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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 (01347)

## News Release

### Reports 2024 Fourth Quarter Results

*All currency figures in this report are in US Dollars unless indicated otherwise.  
The consolidated financial statements are prepared in accordance with HKFRS.*

Hong Kong Special Administrative Region of the People's Republic of China –February 13, 2025.

Hua Hong Semiconductor Limited (SEHK: 01347; SSE STAR MARKET: 688347) (the "Company"), a global, leading pure-play foundry, today announced its consolidated operational results for the quarter ending December 31, 2024.

#### Fourth Quarter 2024 Highlights (Unaudited)

- Revenue was US\$539.2 million, 18.4% over 4Q 2023 and 2.4% above 3Q 2024.
- Gross margin was 11.4%, 7.4 percentage points over 4Q 2023 and 0.8 percentage points lower than 3Q 2024.
- Net loss attributable to shareholders of the parent company was US\$25.2 million, compared to net profit attributable to shareholders of the parent company of US\$35.4 million in 4Q 2023 and US\$44.8 million in 3Q 2024, primarily due to foreign exchange losses in the period versus foreign exchange gains in previous periods.

#### First Quarter 2025 Guidance

- We expect revenue to be approximately US\$530 million to US\$550 million.
- We expect gross margin to be in the range of 9% to 11%.

## President's Message

Dr. Peng Bai, President and Executive Director of the Company, commented on the fourth quarter and full year 2024 results:

“It is a great honor for me to represent Hua Hong Semiconductor in our earnings release for the first time. The company reported fourth quarter 2024 revenue of US\$539 million with a gross margin of 11.4%, both in line with our guidance. For the full year, we achieved sales revenue of US\$2,004 million, with a gross margin of 10.2%.”

“For Hua Hong Semiconductor, 2024 was a year with both challenges and opportunities. Market demand was complex and varying. Recovery in the consumer field and rapid growth of some emerging application markets drove good performance for the company's image sensor and power management platforms. However, demand for mid-to-high-end power devices needs improvement. Facing fierce market competition, the company maintained stable revenue and production volume. A quarter by quarter improvement trend in overall performance was achieved. Average capacity utilization rate throughout the year was approaching 100%, which was at a leading level for global wafer foundry enterprises.”

President Bai continued, "The year 2024 was also pivotal for building on past achievements and forging ahead. Successful construction and commencement of operations in our second 12-inch production line in Wuxi represents a significant milestone on the company's strategic development path. In 2025, Hua Hong Semiconductor will intensify R&D investments centered on new process platforms and iteration of each platform, expand capacity of the new production line, continue to foster strategic cooperation with key domestic and international customers, focus on evolving demands of critical emerging industries, and further solidify our leading position in the specialty process wafer foundry sector. Concurrently, the company will enhance efficiency and cost reduction efforts, thereby creating greater value for our shareholders.”

## Webcast/Conference Call Announcement

**Date:** Thursday, February 13, 2025

**Time:** 17:00 Hong Kong/Shanghai Time  
04:00 EST

**Presenters:** Dr. Peng Bai, President and Executive Director  
Mr. Daniel Wang, Executive Vice President and Chief Financial Officer

**Webcast:** The call will be webcast live with audio and slides at:  
[https://www.huahonggrace.com/html/ir\\_calendar.php](https://www.huahonggrace.com/html/ir_calendar.php) or  
<https://edge.media-server.com/mmc/p/hgm38253>

(Note: registration is required to access the webcast.)

**Dial-in Details:** Please register in advance of the conference using the link provided below. Upon registering, you will be provided with participant dial-in numbers and personal PIN.

<https://register.vevent.com/register/Blb57631fcc7794af1af448487dae1e61e>

**Important Note:** Before the meeting starts, you will need the personal PIN to join the call. Please check and save the confirmation email after registering. For security reasons, please do not share your personal PIN with anyone else.

**Replay:** A recording will be available for replay at the below website about 2 hours after the event and will be available for 12 months.

[https://www.huahonggrace.com/html/ir\\_calendar.php](https://www.huahonggrace.com/html/ir_calendar.php)

## About the Company

Hua Hong Semiconductor Limited (Stock Code: 688347.SH/ 01347.HK) (the "Company") is a global leading pure-play foundry with specialty technologies which offers a diverse array of wafer foundry and supporting services to its customers, implementing "8-inch + 12-inch" and advanced "Specialty IC + Power Discrete" development strategies. The Company focuses on continuous innovation of specialty technologies, including embedded/standalone non-volatile memory (NVM), power discrete, analog & power management, and logic & RF, supporting applications in emerging areas, such as new energy vehicles, green energy, and the Internet of Things. Of special note is the Company's outstanding quality control system that satisfies the strict requirements of automotive chip manufacturing. The Company is a member of the Hua Hong Group, which is an industrial group in China that owns mainstream "8-inch + 12-inch" advanced IC manufacturing process technologies.

The Company operates three 8-inch wafer fabrication facilities in Shanghai Jinqiao and Shanghai Zhangjiang. In addition, the Company has built two global leading 12-inch wafer fabrication facilities devoted to specialty processes in Wuxi National Hi-Tech District, one of which is the world's first 12-inch power semiconductor foundry.

For more information, please visit: [www.huahonggrace.com](http://www.huahonggrace.com).

**Summary of Operating Results**  
(Amounts in US\$ thousands, except for EPS and operating data)

	4Q 2024 (Unaudited)	4Q 2023 (Unaudited)	3Q 2024 (Unaudited)	YoY Change	QoQ Change
Revenue	539,177	455,361	526,306	18.4 %	2.4 %
<b>Gross profit</b>	<b>61,426</b>	<b>18,220</b>	<b>64,007</b>	<b>237.1 %</b>	<b>(4.0)%</b>
<b>Gross margin</b>	<b>11.4 %</b>	<b>4.0 %</b>	<b>12.2 %</b>	<b>7.4</b>	<b>(0.8)</b>
Operating expenses	(110,626)	(95,063)	(81,430)	16.4 %	35.9 %
Other (loss) / income net	(40,468)	87,600	51,797	(146.2)%	(178.1)%
<b>(Loss) / profit before tax</b>	<b>(89,668)</b>	<b>10,757</b>	<b>34,374</b>	<b>(933.6)%</b>	<b>(360.9)%</b>
Income tax expense	(6,596)	(7,210)	(11,461)	(8.5)%	(42.4)%
<b>(Loss) / profit for the period</b>	<b>(96,264)</b>	<b>3,547</b>	<b>22,913</b>	<b>(2,814.0)%</b>	<b>(520.1)%</b>
<b>Net profit margin</b>	<b>(17.9)%</b>	<b>0.8 %</b>	<b>4.4 %</b>	<b>(18.7)</b>	<b>(22.3)</b>
Attributable to:					
Owners of the parent	(25,199)	35,386	44,816	(171.2)%	(156.2)%
Non-controlling interests	(71,065)	(31,839)	(21,903)	123.2 %	224.5 %
Earnings per share attributable to owners of the parent					
Basic	(0.015)	0.021	0.026	(171.4)%	(157.7)%
Diluted	(0.015)	0.021	0.026	(171.4)%	(157.7)%
Wafers shipped (in thousands 8" equivalent wafers)	1,213	951	1,200	27.5 %	1.1 %
Capacity utilization <sup>1</sup>	103.2 %	84.1 %	105.3 %	19.1	(2.1)
ROE <sup>2</sup>	(1.6)%	2.4 %	2.8 %	(4.0)	(4.4)

#### **Fourth Quarter 2024**

- Revenue was US\$539.2 million, 18.4% over 4Q 2023, primarily driven by increased wafer shipments, partially offset by decreased average selling price, and 2.4% above 3Q 2024, mainly driven by improved average selling price and increased wafer shipments.
- Gross margin was 11.4%, 7.4 percentage points over 4Q 2023, primarily driven by improved capacity utilization, and 0.8 percentage points lower than 3Q 2024.
- Operating expenses were US\$110.6 million, 16.4% and 35.9% over 4Q 2023 and 3Q 2024, primarily due to increased engineering wafer costs and increased new fab start-up-costs.
- Other loss net was US\$40.5 million, compared to other income net of US\$87.6 million in 4Q 2023 and other income net of US\$51.8 million in 3Q 2024, primarily due to foreign exchange losses versus foreign exchange gains in 4Q 2023 and 3Q 2024, and decreased government subsidies.
- Income tax expense was US\$6.6 million, 8.5% lower than 4Q 2023 and 42.4% lower than 3Q 2024.
- Net loss for the period was US\$96.3 million, compared to a profit of US\$3.5 million in 4Q 2023 and US\$22.9 million in 3Q 2024.
- Net loss attributable to shareholders of the parent company was US\$25.2 million, compared to net profit attributable to shareholders of the parent company of US\$35.4 million in 4Q 2023 and US\$44.8 million in 3Q 2024.
- Basic earnings per share was US\$-0.015, compared to US\$0.021 in 4Q 2023 and US\$0.026 in 3Q 2024.
- ROE (annualized) was -1.6%, 4.0 and 4.4 percentage points lower than 4Q 2023 and 3Q 2024 respectively.

<sup>1</sup>The capacity utilization is calculated based on average monthly equivalent wafers output divided by total estimated monthly capacity.

<sup>2</sup>Profit attributable to owners of the parent / weighted average net assets attributable to owners of the parent.

**Summary of Operating Results**  
(Amounts in US\$ thousands, except for EPS and operating data)

	2024 (Unaudited)	2023 (Audited)	YoY Change
Revenue	2,003,993	2,286,113	(12.3)%
<b>Gross profit</b>	<b>205,128</b>	<b>487,096</b>	<b>(57.9)%</b>
<b>Gross margin</b>	<b>10.2%</b>	<b>21.3%</b>	<b>(11.1)</b>
Operating expenses	(360,904)	(333,057)	8.4 %
Other income net	21,984	19,540	12.5 %
<b>(Loss) / profit before tax</b>	<b>(133,792)</b>	<b>173,579</b>	<b>(177.1)%</b>
Income tax expense	(6,593)	(47,154)	(86.0)%
<b>(Loss) / profit for the year</b>	<b>(140,385)</b>	<b>126,425</b>	<b>(211.0)%</b>
<b>Net profit margin</b>	<b>(7.0)%</b>	<b>5.5 %</b>	<b>(12.5)</b>
Attributable to:			
Owners of the parent	58,108	280,034	(79.2)%
Non-controlling interests	(198,493)	(153,609)	29.2 %
Earnings per share attributable to owners of the parent			
Basic	0.034	0.189	(82.0)%
Diluted	0.034	0.188	(81.9)%
Wafers shipped (in thousands 8" equivalent wafers)	4,545	4,103	10.8 %
Capacity utilization	99.5 %	94.3 %	5.2
ROE	0.9 %	6.3 %	(5.4)

**Full Year 2024**

- Revenue was US\$2,004.0 million, 12.3% lower than the prior year, primarily due to decreased average selling price, partially offset by increased wafer shipments.
- Gross margin was 10.2%, 11.1 percentage points lower than 2023, mainly due to decreased average selling price and increased depreciation costs.
- Operating expenses were US\$360.9 million, 8.4% over 2023, largely due to increased research and development expenses and increased new fab start-up-costs.
- Other income net was US\$22.0 million, 12.5% above 2023, primarily due to increased interest income, partially offset by decreased government subsidies.
- Net loss was US\$140.4 million, compared to a net profit of US\$126.4 million in 2023.
- Net profit attributable to shareholders of the parent company was US\$58.1 million, compared to US\$280.0 million in 2023.
- Basic earnings per share was US\$0.034, compared to US\$0.189 in 2023.
- ROE was 0.9%, compared to 6.3% in 2023.

#### Analysis of Revenue

Revenue by service type	4Q 2024 US\$000 (Unaudited)	4Q 2024 % (Unaudited)	4Q 2023 US\$000 (Unaudited)	4Q 2023 % (Unaudited)	YoY Change US\$000	YoY Change %
Wafers	512,677	95.1 %	436,375	95.8 %	76,302	17.5 %
Others	26,500	4.9 %	18,986	4.2 %	7,514	39.6 %
<b>Total revenue</b>	<b>539,177</b>	<b>100.0 %</b>	<b>455,361</b>	<b>100.0 %</b>	<b>83,816</b>	<b>18.4 %</b>

- 95.1% of total revenue was derived from the sale of semiconductor wafers in 4Q 2024.

#### Analysis of Revenue

Revenue by wafer size	4Q 2024 US\$000 (Unaudited)	4Q 2024 % (Unaudited)	4Q 2023 US\$000 (Unaudited)	4Q 2023 % (Unaudited)	YoY Change US\$000	YoY Change %
8" wafers	252,234	46.8 %	250,743	55.1 %	1,491	0.6 %
12" wafers	286,943	53.2 %	204,618	44.9 %	82,325	40.2 %
<b>Total revenue</b>	<b>539,177</b>	<b>100.0 %</b>	<b>455,361</b>	<b>100.0 %</b>	<b>83,816</b>	<b>18.4 %</b>

- Revenues from 8" wafers and 12" wafers were US\$252.2 million and US\$286.9 million, respectively, in 4Q 2024.

### Analysis of Revenue

Revenue by geography	4Q 2024 US\$000 (Unaudited)	4Q 2024 % (Unaudited)	4Q 2023 US\$000 (Unaudited)	4Q 2023 % (Unaudited)	YoY Change US\$000	YoY Change %
China <sup>3</sup>	450,782	83.7 %	366,508	80.5 %	84,274	23.0 %
North America <sup>4</sup>	48,120	8.9 %	36,811	8.1 %	11,309	30.7 %
Asia <sup>5</sup>	23,878	4.4 %	30,176	6.6 %	(6,298)	(20.9)%
Europe	14,258	2.6 %	18,475	4.1 %	(4,217)	(22.8)%
Japan <sup>6</sup>	2,139	0.4 %	3,391	0.7 %	(1,252)	(36.9)%
<b>Total revenue</b>	<b>539,177</b>	<b>100.0 %</b>	<b>455,361</b>	<b>100.0 %</b>	<b>83,816</b>	<b>18.4 %</b>

- *Revenue from China* was US\$450.8 million, contributing 83.7% of total revenue and an increase of 23.0% compared to 4Q 2023, mainly driven by increased demand for flash, MCU, super junction, logic and general MOSFET products.
- *Revenue from North America* was US\$48.1 million, an increase of 30.7% compared to 4Q 2023, mainly driven by increased demand for other PMICs.
- *Revenue from Asia* was US\$23.9 million, a decrease of 20.9% compared to 4Q 2023, mainly due to decreased demand for super junction, logic, and general MOSFET products.
- *Revenue from Europe* was US\$14.3 million, a decrease of 22.8% compared to 4Q 2023, mainly due to decreased demand for general MOSFET.
- *Revenue from Japan* was US\$2.1 million, a decrease of 36.9% compared to 4Q 2023, primarily due to decreased demand for super junction products.

<sup>3</sup>Includes Chinese Mainland and Hong Kong.

<sup>4</sup>Includes a major customer in US that was acquired by an Europe headquartered company in 2020.

<sup>5</sup>Excludes China and Japan.

<sup>6</sup>Includes a major customer in Japan that was acquired by a U.S. headquartered company in 2013.

### Analysis of Revenue

Revenue by technology platform	4Q 2024 US\$000 (Unaudited)	4Q 2024 % (Unaudited)	4Q 2023 US\$000 (Unaudited)	4Q 2023 % (Unaudited)	YoY Change US\$000	YoY Change %
Embedded NVM	137,184	25.4 %	112,026	24.6 %	25,158	22.5 %
Standalone NVM	46,056	8.5 %	14,753	3.2 %	31,303	212.2 %
Discrete	164,954	30.7 %	182,377	40.2 %	(17,423)	(9.6)%
Logic & RF	67,491	12.5 %	56,227	12.3 %	11,264	20.0 %
Analog & PM	122,618	22.7 %	89,448	19.6 %	33,170	37.1 %
Others	874	0.2 %	530	0.1 %	344	64.9 %
<b>Total revenue</b>	<b>539,177</b>	<b>100.0 %</b>	<b>455,361</b>	<b>100.0 %</b>	<b>83,816</b>	<b>18.4 %</b>

- *Revenue from embedded NVM* was US\$137.2 million, an increase of 22.5% compared to 4Q 2023, mainly driven by increased demand for MCU and smart card ICs.
- *Revenue from standalone NVM* was US\$46.1 million, an increase of 212.2% compared to 4Q 2023, mainly driven by increased demand for flash products.
- *Revenue from discrete* was US\$165.0 million, a decrease of 9.6% compared to 4Q 2023, mainly due to decreased demand for IGBT products, partially offset by increased demand for general MOSFT and super junction products.
- *Revenue from logic & RF* was US\$67.5 million, an increase of 20.0% over 4Q 2023, mainly driven by increased demand for logic and CIS products.
- *Revenue from analog & power management* was US\$122.6 million, an increase of 37.1% over 4Q 2023, mainly driven by increased demand for other PMIC and analog products.



### Analysis of Revenue

Revenue by process technology node	4Q 2024 US\$000 (Unaudited)	4Q 2024 % (Unaudited)	4Q 2023 US\$000 (Unaudited)	4Q 2023 % (Unaudited)	YoY Change US\$000	YoY Change %
55nm & 65nm	129,033	23.9 %	60,920	13.4 %	68,113	111.8 %
90nm & 95nm	106,414	19.7 %	82,552	18.1 %	23,862	28.9 %
0.11 $\mu$ m & 0.13 $\mu$ m	70,233	13.0 %	73,762	16.2 %	(3,529)	(4.8)%
0.15 $\mu$ m & 0.18 $\mu$ m	31,328	5.8 %	31,049	6.8 %	279	0.9 %
0.25 $\mu$ m	2,724	0.5 %	5,357	1.2 %	(2,633)	(49.2)%
$\geq$ 0.35 $\mu$ m	199,445	37.1 %	201,721	44.3 %	(2,276)	(1.1)%
<b>Total revenue</b>	<b>539,177</b>	<b>100.0 %</b>	<b>455,361</b>	<b>100.0 %</b>	<b>83,816</b>	<b>18.4 %</b>

- Revenue from the 55nm & 65nm technology nodes was US\$129.0 million, an increase of 111.8% over 4Q 2023, mainly driven by increased demand for flash and other PMIC products.
- Revenue from the 90nm & 95nm technology nodes was US\$106.4 million, an increase of 28.9% over 4Q 2023, mainly driven by increased demand for MCU and smart card ICs.
- Revenue from the 0.11 $\mu$ m & 0.13 $\mu$ m technology nodes was US\$70.2 million, a decrease of 4.8% compared to 4Q 2023, mainly due to decreased demand for smart card IC and logic products.
- Revenue from the 0.15 $\mu$ m & 0.18 $\mu$ m technology nodes was US\$31.3 million, an increase of 0.9% compared to 4Q 2023.
- Revenue from the 0.25 $\mu$ m technology node was US\$2.7 million, a decrease of 49.2% compared to 4Q 2023, mainly due to decreased demand for RF and logic products.
- Revenue from the 0.35 $\mu$ m and above technology nodes was US\$199.4 million, a decrease of 1.1% compared to 4Q 2023, mainly due to decreased demand for IGBT products, partially offset by increased demand for smart card IC, general MOSFET, super junction, other PMIC and analog products.

### Analysis of Revenue

Revenue by end market distribution	4Q 2024 US\$000 (Unaudited)	4Q 2024 % (Unaudited)	4Q 2023 US\$000 (Unaudited)	4Q 2023 % (Unaudited)	YoY Change US\$000	YoY Change %
Consumer electronics	344,594	63.9 %	252,508	55.4 %	92,086	36.5 %
Industrial & automotive	124,037	23.0 %	138,628	30.4 %	(14,591)	(10.5)%
Communications	64,619	12.0 %	53,973	11.9 %	10,646	19.7 %
Computing	5,927	1.1 %	10,252	2.3 %	(4,325)	(42.2)%
<b>Total revenue</b>	<b>539,177</b>	<b>100.0 %</b>	<b>455,361</b>	<b>100.0 %</b>	<b>83,816</b>	<b>18.4 %</b>

- Revenue from consumer electronics, our largest end market segment, contributed US\$344.6 million, reaching 63.9% of total revenue, an increase of 36.5% over 4Q 2023, mainly driven by increased demand for flash, other PMIC, super junction, MCU, general MOSFET and logic products.
- Revenue from industrial & automotive was US\$124.0 million, a decrease of 10.5% compared to 4Q 2023, mainly due to decreased demand for IGBT products, partially offset by increased demand for MCU and other PMICs.
- Revenue from communications was US\$64.6 million, an increase of 19.7% compared to 4Q 2023, mainly due to increased demand for analog, CIS, other PMIC and smart card ICs.
- Revenue from computing was US\$5.9 million, a decrease of 42.2% compared to 4Q 2023, mainly due to decreased demand for general MOSFET, super junction, and MCU products.

### Capacity<sup>7</sup> and Capacity Utilization

Fab (in thousands wafers)	4Q 2024 (Unaudited)	4Q 2023 (Unaudited)	3Q 2024 (Unaudited)
Capacity (200mm)	178	178	178
Capacity (300mm)	95	95	95
<b>Total capacity (in thousands 8" equivalent wafers)</b>	<b>391</b>	<b>391</b>	<b>391</b>
Capacity utilization (200mm)	105.8%	91.0%	113.0%
Capacity utilization (300mm)	100.9%	77.5%	98.5%
Overall capacity utilization	103.2%	84.1%	105.3%

- Monthly capacity was 391,000 8-inch equivalent wafers at the end of 4Q 2024. Overall capacity utilization was 103.2% in 4Q 2024, 2.1 percentage points lower than 3Q 2024.

<sup>7</sup> Wafers per month at the end of the period, calculated on a 30-day basis for comparison purposes.

### Wafer Shipments

in thousands 8" equivalent wafers	4Q 2024 (Unaudited)	4Q 2023 (Unaudited)	3Q 2024 (Unaudited)	YoY Change	QoQ Change
Wafer shipments	1,213	951	1,200	27.5 %	1.1 %

- *Wafer shipments* were 1,213,000, an increase of 27.5% year over year, and 1.1% quarter over quarter.

### Operating Expenses Analysis

Amounts in US\$ thousands	4Q 2024 (Unaudited)	4Q 2023 (Unaudited)	3Q 2024 (Unaudited)	YoY Change	QoQ Change
Selling and distribution expenses	2,617	2,684	2,241	(2.5)%	16.8 %
Administrative expenses <sup>8</sup>	108,009	92,379	79,189	16.9 %	36.4 %
<b>Operating expenses</b>	<b>110,626</b>	<b>95,063</b>	<b>81,430</b>	<b>16.4 %</b>	<b>35.9 %</b>

- *Operating expenses* were US\$110.6 million, 16.4% and 35.9% over 4Q 2023 and 3Q 2024, primarily due to increased engineering wafer costs and increased new fab start-up-costs.

### Other (Loss) / Income Net Analysis

Amounts in US\$ thousands	4Q 2024 (Unaudited)	4Q 2023 (Unaudited)	3Q 2024 (Unaudited)	YoY Change	QoQ Change
Rental income	3,481	3,447	3,612	1.0 %	(3.6)%
Interest income	20,450	20,182	26,710	1.3 %	(23.4)%
Foreign exchange (losses) / gains	(48,664)	27,041	29,270	(280.0)%	(266.3)%
Share of (loss) / profit of associates	(433)	7,136	1,087	(106.1)%	(139.8)%
Finance costs	(20,406)	(19,540)	(27,275)	4.4 %	(25.2)%
Government subsidies	4,705	51,387	18,535	(90.8)%	(74.6)%
Others	399	(2,053)	(142)	(119.4)%	(381.0)%
<b>Other (loss) / income net</b>	<b>(40,468)</b>	<b>87,600</b>	<b>51,797</b>	<b>(146.2)%</b>	<b>(178.1)%</b>

- *Other loss net* was US\$40.5 million, compared to other income net of US\$87.6 million in 4Q 2023 and other income net of US\$51.8 million in 3Q 2024, primarily due to foreign exchange losses versus foreign exchange gains in 4Q 2023 and 3Q 2024, and decreased government subsidies.

<sup>8</sup>Administrative expenses include government grants recognized as an offset item.

### Cash Flow Analysis

Amounts in US\$ thousands	4Q 2024 (Unaudited)	4Q 2023 (Unaudited)	3Q 2024 (Unaudited)	YoY Change	QoQ Change
Net cash flows generated from / (used in) operating activities	308,108	196,546	(26,838)	56.8 %	(1,248.0)%
Net cash flows used in investing activities	(1,444,013)	(301,916)	(715,920)	378.3 %	101.7 %
Net cash flows (used in) / generated from financing activities	(50,929)	642,297	(5,007)	(107.9)%	917.2 %
Effect of exchange rate changes	(120,783)	58,753	90,648	(305.6)%	(233.2)%
<b>Net change in cash</b>	<b>(1,307,617)</b>	<b>595,680</b>	<b>(657,117)</b>	<b>(319.5)%</b>	<b>99.0 %</b>

- *Net cash flows generated from operating activities* was US\$308.1 million, 56.8% over than 4Q 2023, primarily due to increased receipts from customers.
- *Net cash flows used in investing activities* was US\$1,444.0 million, including US\$1,505.7 million investment in fixed assets, partially offset by US\$41.2 million receipts of government grants for equipment, US\$17.9 million interest income, and US\$2.6 million of receipts from selling an equity.
- *Net cash flows used in financing activities* was US\$50.9 million, including US\$91.5 million of bank principal repayments, US\$50.5 million interest payments, and US\$0.4 million lease payments, partially offset by US\$84.5 million proceeds from bank borrowings, US\$5.5 million receipts of government grants for finance costs, and US\$1.5 million proceeds from share option exercises.

### Capital Structure

Amounts in US\$ thousands	31-Dec-2024 (Unaudited)	30-Sep-2024 (Unaudited)
Total assets	12,415,108	13,082,459
Total liabilities	3,508,489	3,867,040
Total equity	8,906,619	9,215,419
<i>Debt ratio</i> <sup>9</sup>	28.3%	29.6%

### Capital Expenditures

Amounts in US\$ thousands	4Q 2024 (Unaudited)	3Q 2024 (Unaudited)
Hua Hong 8"	21,159	28,607
Hua Hong Wuxi	43,833	87,754
Hua Hong Manufacturing	1,440,717	617,708
<b>Total</b>	<b>1,505,709</b>	<b>734,069</b>

- *Capital expenditures* were US\$1,505.7million in 4Q 2024, including US\$1,440.7 million for Hua Hong Manufacturing, US\$43.8 million for Hua Hong Wuxi, and US\$21.1 million for Hua Hong 8".

<sup>9</sup> Debt ratio is calculated based on total liabilities / total assets.

## Liquidity

Amounts in US\$ thousands	31-Dec-2024 (Unaudited)	30-Sep-2024 (Unaudited)
Properties under development	221,905	225,711
Inventories	467,060	487,480
Trade and notes receivables	270,461	268,186
Prepayments, other receivables and other assets	363,997	269,191
Due from related parties	18,324	25,426
Restricted and time deposits	31,624	32,443
Cash and cash equivalents	4,459,132	5,766,749
<b>Total current assets</b>	<b>5,832,503</b>	<b>7,075,186</b>
Trade payables	298,372	273,352
Other payables and accruals	880,447	1,237,992
Interest-bearing bank borrowings	280,704	262,296
Lease liabilities	4,912	4,451
Government grants	57,563	40,072
Due to related parties	9,125	10,167
Income tax payable	31,115	26,494
<b>Total current liabilities</b>	<b>1,562,238</b>	<b>1,854,824</b>
<b>Net working capital</b>	<b>4,270,265</b>	<b>5,220,362</b>
<i>Quick ratio</i>	3.3x	3.4x
<i>Current ratio</i>	3.7x	3.8x
Trade and notes receivables turnover days	45	47
Inventories turnover days	90	92

- *Prepayments, other receivables and other assets* increased from US\$269.2 million on 30 September 2024 to US\$364.0 million on 31 December 2024, mainly due to increased value-added tax credit.
- *Due from related parties* decreased from US\$25.4 million on 30 September 2024 to US\$18.3 million on 31 December 2024, mainly due to receipt of rental receivables from one of our related parties.
- *Other payables and accruals* decreased from US\$1,238.0 million on 30 September 2024 to US\$880.4 million on 31 December 2024, mainly due to payments for capital expenditures.
- *Income tax payable* increased from US\$26.5 million on 30 September 2024 to US\$31.1 million on 31 December 2024, mainly due to an accrued income tax for 4Q 2024.
- On 31 December 2024, *net working capital* was US\$4,270.3 million and the *current ratio* was 3.7.
- *Trade and notes receivables turnover days* were 45.
- *Inventories turnover days* were 90.

Please visit Company's website at [www.huahonggrace.com](http://www.huahonggrace.com)  
for further details regarding recent announcements.

**Hua Hong Semiconductor Limited**  
**Condensed Consolidated Statements of Profit or Loss**  
(In US\$ Thousands Except Share Data)

	For the Three Months Ended		
	31-Dec-2024 (Unaudited)	31-Dec-2023 (Unaudited)	30-Sep-2024 (Unaudited)
Revenue	539,177	455,361	526,306
Cost of sales	(477,751)	(437,141)	(462,299)
<b>Gross profit</b>	<b>61,426</b>	<b>18,220</b>	<b>64,007</b>
Other income and gains	29,155	100,442	78,092
Fair value (loss) / gain on an investment property	(39)	103	-
Selling and distribution expenses	(2,617)	(2,684)	(2,241)
Administrative expenses	(108,009)	(92,379)	(79,189)
Other expenses	(48,745)	(541)	(107)
Finance costs	(20,406)	(19,540)	(27,275)
Share of (loss) / profit of associates	(433)	7,136	1,087
<b>(Loss) / profit before tax</b>	<b>(89,668)</b>	<b>10,757</b>	<b>34,374</b>
Income tax expense	(6,596)	(7,210)	(11,461)
<b>(Loss) / profit for the period</b>	<b>(96,264)</b>	<b>3,547</b>	<b>22,913</b>
Attributable to:			
Owners of the parent	(25,199)	35,386	44,816
Non-controlling interests	(71,065)	(31,839)	(21,903)
Earnings per share attributable to owners of parent			
Basic	(0.015)	0.021	0.026
Diluted	(0.015)	0.021	0.026
<b>Shares used in calculating basic earnings per share attributable to owners of parent</b>	<b>1,718,222,223</b>	<b>1,716,439,808</b>	<b>1,717,612,830</b>
<b>Shares used in calculating diluted earnings per share attributable to owners of parent</b>	<b>1,724,086,667</b>	<b>1,720,215,394</b>	<b>1,721,402,553</b>

**Hua Hong Semiconductor Limited**  
**Condensed Consolidated Statements of Profit or Loss**  
(In US\$ Thousands Except Share Data)

	For the Year Ended	
	31-Dec-2024 (Unaudited)	31-Dec-2023 (Audited)
Revenue	2,003,993	2,286,113
Cost of sales	(1,798,865)	(1,799,017)
<b>Gross profit</b>	<b>205,128</b>	<b>487,096</b>
Other income and gains	149,072	144,370
Fair value (loss) / gain on an investment property	(39)	103
Selling and distribution expenses	(9,628)	(10,189)
Administrative expenses	(351,276)	(322,868)
Other expenses	(33,395)	(33,666)
Finance costs	(97,113)	(100,497)
Share of profit of associates	3,459	9,230
<b>(Loss) / profit before tax</b>	<b>(133,792)</b>	<b>173,579</b>
Income tax expense	(6,593)	(47,154)
<b>(Loss) / profit for the year</b>	<b>(140,385)</b>	<b>126,425</b>
Attributable to:		
Owners of the parent	58,108	280,034
Non-controlling interests	(198,493)	(153,609)
Earnings per share attributable to owners of parent		
Basic	0.034	0.189
Diluted	0.034	0.188
<b>Shares used in calculating basic earnings per share attributable to owners of parent</b>	<b>1,717,346,778</b>	<b>1,477,978,482</b>
<b>Shares used in calculating diluted earnings per share attributable to owners of parent</b>	<b>1,721,085,846</b>	<b>1,486,531,954</b>

**Hua Hong Semiconductor Limited**  
**Condensed Consolidated Statements of Financial Position (In US\$ Thousands)**

	As of		
	31-Dec-2024 (Unaudited)	30-Sep-2024 (Unaudited)	31-Dec-2023 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5,859,117	5,198,989	3,519,292
Investment property	164,153	168,433	166,643
Right-of-use assets	77,761	81,372	78,545
Intangible assets	31,456	38,897	49,827
Investment in associates	139,799	144,534	139,099
Equity instruments designated at fair value through other comprehensive income	289,311	290,857	270,506
Long term prepayment	21,008	83,396	149,953
Deferred tax assets	-	795	-
<b>Total non-current assets</b>	<b>6,582,605</b>	<b>6,007,273</b>	<b>4,373,865</b>
<b>CURRENT ASSETS</b>			
Properties under development	221,905	225,711	178,828
Inventories	467,060	487,480	449,749
Trade and notes receivables	270,461	268,186	278,669
Prepayments, other receivables and other assets	363,997	269,191	33,821
Due from related parties	18,324	25,426	11,219
Restricted and time deposits	31,624	32,443	32,088
Cash and cash equivalents	4,459,132	5,766,749	5,585,181
<b>Total current assets</b>	<b>5,832,503</b>	<b>7,075,186</b>	<b>6,569,555</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	298,372	273,352	235,410
Other payables and accruals	880,447	1,237,992	430,478
Interest-bearing bank borrowings	280,704	262,296	193,035
Lease liabilities	4,912	4,451	3,076
Government grants	57,563	40,072	35,017
Due to related parties	9,125	10,167	13,876
Income tax payable	31,115	26,494	61,495
<b>Total current liabilities</b>	<b>1,562,238</b>	<b>1,854,824</b>	<b>972,387</b>
<b>NET CURRENT ASSETS</b>	<b>4,270,265</b>	<b>5,220,362</b>	<b>5,597,168</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>10,852,870</b>	<b>11,227,635</b>	<b>9,971,033</b>
<b>Non-current liabilities</b>			
Interest-bearing bank borrowings	1,917,235	1,983,494	1,906,526
Lease liabilities	18,068	19,334	19,129
Deferred tax liabilities	10,948	9,388	30,834
<b>Total non-current liabilities</b>	<b>1,946,251</b>	<b>2,012,216</b>	<b>1,956,489</b>
<b>Net assets</b>	<b>8,906,619</b>	<b>9,215,419</b>	<b>8,014,544</b>
<b>Equity and liabilities capital and reserves</b>			
Share capital	4,938,457	4,936,472	4,933,559
Reserves	1,308,569	1,478,303	1,367,436
<b>Equity attributable to the owners of the company</b>	<b>6,247,026</b>	<b>6,414,775</b>	<b>6,300,995</b>
Non-controlling interests	2,659,593	2,800,644	1,713,549
<b>Total equity</b>	<b>8,906,619</b>	<b>9,215,419</b>	<b>8,014,544</b>



**Hua Hong Semiconductor Limited**  
**Condensed Consolidated Statement of Cash Flows (In US\$ Thousands)**

	For the Three Months Ended		
	31-Dec-2024 (Unaudited)	31-Dec-2023 (Unaudited)	30-Sep-2024 (Unaudited)
<b>Cash flows from operating activities:</b>			
(Loss) / profit before tax	(89,668)	10,757	34,374
Depreciation and amortization	142,306	129,135	143,557
Share of loss / (profit) of associates	433	(7,136)	(1,087)
Changes in working capital and others	255,037	63,790	(203,682)
<b>Net cash flows generated from / (used in) operating activities</b>	<b>308,108</b>	<b>196,546</b>	<b>(26,838)</b>
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment and intangible assets	(1,505,709)	(331,369)	(734,069)
Receipt of government grants of equipment	41,149	11,692	-
Other cash flow generated from investing activities	20,547	17,761	18,149
<b>Net cash flows used in investing activities</b>	<b>(1,444,013)</b>	<b>(301,916)</b>	<b>(715,920)</b>
<b>Cash flows from financing activities:</b>			
Capital contribution from non-controlling interests	-	491,723	-
New bank loans	84,551	246,620	2,287
Proceeds from issue of shares	1,478	1,407	1,471
Repayment of bank borrowings	(91,518)	(54,942)	(4,476)
Interest paid	(50,498)	(45,234)	(3,283)
Dividends paid to shareholders	-	-	(7,371)
Decrease in pledged deposits	-	-	7,369
Payment of lease liabilities	(401)	(274)	(1,004)
Receipt of government grants for interest expenses	5,459	2,997	-
<b>Net cash flows (used in) / generated from financing activities</b>	<b>(50,929)</b>	<b>642,297</b>	<b>(5,007)</b>
Net (decrease) / increase in cash and cash equivalents	(1,186,834)	536,927	(747,765)
Effects of exchange rate changes	5,766,749	58,753	90,648
Cash and cash equivalents, beginning of period	(120,783)	4,989,501	6,423,866
<b>Cash and cash equivalents, ending of period</b>	<b>4,459,132</b>	<b>5,585,181</b>	<b>5,766,749</b>

**Hua Hong Semiconductor Limited**  
**Condensed Consolidated Statement of Cash Flows (In US\$ Thousands)**

	For the Year Ended	
	31-Dec-2024 (unaudited)	31-Dec-2023 (Audited)
<b>Cash flows from operating activities:</b>		
(Loss) / profit before tax	(133,792)	173,579
Depreciation and amortization	555,832	500,439
Share of profit of associates	(3,459)	(9,230)
Changes in working capital and others	239	(23,093)
<b>Net cash flows generated from operating activities</b>	<b>418,820</b>	<b>641,695</b>
<b>Cash flows from investing activities:</b>		
Payments for property, plant and equipment and intangible assets	(2,739,182)	(906,607)
Purchase of an equity investment	(17,618)	-
Receipt of government grants of equipment	41,149	11,692
Other cash flow generated from investing activities	84,794	61,603
<b>Net cash flows used in investing activities</b>	<b>(2,630,857)</b>	<b>(833,312)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issue of shares	3,642	2,941,945
Capital contribution from non-controlling interests	1,181,880	787,920
New bank loans	289,285	615,415
Repayment of bank borrowings	(183,524)	(422,120)
Interest paid	(105,736)	(106,570)
Dividends paid	(36,247)	-
Increase in pledged deposits	-	(31,214)
Principal portion of lease payments	(4,634)	(4,597)
Other cash flow generated from financing activities	5,459	967
<b>Net cash flows generated from financing activities</b>	<b>1,150,125</b>	<b>3,781,746</b>
Net (decrease) / increase in cash and cash equivalents	(1,061,912)	3,590,129
Effects of exchange rate changes	5,585,181	(13,713)
Cash and cash equivalents, beginning of period	(64,137)	2,008,765
<b>Cash and cash equivalents, ending of period</b>	<b>4,459,132</b>	<b>5,585,181</b>

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

**Executive Directors**

Junjun Tang (Chairman)  
Peng Bai (President)

**Non-Executive Directors**

Jun Ye  
Guodong Sun  
Limin Zhou  
Chengyan Xiong

**Independent Non-Executive Directors**

Stephen Tso Tung Chang  
Kwai Huen Wong, JP  
Songlin Feng

By order of the Board

**Hua Hong Semiconductor Limited**  
Mr. Junjun Tang  
Chairman and Executive Director

Hong Kong SAR, PRC  
February 13, 2025