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HG SEMICONDUCTOR LIMITED

宏光半導體有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6908)

**RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY FOUR (4) SHARES
HELD ON THE RECORD DATE**

Reference is made to the prospectus (the “**Prospectus**”) of HG Semiconductor Limited (the “**Company**”) dated 31 December 2024 and the announcement (the “**Announcement**”) of the Company dated 22 January 2025 in relation to, among others, the Rights Issue on the basis of one (1) Rights Share for every four (4) Shares held on the Record Date and the Change in Board Lot Size. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Prospectus and the Announcement.

RESULTS OF THE RIGHTS ISSUE AND THE COMPENSATORY ARRANGEMENTS

As disclosed in the Announcement, as at 4:00 p.m. on Wednesday, 15 January 2025, being the Latest Time for Acceptance, a total of 3 valid applications and acceptances under the PAL had been received for a total of 140,332,194 Rights Shares, representing approximately 74.74% of the Offered Shares provisionally allotted under the Rights Issue. The remaining 47,431,502 Unsubscribed Rights Shares, representing approximately 25.26% of the Offered Shares, will be subject to the Compensatory Arrangements.

The Board wishes to announce that, as at 6:00 p.m. on Tuesday, 4 February 2025, being the latest time for placing the Unsubscribed Rights Shares by the Placing Agent, 47,431,502 Unsubscribed Rights Shares were successfully placed to 14 independent placees at the Placing Price of HK\$0.48 per Unsubscribed Rights Share, which is equal to the Subscription Price, under the Placing. Therefore, there is no Net Gain available to be distributed to the No Action Shareholders under the Compensatory Arrangements.

Based on the acceptance results of the Rights Issue and the placing results of the Compensatory Arrangements, the Rights Shares (including the Unsubscribed Rights Shares) to be allotted and issued amounted to 187,763,696 Rights Shares, representing 100% of the total number of Offered Shares.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Placees and its ultimate beneficial owner(s) is an Independent Third Party and that the voting rights of the Company of each of the Placees will not, together with its associates, be at such level that prevents the Company from fulfilling the public float requirements under Rule 8.08 of the Listing Rules; and each of the Placees will not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 30.00% or more of the voting rights of the Company upon completion of the Rights Issue or otherwise trigger any obligation to make a general offer for Shares under the Takeovers Code upon completion of the Rights Issue. As all the conditions with respect to the Rights Issue as set out in the Prospectus have been fulfilled, the Rights Issue became unconditional on Wednesday, 5 February 2025.

The gross proceeds raised from the Rights Issue (including the Compensatory Arrangements) are approximately HK\$90.1 million, and the net proceeds (after deducting all relevant expenses) from the Rights Issue are approximately HK\$87.8 million. The net proceeds from the Rights Issue will be applied in accordance with the proposed use of proceeds set forth in the section headed "LETTER FROM THE BOARD — REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" in the Prospectus.

EFFECTS OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the information available to the Company and to the best of the Director's knowledge, information and belief after having made all reasonable enquiries, the table below sets out the shareholding structure of the Company immediately before and after completion of the Rights Issue (the "Completion"):

Name of Shareholders	Immediately before the Completion		Immediately after the Completion	
	Number of Shares	%	Number of Shares	%
Jovial Star International Limited (<i>Note 1</i>)	129,453,785	17.24	161,817,231	17.24
Wide Yield Investment Holding Limited (<i>Note 2</i>)	100,500,000	13.38	100,500,000	10.70
Zhao Yi Wen (<i>Note 3</i>)	<u>33,375,000</u>	<u>4.44</u>	<u>38,750,000</u>	<u>4.13</u>
Sub-total	263,328,785	35.06	301,067,231	32.07
Placees	—	—	47,431,502	5.05
Other public Shareholders	<u>487,726,000</u>	<u>64.94</u>	<u>590,319,748</u>	<u>62.88</u>
Total	<u><u>751,054,785</u></u>	<u><u>100.00</u></u>	<u><u>938,818,481</u></u>	<u><u>100.00</u></u>

Notes:

1. Jovial Star International Limited is a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Zhan Haisu.
2. Wide Yield Investment Holding Limited is wholly owned by Ms. Qin Anqi, and therefore Ms. Qin Anqi is deemed to be interested in the 100,500,000 Shares held by Wide Yield Investment Holding Limited under the SFO.
3. Immediately before the Completion, the 33,375,000 Shares in which Mr. Zhao Yi Wen (“**Mr. Zhao**”) was interested included 21,500,000 Shares held by First Global Limited (“**First Global**”), a company wholly owned by Mr. Zhao Yi Wen, in which Mr. Zhao Yi Wen is deemed to be interested under the SFO. Immediately after the Completion, the 38,750,000 Shares in which Mr. Zhao is interested includes 26,875,000 Shares held by First Global.

DESPATCH OF SHARE CERTIFICATES FOR RIGHTS SHARES

Share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risks on Friday, 7 February 2025.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 10 February 2025.

By order of the Board
HG Semiconductor Limited
Dr. Xu Zhihong
Chairman and Executive Director

Hong Kong, 6 February 2025

As at the date of this announcement, the executive Directors are Dr. Xu Zhihong, Mr. Zhao Yi Wen, and Mr. Li Yang; and the independent non-executive Directors are Mr. Zou Haiyan, Mr. Siu Miu Man, Simon, MH. and Ms. Liu Wanwen.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.