to be completed in the third quarter of 2027, with mass production expected to commence by the end of 2027 and full production capacity expected to be reached by 2030. The project is expected to require total funding of approximately RMB1.69 billion, comprising approximately RMB1.29 billion of capital expenditure, principally for factory construction, production equipment, automation systems and patent technology, and approximately RMB400 million of working and reserve funds. Such funding is expected to be met principally

through capital contributions and bank borrowings. The aggregate cash capital contributions subscribed under the current and previous rounds amount to approximately RMB670.5 million, and the board of Ruijing Semiconductor has approved a fixed asset loan plan of RMB1.0 billion, which together broadly correspond to the projected funding requirements of the project.

According to the audited financial information of Ruijing Semiconductor for the four months ended April 30, 2026, Ruijing Semiconductor recorded nil revenue and net profit of RMB6,478.55. According to the audited financial information of Hefei Ruiyu Technology for the period from January 1, 2026 to April 20, 2026, Hefei Ruiyu Technology recorded nil revenue and nil net profit.

According to the unaudited financial information of Ruijing Semiconductor for the period from January 1, 2026 to June 30, 2026, Ruijing Semiconductor recorded nil revenue and a net loss of RMB119,035.72. According to the unaudited financial information of Hefei Ruiyu Technology for the period from January 1, 2026 to June 30, 2026, Hefei Ruiyu Technology recorded nil revenue and a net loss of RMB8,679.90.

4. FURTHER DETAILS OF THE REPURCHASE RIGHT AND CO-SALE RIGHT

A. Repurchase Right

Pursuant to the Capital Increase and Shareholders Agreement, the Repurchase Right will be triggered upon the occurrence of any of the following events (each, a “**Repurchase Event**”):

- (i) Ruijing Semiconductor fails to complete a qualified listing by March 31, 2032;
- (ii) Ruijing Semiconductor or its senior management or key personnel commits a serious violation of applicable laws or regulations or a serious breach of the Capital Increase and Shareholders Agreement;
- (iii) the employment relationships of the senior management, key personnel and core R&D personnel fail to be transferred to Ruijing Semiconductor by December 31, 2026; or
- (iv) the wafer back-end processing equipment held by Hefei Ruiyu Technology at the time of completion of the equity contribution is not fully relocated to Wuhu City by December 31, 2029.

Upon the occurrence of any Repurchase Event, the Company may exercise the Repurchase Right within 36 months from the date on which it becomes aware of the occurrence of such Repurchase Event by issuing a written repurchase notice to Ruijing Semiconductor, requiring Ruijing Semiconductor to repurchase all or part of the equity interests in Ruijing Semiconductor then held by the Company. The repurchase notice shall specify, among other things, the amount of equity interests proposed to be repurchased, the relevant financing round (if applicable), the

corresponding total investment cost and the applicable repurchase price. Ruijing Semiconductor is required to execute the necessary transaction documents and pay the applicable repurchase price in full within 180 days after receipt of the written repurchase notice.

In respect of the Repurchase Events referred to in paragraphs (i) and (ii) above, the repurchase price is calculated by reference to the Company's actual investment cost in respect of the relevant equity interests, plus simple interest calculated at 6% per annum from the date on which the Company completed its contribution in respect of such equity interests to the date on which the repurchase price is paid in full, less any dividends or distributions actually received by the Company in respect of such equity interests up to such date. In respect of the Repurchase Events referred to in paragraphs (iii) and (iv) above, the repurchase price is equal to the relevant investment principal plus interest calculated by reference to the then prevailing one-year loan prime rate ("LPR").

B. Co-Sale Right

Pursuant to the Capital Increase and Shareholders Agreement, if the Employee Shareholding Platforms intend to sell their equity interests in Ruijing Semiconductor to a third party, and there remains any such equity interests unsold upon fulfilment of the procedures for the right of first refusal as agreed under the Capital Increase and Shareholders Agreement, the Company shall have the right to sell a certain proportion of the equity interests in Ruijing Semiconductor held by the Company to such third party, together with the relevant Employee Shareholding Platforms, at the same price and on the same terms and conditions as those offered to such third party.

The maximum amount of equity interests in Ruijing Semiconductor that the Company is entitled to sell pursuant to the Co-Sale Right is calculated as follows: (i) the remaining portion of the equity interests proposed to be sold by the Employee Shareholding Platforms which has not been purchased pursuant to the right of first refusal, multiplied by (ii) the amount of Ruijing Semiconductor's registered capital then held by the Company, and divided by (iii) the aggregate amount of Ruijing Semiconductor's registered capital then held by the Employee Shareholding Platforms and all persons who actually exercise the Co-Sale Right.

If the Company opts to exercise the Co-Sale Right, it is required to deliver a written notice to the relevant Employee Shareholding Platforms within 20 days after expiry of the period for exercise of the right of first refusal, specifying the amount of registered capital of Ruijing Semiconductor which the Company elects to co-sell. If the Company fails to deliver such written notice within such 20-day period, the Company will be deemed to have waived the Co-Sale Right in respect of the relevant proposed transfer.

The relevant Employee Shareholding Platforms are required to procure the proposed transferee to acquire the equity interests proposed to be co-sold by the Company on the same terms and conditions as those set out in the relevant transfer notice. If the proposed transferee is unwilling to acquire such equity interests, the relevant Employee Shareholding Platforms may not proceed with the proposed transfer to such transferee unless the Employee Shareholding Platforms themselves acquire all of the equity interests proposed to be co-sold by the Company.

C. Factors to be considered in exercising the rights

In determining whether to exercise the Repurchase Right following the occurrence of a Repurchase Event, the Company would take into account the relevant facts and circumstances then prevailing, including, among other things, (i) the nature, materiality and consequences of the relevant Repurchase Event and whether it is capable of being effectively remedied; (ii) the then operational and financial condition, business prospects and development status of Ruijing Semiconductor; (iii) the strategic and economic value to the Company of continuing to hold its equity interests in Ruijing Semiconductor as compared with exercising the Repurchase Right; (iv) the applicable repurchase price and the expected economic return to the Company; (v) the practical feasibility and timing of exercising the Repurchase Right; and (vi) the overall interests of the Company and the Shareholders as a whole.

In determining whether to exercise the Co-Sale Right, the Company would take into account the relevant facts and circumstances then prevailing, including, among other things, (i) the identity, background and financial capability of the proposed transferee; (ii) the proposed transfer price and other terms and conditions of the proposed transfer; (iii) the then valuation, operational and financial condition and future prospects of Ruijing Semiconductor; (iv) the expected return from participating in the proposed transfer as compared with continuing to hold the relevant equity interests; (v) the strategic value of the Company's continued investment in Ruijing Semiconductor; and (vi) the overall interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“A Share(s)”	ordinary share(s) issued by the Company with nominal value of RMB1.00 each, which is/are subscribed for or credited as fully paid in Renminbi, and is/are listed on the STAR Market of the SSE and traded in Renminbi
“Board”	the board of directors of the Company

“Capital Increase”	the subscription by the Company and Other Investors in this Round for an aggregate of RMB2,047,084,318.37 in the increased registered capital of the Target Company pursuant to the Capital Increase Agreement, upon completion of which the registered capital of the Target Company will increase from RMB1,200,000,000.00 to RMB3,247,084,318.37
“Capital Increase Agreement”	the capital increase agreement entered into by the Company, the Target Company, Other Investors in this Round and Other Existing Shareholders on September 30, 2026
“Company”	Nexchip Semiconductor Corporation (合肥晶合集成電路股份有限公司), a joint stock company established under the laws of the PRC with limited liability, the A Shares and H Shares of which are listed on the SSE (stock code: 688249) and the Stock Exchange (stock code: 2249), respectively
“Completion Date”	with respect to any of the Investor in this Round, the date on which it completes the respective capital contribution pursuant to the Capital Increase Agreement; with respect to the equity contribution of the Company, the date on which the contribution of the equity interests in Hefei Jingwei is completed
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which is/are traded in HK dollars and is/are listed on the Stock Exchange
“Hefei Construction Investment”	Hefei Construction Investment Holding (Group) Co., Ltd. (合肥市建設投資控股(集團)有限公司), a limited liability company established under the laws of the PRC and the Controlling Shareholder of the Company
“Hefei Jianxiang”	Hefei Jianxiang Investment Co., Ltd. (合肥建翔投資有限公司), a limited liability company established under the laws of the PRC
“Hefei Jingguan”	Hefei Jingguan Enterprise Management Partnership (Limited Partnership) (合肥晶冠企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC

“Hefei Jingwei”	Hefei Jingwei Technology Co., Ltd. (合肥晶為科技有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company as of the date of this announcement
“Hefei SCVC”	Hefei State-owned Capital Venture Capital Co., Ltd. (合肥國有資本創業投資有限公司), a limited liability company established under the laws of the PRC and wholly held by Hefei Construction Investment
“Hua’an Jianyuan”	Anhui Hua’an Jianyuan Equity Investment Fund Partnership Enterprise (Limited Partnership) (安徽華安建源股權投資基金合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
“Huachun Baoxin”	Ma’anshan Huachun Baoxin Zhixin Equity Investment Partnership (Limited Partnership) (馬鞍山華淳保信智新股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
“Investors”	Investors in this Round and Other Existing Shareholders
“Investors in this Round”	the Company and Other Investors in this Round
“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
“Other Existing Shareholders”	Lu’an Jinghui Chuangxin Equity Investment Fund Partnership (Limited Partnership) (六安晶匯創芯股權投資基金合夥企業(有限合夥)), Anhui Jiaokong Zhaoshang Information New Infrastructure Private Equity Fund Partnership (Limited Partnership) (安徽交控招商信息新基建私募基金合夥企業(有限合夥)), Anhui Province Emerging Industries Sci-Tech Innovation Fund Phase I Partnership (Limited Partnership) (安徽省新興產業科創基金一期合夥企業(有限合夥)), Qingdao Gaoxin Zhihui Venture Capital Partnership (Limited Partnership) (青島高信智匯創業投資合夥企業(有限合夥)), Hefei Jinghuijuxin Investment Fund Partnership Enterprise (Limited Partnership) (合肥晶匯聚芯投資基金合夥企業(有限合夥)), Hefei Jingguan, Xuancheng Anhua Innovation Equity Investment Partnership (Limited Partnership) (宣城安華創新股權投資合夥企業(有限合夥)), Anhui Kechuang Xinyan Venture Capital Fund Partnership (Limited Partnership) (安徽科創新研創業投資基金合夥企業(有限合夥)) and USTC Silicon Valley Guidance Fund (Anhui) Partnership (Limited Partnership) (科大硅谷引導基金(安徽)合夥企業(有限合夥))

“Other Investors in this Round”	Hefei SCVC, Hefei Jianxiang, Provincial Sci-Tech Innovation Investment, Hua’an Jianyuan and Huachun Baoxin
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“Provincial Sci-Tech Innovation Investment”	Anhui Science and Technology Innovation Investment Co., Ltd. (安徽省科創投資有限公司), a limited liability company established under the laws of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Anhui Jingmei Photomasks Ltd. (安徽晶鎂光罩有限公司), a limited liability company established under the laws of the PRC
“%”	per cent.

By order of the Board
Nexchip Semiconductor Corporation
 合肥晶集成電路股份有限公司
Mr. Tsai Kuo-Chih

Executive Director and chairperson of the Board

Hong Kong, September 30, 2026

As at the date of this announcement, the Board comprises: (i) Mr. Tsai Kuo-Chih and Mr. Zhu Caiwei as executive Directors; (ii) Mr. Lu Qinhang, Ms. Chen Xiaobei, Mr. Guo Zhaozhi and Mr. Qiu Wensheng as non-executive Directors; and (iii) Prof. An Guangshi, Prof. Lin Zhiting and Mr. Chen Ting as independent non-executive Directors.

APPENDIX I SUMMARY OF THE TARGET COMPANY ASSET VALUATION REPORT

I. SELECTION OF VALUATION METHODS

Lianhe Zhonghe has considered and analyzed the applicability of three enterprise value valuation methods, namely the asset-based approach, the income approach and the market approach. Lianhe Zhonghe is of the view that the Target Company is engaged in the semiconductor photomask industry, its historical operating data are of certain reference value, substantially all assets relating to the Target Company are operating assets with basically clear property rights and in relatively good condition, and its future returns and the associated risks are predictable. Meanwhile, the Target Company has a relatively sound accounting system and orderly management, and its assets and liabilities can be verified through financial data, construction data and on-site inspection, thus satisfying the conditions for adopting the asset-based approach and the income approach.

In terms of the market approach, Lianhe Zhonghe is of the view that, although the open and active capital market in Chinese Mainland can provide certain data on listed companies, there are relatively few comparable transaction data relating to the Target Company, and the relevant adjustment factors are difficult to quantify accurately. Therefore, the market approach was not selected for the valuation.

The asset-based approach derives its result based on the assets and liabilities objectively existing as of the valuation benchmark date by evaluating each item individually. The Target Company operates in the semiconductor materials industry, focusing on the research and development, manufacturing and sales of semiconductor photomasks for process nodes. As an important independent third-party supplier of high-end photomasks in China, its core value is not only reflected in the tangible assets, but also highly relies on intangible assets such as technology, talents and customer resources. When using the asset-based approach for valuation, the value of intangible assets such as customer resources, supply chain synergies and brand recognition of the Target Company as an independent third-party supplier incubated by Nexchip cannot be quantified, therefore this approach could not reflect the future profitability of the Target Company. Compared to the income approach, the asset-based approach takes an indirect perspective and approach. It is easy to overlook the consolidated profitability and consolidated value effect of the aggregation of various assets when valuing an enterprise.

The income approach is based on the perspective of determining the profitability of the assets and capitalizing or discounting the expected income of the Target Company to assess the value of the appraised subject, thus embodying the idea of income forecasting. The results of the income approach reflect the value of human resources, sales channels, customer resources, management teams and abilities owned by the enterprise which cannot be reflected under the asset-based approach, and the results of the income approach are more reasonable in comparison.

In conclusion, Lianhe Zhonghe believes that the results derived from the income approach are more reasonable and can better reflect the market value of the Target Company, and thus the calculation result under the income approach is adopted as the final valuation conclusion in this report.

II. SPECIFIC MODEL OF THE INCOME APPROACH AND DETERMINATION OF KEY VALUATION PARAMETERS

(I) Specific model of the income approach and the estimation formula

The model of free cash flow to firm was selected as the valuation model for the income approach, i.e. the flow of economic revenue (R_t) represents the cash flow generated by all the invested capital of the Target Company (total shareholders' equity and interest-bearing liabilities). Historical data and cash flows are prepared on a consolidated basis. The value of operating assets is calculated by discounting the free cash flow to firm in the next few years at an appropriate discount rate and summing them up. The total shareholders' equity value is then arrived by adding the surplus assets value, the non-operating assets value and long-term equity investments, and deducting non-operating liabilities and interest-bearing liabilities.

Calculation formula:

Total shareholders' equity value = present value of free cash flow to firm – interest-bearing liabilities + non-operating assets value + long-term equity investments – non-operating liabilities + surplus assets

1. *Determination of the present value of free cash flow to firm*

The present value of free cash flow to firm is determined using the following formula:

Present value of free cash flow to firm = present value of free cash flow to firm during the definite forecast period + present value of free cash flow to firm (terminal value) after the definite forecast period

A. *Determination of the definite forecast period and the income period*

On the basis of the specific circumstances of the Target Company, and upon necessary analysis and adjustment of the collected valuation data, the asset appraisal professionals have taken into account the actual conditions of the Target Company and divided the forecast of the future returns of the Target Company into two stages. The first stage covers a total of seven years, from January 2026 to December 2032. The second stage extends from January 2033 into perpetual, during which the Target Company will maintain the free cash flow to firm at the level in 2032. The free cash flow to firm is then discounted. The sum of the discounted values of the two stages, plus the separately appraised non-operating assets, surplus assets and long-term equity investments, less non-operating liabilities and interest-bearing liabilities, represents the value of total shareholders' equity of the Target Company.

B. Terminal value of assets after the forecast period

As the income forecast period for the Target Company in the Valuation is indefinite, there is no need to consider the impact of the terminal value of the enterprise on the enterprise value.

C. Free cash flow to firm

The appraised value of this valuation is calculated on a free cash flow to firm basis. The calculation formula of the cash flows is as follows:

Free cash flow to firm = profit before interest and tax $\times$ (1 – income tax rate) + depreciation and amortization – capital expenditure – incremental working capital

= revenue – operating costs – business taxes and surcharges – period expenses (operating expenses, administrative expenses, financial expenses) + other income + non-operating income – non-operating expenses – income tax + interest expenses $\times$ (1 – income tax rate) + depreciation and amortization – capital expenditure – incremental working capital

2. Non-operating assets and liabilities

Non-operating assets and liabilities represent assets and liabilities that are not related to the production and operation of the Target Company and are not covered by the forecast free cash flows after the valuation benchmark date.

3. Surplus assets

Surplus assets represent assets that exceed the needs of the production and operation of the enterprise as at the valuation benchmark date and are not covered by the forecast free cash flow to firm after the valuation benchmark date.

4. Long-term equity investments

Long-term equity investments represent equity interests held by the Target Company in investee companies which are not included in its consolidation scope. For the Valuation, the appraised value is determined based on the audited or unaudited owner's equity of each investee company and the capital contribution ratio. As the income approach is calculated on a consolidated basis, no addition-back of long-term equity investments is required.

5. Interest-bearing liabilities

Interest-bearing liabilities represent liabilities on the books as at the valuation benchmark date that require the payment of interest.

(II) Determination of Key Valuation Parameters under the Income Approach

1. *Income period*

As stipulated in national laws and the articles of association of the Target Company, an entity may apply for an extension before the expiration of the operating period. Accordingly, the operating period of the Target Company may be assumed to be extended in accordance with the law prior to each expiration, and may thus be inferred to be as long as possible. Therefore, the income period of the Target Company in the Valuation is perpetual.

2. *Selection of income indicators*

According to the principle that the basis of the income amount and the discount rate must be consistent, the measurement of income amount of this valuation is free cash flow to firm, and accordingly, the weighted average cost of capital (WACC) is selected as the discount rate.

Formula: $WACC = Re \times E/(D+E) + Rd \times D/(D+E) \times (1 - T)$

where:

Re – the cost of equity capital;

Rd – the cost of debt capital;

D/E – the target debt-to-equity ratio of the Target Company estimated based on the target debt-to-equity ratios of comparable companies at market value.

A. *Determination of the cost of equity capital (Re)*

Formula: $Re = Rf + \beta \times (Rm - Rf) + Rc$

where:

Rf – the risk-free rate of return;

β – the enterprise risk coefficient;

Rm – the average return on the capital market;

ERP – the market risk premium ($Rm - Rf$);

R_c – the return on enterprise-specific risks.

B. Determination of the cost of debt capital (R_d)

The cost of debt capital (R_d) is determined based on the one-year LPR announced by the People's Bank of China as at the valuation benchmark date.

III. VALUATION ASSUMPTIONS

(I) Basic Assumptions

1. Transaction assumption

The transaction assumption presumes that the Target Company and the assets and liabilities within the valuation scope are in the process of a transaction, and the asset valuer conducts the valuation by simulating the market based on the transaction conditions. The transaction assumption is the most fundamental prerequisite for conducting an asset valuation.

2. Open market assumption

The open market assumption presumes that, for assets that are being traded or proposed to be traded on the market, the parties to the asset transaction enjoy equal status and each has adequate opportunity and time to obtain sufficient market information, so as to make sound judgments based on the function, use and transaction price of the assets. The open market assumption is based on the premise that the assets can be openly traded on the market.

3. Assumption of continued use of assets

The assumption of continued use of assets means that, in the course of asset valuation, the valuation methods, parameters and bases are to be determined on the basis that the assets under valuation will continue to be used for their current purposes and in their current manner, scale, frequency and environment, or will be used on a modified basis.

4. Going concern assumption

The going concern assumption presumes that the Target Company will continue to operate as a going concern and in a manner consistent with its current operating model.

(II) General Assumptions

1. It is assumed that there will be no significant changes in the Target Company and the political, economic, social and other macro environment of the place where it operates which would affect its operation after the valuation benchmark date;
2. Except for those laws and regulations already enacted or enacted but not yet enforced by the government as at the valuation benchmark date which affect the operations of the Target Company, it is assumed that there are no significant changes in the laws and regulations related to the operation of the Target Company during the income period;
3. It is assumed that there are no changes to the exchange rates, interest rates, taxation and inflation involved in the operations of the Target Company that will cause material effects on its operating conditions during the income period (taking into account the changes in interest rates from the valuation benchmark date to the reporting date) since the valuation benchmark date;
4. It is assumed that there will be no force majeure or unforeseeable events which affect the operation of the Target Company after the valuation benchmark date;
5. It is assumed that the Target Company will continue to operate and its assets will continue to be used in the future income period;
6. It is assumed that the accounting policies adopted by the Target Company in the future income period are consistent in all material respects with those as at the valuation benchmark date, and are continuous and comparable;
7. It is assumed that the Target Company will conduct its operations in compliance with all national laws and regulations and will not violate any laws in the future income period;
8. It is assumed that the operator of the Target Company is a responsible party and the management is capable of undertaking its duties; in the future income period, there are no significant changes to the key management and technical personnel of the Target Company with reference to the conditions as at the valuation benchmark date which would affect its operations; and the management team is under stable development without any material change to the management system that would affect its operations;
9. It is assumed that the information provided by the principal and the Target Company are true, complete and reliable, and there are no other defective or contingent matters that should have been provided but were not provided, or that could not be identified by the valuation professionals after performing the necessary appraisal procedures, which may affect the valuation conclusion;
10. It is assumed that no litigation, mortgages, guarantees and other matters that would have a significant impact on the results of operations of the Target Company will occur in the future income period.

(III) Specific Assumptions

1. This valuation does not consider the impact on the value of the Target Company of any external equity investments made by it following the valuation benchmark date.
2. It is assumed that the amount of the taxable income of the Target Company will be generally consistent with its total profits in the future income period and that there are no material adjustment events based on perpetual difference or time difference.
3. It is assumed that the turnover status of accounts receivable and accounts payable of the Target Company in the future income period will remain similar to that in the historical years and that there will be no defaults on payment for goods that are materially different from the historical years.
4. It is assumed that the Target Company will have steady operating cash inflows and cash outflows in the future income period.
5. It is assumed that the Target Company and its subsidiaries will be able to, as planned, achieve the expected production capacity. Assuming that future predictions can be achieved, the extent to which the earnings forecasts are achieved will be affected if unpredictable and inevitable factors arising in the future which may affect the realization of the underlying assumptions. The asset valuation professionals hereby remind the principal and other relevant parties that, Lianhe Zhonghe does not assure the realization of the aforementioned assumptions, nor does it assume any obligation to realize or assist in the realization of such assumptions.
6. This valuation report is based on forecast data provided by the Target Company. It is assumed that the development of the Target Company's factories in High-Tech Zone proceeds in an orderly manner as planned, with phased implementation of initial capital investment, financing and equipment procurement, and excludes the combined adverse factors arising

from legal, environmental, tax or other impediments or economic constraints in connection with project approvals, as well as technical risks associated with the production process. It is also assumed that the Target Company's facilities in High-Tech Zone will be completed as scheduled in accordance with the construction contract, and its relevant machines and equipment will be delivered to the site on schedule. It is assumed that future projections can be realized based on the successful commencement of production and mass production as anticipated. The extent to which the earnings forecasts are achieved will be subject to the unpredictable and inevitable factors arise in the future which may affect the realization of the underlying assumptions. The asset valuation professionals hereby remind the principal and other relevant parties that, Lianhe Zhonghe does not assure the realization of the aforementioned assumptions, nor does it assume any obligation to realize or assist in the realization of such assumptions.

7. It is assumed that relevant factory and equipment lease contracts between the Target Company and its subsidiaries and Nexchip will be renewed upon the expiration in a timely and ordinary manner.
8. It is assumed that the Target Company will successfully qualify as a High-Tech Enterprise in the future and continuously meet the relevant eligibility criteria, thereby consistently enjoying an income tax rate of 15%.

In accordance with the requirements of asset valuation, Lianhe Zhonghe determined that these assumptions are valid as at the valuation benchmark date. When the valuation assumption changes materially after the date of the valuation report, Lianhe Zhonghe does not assume liability for any different valuation conclusions derived from such changes in the valuation assumptions.

IV. VALUATION CONCLUSIONS

According to the income approach, as of the valuation benchmark date, the appraised value of the total shareholders' equity of the Target Company involved in the proposed capital and share increase of Nexchip Semiconductor Corporation amounted to RMB1,291.00 million.

V. VALUATION EXPLANATION FOR THE INCOME APPROACH

(I) Future income forecast

1. Forecast of free cash flow to firm

Free cash flow to firm = profit before interest and tax $\times$ (1 – income tax rate) + depreciation and amortization – capital expenditure – incremental working capital

= revenue – operating costs – business taxes and surcharges – period expenses (operating expenses, administrative expenses, financial expenses) + other income + non-operating income – non-operating expenses – income tax + interest expenses $\times$ (1 – income tax rate) + depreciation and amortization – capital expenditure – incremental working capital

In the valuation by the income approach, the forecast of items such as revenue and expenses is primarily based on the company's historical data. Based on the statistical analysis of historical data prior to the valuation benchmark date, all forecasts are made by taking into full consideration of the impact of the company's existing operating model and scale on each indicator.

The analysis of the company's operating conditions in the report explains the adjustment and selection of historical data for revenue and cost of sales, as well as the reason for not adjusting selling expenses and administrative expenses, together with a description of income tax.

(1) Forecast of revenue

As China continued to increase its investment in the semiconductor sector, China's additional wafer capacity grew from 548.50 thousand pieces per month to 593.89 thousand pieces per month between 2023 and 2025. The expansion of wafer capacity directly contributed to higher demand for the photomask industry. It is projected that from 2025 to 2030, the market size of China's integrated circuit photomask industry is expected to grow from approximately RMB15.0 billion to over RMB30.0 billion, with a compound annual growth rate of approximately 12%.

The Target Company's main revenue is primarily derived from photomask products of different process nodes and corresponding grades. For products of different process nodes, the selling price varies depending on their grade at the time of sale. In this valuation, it was noted that as the Target Company was established for a relatively short period of time, the forecast is based on the most recent selling prices of products of different process nodes.

Sales volume: Determined based on the Target Company's production capacity plan and the quantity specified in its sales plan.

(2) Forecast of operating costs

Material costs: As material unit prices for products vary across different process nodes and grades, and given that the Target Company was established for a relatively short period of time and only officially commenced operations in August 2025, the forecast is based on its latest material unit prices;

Labor costs: Determined with reference to the historical average wage level, the average wage growth in the area where the office is located, in combination with the company's compensation policy and the staffing level for the forecast year;

Depreciation and amortization: Forecasted based on existing property, plant and equipment and intangible assets as at the valuation benchmark date, in combination with planned future capital expenditures and in accordance with the company's depreciation and amortization policies;

Manufacturing overhead: For lease expense included in manufacturing overhead, the forecast is based on contract rent. For maintenance expenses and electricity costs relating to machinery and equipment, the forecast is based on the expenses attributable to the machines in historical years. Other expenses are forecasted according to the proportion of other expenses to revenue in historical years;

As other operating costs were nil in the historical years, they are not considered for the forecast period.

(3) *Forecast of taxes and surcharges*

The taxes and surcharges of the Target Company mainly consist of urban maintenance and construction tax, education surcharge, local education surcharge, and stamp duty.

(4) *Forecast of sales expenses*

Sales expenses primarily consist of employee compensation, office expenses, travel expenses, business entertainment expenses, verification and testing fees and others.

For employee compensation, the forecast is determined with reference to historical average wage levels, in combination with the company's compensation policies and the staffing level for the forecast year;

For travel expenses, business entertainment expenses, verification and testing fees, office expenses and others, the forecast is based on their respective proportions to revenue.

(5) *Forecast of administrative expenses*

Administrative expenses primarily consist of depreciation and amortization, employee compensation, housing rental fees, office expenses, utilities, travel expenses, property management fees, business entertainment expenses and others.

For employee compensation, the forecast is determined with reference to historical average wage levels, in combination with the company's compensation policies and the staffing level for the forecast year;

For retention and sign-on bonus, the forecast is based on the outstanding bonus amounts with existing personnel;

For office expenses, utilities, travel expenses, business entertainment expenses and others, the forecast is based on their respective proportions to revenue;

Relatively fixed expenses mainly consist of property management fees and housing rental fees. For property management fees, the forecast is based on the property management fee level of existing lease. For housing rental fees, the forecast is based on the rent agreed in lease contract. After completion of the High-Tech Zone plant, no additional office space will be leased;

For depreciation and amortization, the forecast is based on the existing property, plant and equipment and intangible assets as at the valuation benchmark date, in combination with future capital expenditure plans and in accordance with the company's depreciation and amortization policies.

(6) *Forecast of R&D expenses*

R&D expenses mainly consist of employee compensation, material costs, inspection and testing fees, travel expenses, process and technological improvements and others.

For employee compensation, the forecast is determined with reference to historical average wage levels, in combination with the company's compensation policies and the staffing level for the forecast year;

For material costs, inspection and testing fees, travel expenses, process and technological advancements and others, the forecast is based on their respective proportions to revenue;

For depreciation and amortization, the forecast is based on the existing property, plant and equipment and intangible assets as at the valuation benchmark date, in combination with future capital expenditure plans and in accordance with the company's depreciation and amortization policies.

(7) *Forecast of financial expenses*

The Target Company's financial expenses are mainly interest expenses, service charges, interest income and unrecognized financing costs.

For interest expenses, the forecast is based on the Target Company's future borrowing plans and the borrowing rates as at the valuation benchmark date;

Service charges are determined by multiplying the proportion of historical amount to revenue by the revenue for the forecast period;

For interest income, in this valuation, excess cash has been treated as surplus assets, and interest income is no longer considered.

In this valuation, financial leases are treated as normal leases when considering lease expenses, and the unrecognized financing costs are no longer forecasted.

(8) *Forecast of other income*

Other income as at the benchmark date in the corporate income statement mainly includes government grants. For non-recurring income such as one-time government grants, no corresponding forecasts will be made for the future.

(9) *Forecast of non-operating income and expenditure*

Extraordinary items, such as non-operating income, non-operating expenses, asset impairment losses, and gains or losses from changes in fair value, are not forecasted this time due to their incidental nature.

The credit impairment losses in the company's income statement are primarily due to the provisions made by the company for bad debts in accordance with accounting policies based on the prudence principle. During this valuation, after verifying the collection of the company's accounts receivable, no actual bad debts related to the principal business were found.

(10) *Forecast of income tax*

The enterprise income tax rate is 25%. The Target Company operates in the semiconductor industry, where most semiconductor companies are high-tech enterprises. At present, the Target Company is actively applying for high-tech enterprise, and its relevant data meet the application requirements for high-tech enterprises. Therefore, an income tax rate of 15% is applied for the forecast from 2028 onwards.

In accordance with the current regulations on the administration of enterprise income tax collection, 60% of business entertainment expenses and the portion within 0.5% of revenue are allowed to be deducted before tax; and the remaining 40% and the portion exceeding 0.5% shall be expensed after tax;

According to the Announcement on Further Improving the Pre-tax Additional Deduction Policy for R&D Expenses (《關於進一步完善研發費用稅前加計扣除政策的公告》) (Announcement No. 7 of 2023 by the Ministry of Finance and the State Administration of Taxation), which stipulates that “For R&D expenses actually incurred by manufacturing enterprises in R&D activities, if the expenses do not form intangible assets and are recorded in profit or loss for the current period, on the basis of actual deduction in accordance with regulations, an additional 100% of the actual incurred amount shall be deducted before tax from January 1, 2023; if the expenses form intangible assets, they shall be amortized before tax at 200% of the cost of intangible assets from January 1, 2023”, enterprise income tax shall be calculated in accordance with the provisions thereof.

(11) Forecast of depreciation and amortization

The forecast of long-term asset depreciation and amortization in this valuation is based on five considerations: first, the accounting policies for long-term asset depreciation and amortization of the Target Company; second, the composition and scale of long-term assets; third, the commissioning time of long-term assets; fourth, the future investment plans for long-term assets (long-term assets formed from capital expenditures in future years); and fifth, the annuity of the renewal costs for existing long-term assets and long-term assets formed from future investments that shall be borne each year. In the forecast, the depreciation amount is appropriately matched with the corresponding asset usage. It is expected that long-term assets formed from capital expenditures put into use in the current year will start being depreciated from the following year.

(12) Forecast of capital expenditures

Capital expenditures are primarily the regular renewal investments of long-term assets. The capital expenditures in this valuation mainly consist of regular renewal expenditures for stock assets and regular renewal expenditures for incremental assets. Among which, the incremental capital expenditures are forecasted based on their respective feasibility studies, planning and budgets. Based on the assumptions of this valuation, capital expenditures include expenditures for the renewal of property, plant and equipment required to guarantee the company's operating capability and the renewal of intangible assets. Based on an analysis of the Target Company's existing property, plant and equipment composition, service age, and operational condition, as well as current technical status and the renewal cycles for both assets and technology, the annual capital expenditure for asset renewal was calculated. This was achieved by applying the valuer's annuity-based renewal funding model while assuming the scale of operations remains constant across the current and forecast periods.

(13) Forecast of incremental working capital

Forecast of working capital (increase in net working capital) is conducted from three aspects. First, the actual amount of working capital as at the valuation benchmark date is analyzed under the existing operating scale. In the analysis, the current assets and liabilities as at the valuation benchmark date will be firstly analyzed, and then non-operating assets, non-operating liabilities and interest-bearing liabilities will be excluded. The difference between the remaining current assets and liabilities after exclusion is the actual working capital as at the valuation benchmark date. Then, the normal and reasonable working capital of the company will be estimated with the basis as follows: ① operating cycle (times/year); ② the amount of funds required for cash payment expenditures within the company's normal operating cycle; ③ the minimum cash holding (including emergency funds). If the estimated reasonable working capital is greater than the actual working capital as at the valuation benchmark date, the difference is the working capital gap as at the valuation benchmark date; if the reasonable working capital is less than the actual working capital as at the valuation benchmark date, the difference is the surplus assets (generally monetary funds). Second, the additional working capital is required due to the expansion of operating scale. Under the assumption of this valuation that the capital turnover times will gradually converge with the industry level, the forecast is made based on the increased cash payment expenditures caused by the expansion of operating scale within the operating cycle. Third, the impact of factors such as the company's commercial credit on incremental working capital is considered.

Based on the operating characteristics of the Target Company and the analysis of future turnover conditions, the occurrence of the minimum cash holding in the current year is related to the estimated cash payment cost amount of the next year. The valuation is based on the historical data provided by the company and the understanding of the company's operating cash holding status to calculate the cash turnover days of the company, and the calculation assumes the required minimum cash holding demand to maintain the normal operation of the company. Annual working capital is calculated based on the annual cash payment cost of the appropriate month, and annual incremental working capital is the difference between the next year and the current year.

(14) Forecast of free cash flows

Based on the forecast values of the above income indicators, the annual free cash flow for each future year can be directly calculated.

Operating free cash flow to firm = profit before interest and tax $\times$ (1 – income tax rate) + depreciation and amortization – capital expenditure – incremental working capital

= revenue – operating costs – business taxes and surcharges – period expenses (sales expenses, administrative expenses, financial expenses) + other income + non-operating income – non-operating expenses – income tax expenses + interest expenses $\times$ (1 – income tax rate) + depreciation and amortization – capital expenditure – incremental working capital

2. *Estimation of the income period*

In this valuation, it is assumed that the enterprise operates as a going concern, the forecast of the Target Company's future earnings is divided into two stages: the first stage spans seven years, from January 2026 to December 2032, representing the Target Company's growth period; the second stage extends from January 2033 into perpetuity, during which the Target Company maintains the level of free cash flow to firm (FCFF) achieved in 2032.

3. *Determination of the discount rate*

According to the principle that the basis of the income amount and the discount rate must be consistent, the measurement of income amount of this valuation is free cash flow to firm, and accordingly, the weighted average cost of capital (WACC) is selected as the discount rate.

Among which, $WACC = Re \times E/(D+E) + Rd \times D/(D+E) \times (1-T)$

Where, Rd – cost of the debt capital of the company;

D/E – the target debt-to-equity ratio of the Target Company estimated based on the target debt-to-equity ratios of comparable companies at market value;

T – income tax rate;

Re – the cost of equity capital.

Among which, the Re formula is CAPM or $Re = R_f + \beta (R_m - R_f) + R_c$
 $= R_f + \beta \times ERP + R_c$

where, Re – the cost of equity capital;

Rf – risk-free rate of return;

β – the enterprise risk coefficient;

Rm – average return on capital market;

ERP – the equity risk premium (Rm – Rf);

Rc – the return on enterprise-specific risks.

(1) Determination of the risk-free rate of return

The yield on treasury bonds is generally considered risk-free, as the risk of non-redemption of treasury bonds upon maturity is minimal. Therefore, it is a common practice in the valuation industry to regard the yield of treasury bonds during the holding period as the risk-free rate of return. Considering that equity investments are generally not short-term investments, Lianhe Zhonghe selected treasury bonds with a remaining maturity of more than 10 years from the valuation benchmark date to the “maturity date of the treasury bond” in China’s bond market as the samples for estimating the yield to maturity rate of treasury bonds. It is calculated that the average yield to maturity rate of treasury bonds that meets the aforesaid sample selection criteria as of the valuation benchmark date is 2.3250%, which is used as the risk-free rate of return in this valuation.

(2) *Estimation of the average return on the capital market and equity risk premium (ERP)*

The return on investments in the stock market is a typical representation of return on the capital market. The rate of risked return in the stock market is the excess over risk-free rate of return that an investor expects from investing in the stock market and can also be considered a typical representation of equity risk premium. The correct estimation of the rate of risked return in the stock market has been the study subject of many stock analysts. For example, a study by Ibbotson Associates in the U.S. found that from 1926 to 1997, the average annual compound rate of return on equity investments in large corporations was 11.0%, exceeding the yield on long-term treasury bonds by approximately 5.8%; the geometric mean of this difference is considered by the industry as the equity risk premium (ERP) for equity investments in mature markets.

Lianhe Zhonghe estimated the return on investment and equity risk premium (hereinafter referred to as ERP) in China's stock market in the following manner by reference to the methodology adopted by relevant U.S. institutions for ERP estimation:

- ① Selection of the index for measuring ERP of the stock market: It is necessary to determine an index that measures the fluctuation of the stock market at first when estimating the return on investment in the stock market. There are numerous indices on the Shanghai and Shenzhen stock exchanges in China at present. The index selected by Lianhe Zhonghe shall be the one that best reflects the changes of mainstream stocks in the market. Lianhe Zhonghe selected the CSI 300 Index as the index to measure the ERP of the stock market when estimating the ERP of China's stock market by reference to the methodology and experience of relevant U.S. institutions that adopt the S&P500 Index when estimating the ERP of the U.S. stock market.
- ② Selection of the index time horizon: It is commonly known that China's stock market was established in the early 1990s. It developed rapidly in the first few years but was not sufficiently regulated until 1996 when it gradually became formalized. In view of the above circumstances, Lianhe Zhonghe adopted 1998 as the starting year for calculating the ERP of China's stock market, in particular, January 1, 1998 to December 31, 2025 was selected as the time interval of the index.

③ Index constituent stocks and data collection: The constituent stocks of the CSI 300 Index vary every year. Therefore, Lianhe Zhonghe adopted the constituent stocks of the CSI 300 Index at the end of each year for estimation. For the period from 1999 to 2003 before the launch of the CSI 300 Index, Lianhe Zhonghe extrapolated the relevant data, which means that, it used the constituent stocks of the CSI 300 Index as of the end of 2004 to extrapolate the data in the aforementioned years, which also means it assumed that the constituent stocks from 1997 to 2003 are identical to those at the end of 2004. In terms of relevant data collection, Lianhe Zhonghe selected the year-end closing trading prices of the constituent stocks as at the end of each year as the underlying data for calculation via the data system of RoyalFlush Information to streamline the ERP calculation process in this valuation. Since the returns of constituent stocks shall include the earnings generated from annual dividends, distributions and bonus shares, the year-end closing prices of constituent stocks adopted by Lianhe Zhonghe are the adjusted year-end closing prices that include the earnings generated from annual dividends, distributions and bonus shares, to fully reflect the annual return of each constituent stock.

④ The market average rate of return is calculated using the long-term geometric average rate of return

Assuming that the geometric average rate of return from year 1 to year i be C_i , then:

$$C_i = \sqrt[i]{\frac{P_i}{P_0}} \quad (i=1,2,3,\dots)$$

Where, P_i – the closing price as at the end of year i (adjusted)

P_0 – the closing price as at the end of the base period 1997 (adjusted)

Based on the principle of investment risk diversification, the calculated return on investments of the geometric average of all constituent stocks of CSI 300 Index for each year is simply averaged to obtain the reference value of the return on investments in the capital market for the year of calculation.

- ⑤ Estimation of risk-free rate of return R_{fi} as at the end of each year of the calculation period: In order to estimate the ERP for each year, it is necessary to estimate the risk-free rate of return R_{fi} as at the end of each year of the calculation period. In this valuation, Lianhe Zhonghe uses the yield to maturity rate (Yield to Maturity Rate) of treasury bonds as the risk-free rate of return; the selection criteria for the sample are the treasury bonds with remaining maturity of more than ten years as at the end of each year, and finally the average of the yield to maturity rate of all selected treasury bonds is used as the risk-free rate of return R_{fi} at the end of each year.

- ⑥ Estimation conclusion

Based on the calculation and analysis with the above estimation model and methodology and after comprehensively considering the forecasted return period and other factors of the project, the expected equity risk premium (ERP) of the project is determined to be 5.89%.

(3) *Estimation of Beta coefficient*

- ① To select reference enterprises comparable to Target Company

Since the Target Company is not yet listed, it is not possible to directly calculate its market value or key parameters such as its risk-return ratio. Lianhe Zhonghe estimates the discount rate of the Target Company by selecting reference enterprises from domestic listed companies and estimating the risk of the “reference enterprises”. The principles for selecting reference enterprises are as follows:

The principal businesses of the reference enterprises are basically similar to that of the Target Company;

The business scale of the reference enterprises should be as close as possible to that of the Target Company;

The operating stage of the reference enterprises is as similar or close as possible to that of the Target Company.

- ② To obtain Beta coefficient with financial leverage of each reference enterprise (calculation period: three years prior to the valuation benchmark date; cycle: week; reference indicator: CSI 300; calculation method of earnings: ordinary yield; exclusion of financial leverage: not excluded) through dedicated data terminals such as the Wind Capital Terminal; at the same time, a T-test was performed, only the original Beta coefficients of reference enterprises that passed the T-test were used as the basis for estimating the Target Company’s Beta coefficient.

- ③ Blume's adjustment model (expected Beta coefficient = original Beta*0.67+0.33) is adopted to adjust the historical Beta of the reference enterprises to the expected Beta coefficient. The financial leverage (D/E) and income tax rate of the reference enterprises as at the valuation benchmark date or the most recent period are adopted to calculate the Beta of the reference enterprises excluding the capital structure. The Beta of the Target Company excluding the capital structure is estimated using the arithmetic average method.
- ④ This valuation uses a free cash flow to firm model, which requires converting the Target Company's Unlevered Beta into a Re-levered Beta that includes the Target Company's own capital structure. Based on the Target Company's operating stage and the characteristics of its industry, the average value of the comparable companies' capital structure is used as the Target Company's target capital structure.

Estimation results based on the above average value of the reference enterprises' capital structure:

D/E is 12.33%

Beta of the Target Company with financial leverage = average Beta of the comparable companies excluding capital structure factors $\times (1 + D/E \times (1 - \text{income tax rate}))$

Then Beta of the Target Company with financial leverage for 2026–2027 = 1.0614

Then Beta of the Target Company with financial leverage for 2028 to permanent = 1.0734

(4) *Estimation of the specific risk return (Rc) of the Target Company*

Based on the analysis, the enterprise-specific risk adjustment coefficient reflects the difference of advantages and disadvantages between the enterprise to be valued and the selected comparable listed companies in terms of operating risk, management capability, financial risk, etc. Each risk is described as follows:

The capital asset pricing model is used to estimate the portfolio return of an investment portfolio. It is generally accepted that the investment risk of a single company is higher than that of an investment portfolio. Therefore, when considering the investment return of a single company or stock, the excess return generated by the company's specific risk should be considered.

Since the companies selected for calculating the risk coefficient are listed companies, the corresponding securities or capital can be traded in the capital market. The assets within the scope of this valuation, however, are unlisted assets, and compared with comparable listed companies, the equity risk of such assets is greater than that of comparable listed companies.

Based on the above factors, the enterprise-specific risk adjustment coefficient is taken as 1% in this valuation

(5) *Estimation of the cost of equity (Re) (equity return CAPM) of the Target Company*

2026–2027 Re (CAPM) of the Target Company = $R_f + \beta \times ERP + R_s = 9.82\%$

2028 – Perpetual period Re (CAPM) of the Target Company = $R_f + \beta \times ERP + R_s = 9.89\%$

(6) *Estimation of cost of debt capital (Rd)*

At present, the cost of debt capital is generally estimated by reference to bank loan interest rates. From the perspective of creditors, return is proportional to risk, so an ideal debt return portfolio should maintain balance between both, that is, the average rate of return. In light of the Target Company's own borrowing rate and the current LPR, the one-year LPR of 3.0% is adopted as the cost of debt capital for this valuation.

(7) *Estimation of weighted average cost of capital (WACC)*

2026–2027 WACC of the Target Company = $Re \times E/(D+E) + Rd \times (1-T) \times D/(D+E) = 8.99\%$

2028 – Perpetual period WACC of the Target Company = $Re \times E/(D+E) + Rd \times (1-T) \times D/(D+E) = 9.08\%$

(II) Valuation Result

1. *Discounted value of the free cash flow to firm*

Based on the calculation, the discounted value of the free cash flow to firm is RMB523.72 million.

2. *Non-operating assets*

Non-operating assets refer to assets that are not directly related to the income from a company's operating activities and the value of which is not included in the income approach conclusion. Such assets generate no profits, and will increase the asset scale and reduce the company's profit margin. They generally include receivables unrelated to the main business, idle assets, etc. Based on the analysis, as of the valuation benchmark date, the appraised value of the non-operating assets of the Target Company was RMB504.9329 million.

3. *Non-operating liabilities*

Based on the analysis, as of the valuation benchmark date, the non-operating liabilities of the Target Company included payables for the procurement of equipment and software of RMB127.2056 million.

4. *Surplus assets*

Surplus assets refer to redundant assets that are not directly related to a company's operations and exceed its operating requirements. In this valuation, they are identified as surplus monetary funds. The surplus assets of the Target Company amounted to RMB776.6456 million as of the valuation benchmark date.

5. *Interest-bearing liabilities*

As of the valuation benchmark date, the interest-bearing liabilities of the Target Company included short-term borrowings, long-term borrowings due within one year and long-term borrowings, totaling RMB386.967 million.

6. *Total shareholders' equity value*

Based on the calculation, total shareholders' equity value = present value of free cash flow to firm + non-operating assets – non-operating liabilities + surplus assets – interest-bearing liabilities as of the base date

$$= 523,720,000 + 504,932,900 - 127,205,600 + 776,645,600 - 386,967,000$$

= RMB1,291.0000 million (rounded).

In summary, the total shareholders' equity value of the Target Company determined by the income approach is RMB1,291,000,000.

APPENDIX II SUMMARY OF THE HEFEI JINGWEI ASSET VALUATION REPORT

I. KEY VALUATION ASSUMPTIONS

(I) Valuation Premise

This valuation is premised on the assumption that the enterprise is a going concern and that Hefei Jingwei will be traded in an open market, is in a state of use and will continue to be used.

(II) Basic Assumptions

1. It is assumed that all documents and materials provided by the Company and Hefei Jingwei are true, valid and accurate.
2. It is assumed that there are no material changes in the national macroeconomic policies and the social and economic environment of the region where the enterprise is located.
3. It is assumed that the accounting policies adopted by Hefei Jingwei after the valuation benchmark date are consistent in all material respects with those adopted as at the valuation benchmark date.
4. It is assumed that there are no material changes in the tax policies, credit interest rates, exchange rates and other factors on which the valuation is based that would be sufficient to affect the valuation conclusion.
5. It is assumed that no consideration has been given to the impact of natural forces or other force majeure factors, nor to the potential impact of special transaction methods on the valuation conclusion.
6. Except for matters already known and disclosed, it is assumed that there are no other undiscovered off-balance-sheet assets and liabilities, mortgages or guarantees, or material subsequent events, and that Hefei Jingwei has legal rights to the assets included in the valuation scope.

(III) Specific Assumptions

Specific assumption of the asset-based approach: The valuation conclusion is based on the assumption that the market value of the assets included in the valuation scope will be reflected on the valuation benchmark date (i.e. June 30, 2026) under the condition that the current scale and current use remain unchanged.

II. ASSET-BASED APPROACH

According to the Hefei Jingwei Asset Valuation Report, Tongzhi Xinde performed a valuation on the balance sheet of Hefei Jingwei as at the valuation benchmark date (i.e. June 30, 2026), covering all on-balance-sheet and identifiable off-balance-sheet assets and liabilities, to determine the appraised value of the total equity attributable to the shareholders of Hefei Jingwei. As at the valuation benchmark date, the assets of Hefei Jingwei mainly comprised machinery and equipment under property, plant and equipment, construction in progress and purchased intangible assets, with no liabilities recorded.

(I) Property, Plant and Equipment

The carrying amount of the property, plant and equipment included in the valuation scope was RMB709,164,600, and the appraised value was RMB702,776,300, representing a depreciation of RMB6,388,300, or a depreciation rate of 0.90%.

For machinery and equipment, electronic and other equipment, the appraisal institution adopted the replacement cost method, determining the appraised value based on the formula “appraised value = replacement cost × newness rate.” The newness rate reflects the ratio of the current value of Hefei Jingwei to its replacement cost in brand-new state, and takes into account factors such as the number of years the equipment has been in use, its economic life, on-site inspection, technical condition, and maintenance and repair.

The main reason for the valuation impairment of equipment under property, plant and equipment is that their carrying amount represents the appraised value recorded in March 2026, whereas the valuation benchmark date of this valuation is June 2026. The remaining useful life of the equipment has changed to some extent, thus resulting in a certain degree of impairment in the equipment valuation.

(II) Construction in Progress

The carrying amount of construction in progress included in the valuation scope was RMB193,950,200, and the appraised value was RMB194,670,600, representing an appreciation of RMB720,400, or an appreciation rate of 0.37%.

The valuer, together with relevant personnel of the enterprise, verified the contracts, payment invoices and accounting vouchers relating to the construction in progress, and checked the construction progress; for this valuation, the appraised value was determined after accruing the cost of funds based on the Loan Prime Rate (LPR) as at the valuation benchmark date.

The main reason for the appreciation in the valuation of construction in progress is that the valuation took into account the costs of funds of the construction in progress from the commencement date to the valuation benchmark date, resulting in a certain degree of appreciation.

(III) Intangible Assets

The carrying amount of intangible assets included in the valuation scope was RMB14,602,900, and the appraised value was RMB10,806,400, representing an impairment of RMB3,796,500, or a depreciation rate of 26.00%.

The intangible assets are software licenses for production and office use purchased by Hefei Jingwei. The valuer collected the relevant contracts and examined the original vouchers, and verified the ownership, purchase date, original recorded value and carrying amount of the software. Upon verification, such software is currently in normal use, but will require repurchase upon expiry. Therefore, for this valuation, the appraised value was determined based on the value of the remaining useful life after verification.

The main reason for the impairment in the valuation of intangible assets is that its carrying amount represents the appraised value recorded in March 2026, whereas the valuation benchmark date of this valuation is June 2026. In addition, the intangible assets are software licenses and the remaining useful life has changed to some extent, resulting in a certain degree of impairment in the valuation.

Based on the above valuation methodology, the carrying amounts and appraised values of each category of assets and liabilities of Hefei Jingwei as at the valuation benchmark date are set out below:

Items	Carrying amount (RMB'0,000)	Appraised value (RMB'0,000)	Appreciation or depreciation (RMB'0,000)	Appreciation rate
Current assets	–	–	–	–
Non-current assets	91,771.77	90,825.33	–946.44	–1.03%
Including: Property, plant and equipment	70,916.46	70,277.63	–638.83	–0.90%
Construction in progress	19,395.02	19,467.06	72.04	0.37%
Intangible assets	1,460.29	1,080.64	–379.65	–26.00%
Total assets	91,771.77	90,825.33	–946.44	–1.03%
Total liabilities	–	–	–	–
Owner's equity	91,771.77	90,825.33	–946.44	–1.03%

Therefore, as at the valuation benchmark date, the carrying amount of the total equity attributable to the shareholders of Hefei Jingwei was RMB917,717,700, and the appraised value was RMB908,253,300, representing a depreciation of RMB9,464,400, or a depreciation rate of 1.03%.