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HUA HONG SEMICONDUCTOR LIMITED

華虹半導體有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1347)

INSIDE INFORMATION PROPOSED ISSUE OF RMB SHARES AND LISTING IN THE PRC

This announcement is made by the Company pursuant to Rule 13.09(2) of the Hong Kong Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company is pleased to announce that on 21 March 2022, the Board has approved a preliminary proposal for the possible issue of RMB Shares and listing of such RMB Shares on the STAR Market. The Proposed RMB Share Issue shall be conditional upon and subject to, among other things, the satisfaction by the Company of the relevant listing requirements of the STAR Market, market conditions, the approval of the Shareholders at the general meeting of the Company and the necessary Regulatory Approvals.

The preliminary plan of the Proposed RMB Share Issue is detailed as follows:

Nature of RMB Shares

Ordinary shares to be subscribed for in RMB by the target subscribers, to be listed on the STAR Market and traded in RMB, forming the same class of ordinary shares as the Hong Kong Shares.

The RMB Shares do not have a par value pursuant to section 135 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Size of the Proposed
RMB Share Issue

The RMB Shares to be issued (including the RMB Shares to be issued pursuant to the exercise of an over-allotment option, if any) under the Proposed RMB Share Issue shall not exceed 25% of the Company's issued share capital as enlarged by the issue and allotment of the RMB Shares contemplated under the Proposed RMB Share Issue, subject to market conditions at the relevant time.

The Proposed RMB Share Issue will be conducted wholly by way of issuing new Shares.

The final number of RMB Shares to be issued and matters in relation to over-allotment will be determined according to market conditions and communications with relevant regulatory authorities.

Preliminary use of proceeds

After deducting the issuance expenses, the proceeds of the Proposed RMB Share Issue are currently intended to be used for business development for the Company's principal business and general working capital.

Place of listing of RMB Shares

The STAR Market of the SSE

Share registers

The RMB Shares will be registered on a separate share register kept in the PRC (the "**PRC Register**") and managed by the share registrar of the RMB Shares for the Company. The RMB Shares will not be registered on the existing share register of the Company maintained in Hong Kong (the "**Hong Kong Register**").

Due to the current restrictions under laws, rules and regulations in the PRC, no movement of Shares will be allowed between the Hong Kong Register and the PRC Register.

RMB Shares cannot be moved outside of the PRC or to the Hong Kong Register

The RMB Shares are subscribed and traded in RMB and issued to investors in the PRC solely for trading on the SSE. The RMB Shares will not be able to be moved to outside of the PRC for trading in Hong Kong or to the Hong Kong Register.

Non-fungibility between the RMB Shares and the Hong Kong Shares

The RMB Shares and the Hong Kong Shares will not be fungible.

As at the date of this announcement, save and except for the information disclosed herein, the Board does not have other plans in relation to the Proposed RMB Share Issue, and has not made any listing application to the relevant regulatory authorities in the PRC in respect of the Proposed RMB Share Issue.

Shareholders and potential investors should note that the concrete plan of the Proposed RMB Share Issue shall be subject to the further approval of the Board and the general meeting of the Company, as well as Regulatory Approvals. As such, the Proposed RMB Share Issue may or may not proceed. Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed RMB Share Issue will materialise or as to when it may materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Share(s).

Further announcement(s) will be made by the Company in accordance with the Hong Kong Listing Rules and other applicable laws and regulations of any material updates and progress in connection with the Proposed RMB Share Issue as and when appropriate. This announcement is for information purposes only and does not and is not intended to constitute any invitation or offer to acquire, purchase or subscribe for the Share(s).

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“Board”	the board of Directors of the Company
“Company”	Hua Hong Semiconductor Limited, a company incorporated in Hong Kong with limited liability on 21 January 2005, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“CSDC”	China Securities Depository and Clearing Corporation Limited
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Hong Kong Shares”	the existing ordinary Shares which are listed on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Proposed RMB Share Issue”	the Company’s proposed issue of RMB Shares which will be listed on the STAR Market
“Regulatory Approvals”	the approvals, waivers or decisions from the relevant regulatory authorities and governmental departments in the PRC and Hong Kong (including but not limited to the CSRC, the Hong Kong Stock Exchange, the SSE and the CSDC)
“RMB”	Renminbi, the lawful currency of the PRC
“RMB Shares”	the ordinary Shares to be subscribed for in RMB by target subscriber(s) in the PRC, to be listed on the STAR Market and traded in RMB

“Shareholders”	holders of Shares
“Shares”	shares of the Company
“SSE”	the Shanghai Stock Exchange
“STAR Market”	the Science and Technology Innovation Board of the SSE
“%”	per cent

By order of the Board
Hua Hong Semiconductor Limited
Mr. Suxin Zhang
Chairman and Executive Director

Shanghai, 21 March 2022

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

Executive Directors:

Suxin Zhang (*Chairman*)

Junjun Tang (*President*)

Non-Executive Directors:

Guodong Sun

Jing Wang

Jun Ye

Independent Non-Executive Directors:

Stephen Tso Tung Chang

Kwai Huen Wong, JP

Long Fei Ye