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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)

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER AND DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement dated 3 January 2018 issued by Hua Hong Semiconductor Limited (the “**Company**”) in relation to, amongst other things, the major and connected transactions in relation to (i) the Subscription Agreement, (ii) the JV Agreement and (iii) the Capital Increase Agreement (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Company is pleased to announce that Somerley Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Proposed Transaction. The appointment has been approved by the Independent Board Committee pursuant to the Listing Rules. The letter of advice from Somerley Capital Limited will be included in the circular to be despatched to the Shareholders.

Separately, as disclosed in the Announcement, a circular containing, amongst other things, (i) details concerning the Subscription Agreement, the JV Agreement and the Capital Increase Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders, together with, (iv) a notice convening the EGM will be dispatched to the Shareholders. As more time is required to finalise certain information for inclusion in the circular, the date of despatch of the circular is expected to be on or before 2 February 2018.

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

Hong Kong, 24 January 2018

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

Executive Directors

Suxin Zhang (*Chairman*)

Yu Wang (*President*)

Non-executive Directors

Jianbo Chen

Yuchuan Ma

Takayuki Morita

Jun Ye

Independent Non-executive Directors

Stephen Tso Tung Chang

Kwai Huen Wong, JP

Long Fei Ye