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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)

COMPLETION OF DUE DILIGENCE EXAMINATIONS IN RELATION TO ISSUE OF NEW SHARES AND UNLISTED WARRANTS UNDER SPECIFIC MANDATE

Reference is made to the announcement of HG Semiconductor Limited (the “**Company**”) dated 5 August 2022 in relation to, amongst other matters, the proposed Shares Subscription and the Warrants Subscription (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF DUE DILIGENCE EXAMINATIONS

Pursuant to the Investment Agreement, the Company and the Investor have agreed that the Investor will conduct the due diligence examinations on the Company regarding its business, financial, and legal aspects etc. (the “**DD examinations**”) within 45 days commencing on the date of the Investment Agreement. If the results of the DD examinations is to the satisfaction of the Investor, the Investor (through his designated beneficially owned entity, Profit Act Limited) will participate in the Shares Subscription and the Warrants Subscription.

The Board is pleased to announce that the DD examinations has been completed to the satisfaction of the Investor. Therefore, the Company and the Investor are currently in the process of finalising the Formal Subscription Agreement according to the Investment Agreement, with an aim of fulfilling all the conditions precedent and complete the Shares Subscription and the Warrants Subscription within 4 months from the date of the Investment Agreement.

In the event that the Shares Subscription and the Warrants Subscription are materialised, and the Formal Subscription Agreement is entered into between the Company and the Investor, further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

As the Shares Subscription and the Warrants Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
HG Semiconductor Limited
Zhao Yi Wen
Chairman and Executive Director

Hong Kong, 26 September 2022

As at the date of this announcement, the executive Directors are Mr. Zhao Yi Wen, Mr. Lyu Xiangrong, Mr. Leung Kin Pang and Ms. Liu Yang; the non-executive Directors are Dr. Wang David Nin-kou and Mr. Wang Jie Chuan; and the independent non-executive Directors are Professor Chow Wai Shing, Tommy, Mr. Wu Wing Kuen, B.B.S., Mr. Chan Chung Kik, Lewis and Mr. Li Yang.

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