华虹宏力
HHGrace

HUA HONG GRACE SEMICONDUCTOR LIMITED

華虹宏力半導體有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code (01347)

News Release

Reports 2026 Second 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 – August 13, 2026.

Hua Hong Grace 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 June 30, 2026.

Second Quarter 2026 Highlights (Unaudited)

- Revenue reached an all-time high of US$717.5 million, 26.8% over 2Q 2025 and 8.6% above 1Q 2026.
- Gross margin was 16.5%, 5.6 percentage points over 2Q 2025 and 3.5 percentage points above 1Q 2026.
- Net profit attributable to shareholders of the parent company was US$38.6 million, 385.9% over 2Q 2025 and 84.6% above 1Q 2026.

Third Quarter 2026 Guidance

- We expect revenue to be approximately US$770 million to US$780 million.
- We expect gross margin to be in the range of 16% to 18%.

President’s Message

Dr. Peng Bai, Chairman and President of Hua Hong Grace, commented on the Company’s 2026 second-quarter performance as follows:

“We continued to improve our operational performance in the second quarter of 2026, with profitability strengthened further. Revenue hit a record high of US$717.5 million, representing a year-on-year increase of 26.8%. Gross margin stood at 16.5%, up 5.6 percentage points year-on-year. Both metrics beat guidance and achieved sequential growth. Net profit attributable to shareholders of the parent company amounted to US$38.6 million, posting substantial growth both year-on-year and quarter-on-quarter. Hua Hong Grace maintained a high fab utilization rate in Q2, delivered growth across all process technology platforms, especially the standalone and embedded non-volatile memory products. The improved business performance came as a result of rising volumes and prices.”

Dr. Bai continued: “Since the beginning of the year, the global semiconductor industry has witnessed a strong AI driving upturn in demand, first on memory IC products, then spreading to logic and analog IC products that are associated with AI applications. As a specialty technology foundry serving a broad market place, we have clearly seen an overall positive impact on our business by the AI wave. We have also seen divergence in intensity and strength of market demand, depending on end-user market segments. Amid the rapidly evolving industry landscape, our strategy of steady capacity expansion, ongoing specialty technologies upgrade, and continuous capacity/product mix optimization, will allow us to capture new growth opportunities and to provide sustained improvement in our business results. Hua Hong Grace has recently obtained registration approval from the China Securities Regulatory Commission for our acquisition of Huali Microelectronics. Integration of the acquired asset into Hua Hong Grace will strengthen our technologies portfolio, increase our operational economy of scale, and improve our profitability, injecting fresh momentum into our future growth.”

Webcast/Conference Call Announcement

Date:	Thursday, August 13, 2026
Time:	17:00 Hong Kong/Shanghai Time 05:00 EST
Presenters:	Dr. Peng Bai, Chairman and President of the Company 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 or https://edge.media-server.com/mmc/p/v5ngm38a (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-conf.media-server.com/register/BI5899f0c2c6ab4ae29ebd89d5682ac3e6 *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

About the Company

Hua Hong Grace 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.

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

	2Q 2026 (Unaudited)	2Q 2025 (Unaudited)	1Q 2026 (Unaudited)	YoY Change	QoQ Change
Revenue	717,537	566,065	660,925	26.8 %	8.6 %
Gross profit	**118,404**	**61,611**	**86,059**	**92.2 %**	**37.6 %**
Gross margin	***16.5 %***	***10.9 %***	***13.0 %***	***5.6***	***3.5***
Operating expenses	(109,083)	(97,917)	(105,613)	11.4 %	3.3 %
Other income / (loss) net	2,189	10,602	(2,448)	(79.4)%	(189.4)%
Profit / (loss) before tax	**11,510**	**(25,704)**	**(22,002)**	**(144.8)%**	**(152.3)%**
Income tax (expense) / credit	(7,632)	(7,097)	4,735	7.5 %	(261.2)%
Profit / (loss)for the period	**3,878**	**(32,801)**	**(17,267)**	**(111.8)%**	**(122.5)%**
Net profit margin	***0.5 %***	***(5.8)%***	***(2.6)%***	***6.3***	***3.1***
Attributable to:					
Owners of the parent	38,639	7,952	20,929	385.9 %	84.6 %
Non-controlling interests	(34,761)	(40,753)	(38,196)	(14.7)%	(9.0)%
Earnings per share attributable to owners of the parent					
Basic	0.022	0.005	0.012	340.0 %	83.3 %
Diluted	0.022	0.005	0.012	340.0 %	83.3 %
Wafers shipped (in thousands 8" equivalent wafers)	1,538	1,305	1,453	17.9 %	5.8 %
Capacity utilization[1]	*102.8 %*	*108.3 %*	*99.7%*	*(5.5)*	*3.1*
ROE[2]	*2.4 %*	*0.4 %*	*1.2 %*	*2.0*	*1.2*

Second Quarter 2026

- *Revenue* reached an all-time high of US$717.5 million, 26.8% over 2Q 2025 and 8.6% above 1Q 2026, primarily driven by increased wafer shipment and improved average selling price.
- *Gross margin* was 16.5%, 5.6 percentage points over 2Q 2025 and 3.5 percentage points above 1Q 2026, primarily driven by improved average selling price and cost reduction efforts, partially offset by increased depreciation costs.
- *Operating expenses* were US$109.1 million, 11.4% over 2Q 2025 and 3.3% above 1Q 2026, mainly due to increased labor expenses.
- *Other income net* was US$2.2 million, 79.4% lower than 2Q 2025, primarily due to increased finance costs and decreased government subsidies, partially offset by increased share of profit of associates. It was other loss net of US$2.4 million in 1Q 2026, mainly due to increased share of profit of associates.
- *Income tax expenses* was US$7.6 million, 7.5% over 2Q 2025.
- *Profit for the period* was US$3.9 million, compared to a loss of US$32.8 million in 2Q 2025 and a loss of US$17.3 million in 1Q 2026.
- *Net profit attributable to shareholders of the parent company* was US$38.6 million, 385.9% over 2Q 2025 and 84.6% above 1Q 2026.
- *Basic earnings per share* was US$0.022, 340.0% over 2Q 2025 and 83.3% above 1Q 2026.
- *ROE (annualized)* was 2.4%, 2.0 percentage points over 2Q 2025 and 1.2 percentage points above 1Q 2026.

---

[1] *The capacity utilization is calculated based on average monthly equivalent wafers output divided by total estimated monthly capacity.*

[2] *Profit attributable to owners of the parent / weighted average net assets attributable to owners of the parent.*

Analysis of Revenue

Revenue by service type	2Q 2026 US$000 (Unaudited)	2Q 2026 % (Unaudited)	2Q 2025 US$000 (Unaudited)	2Q 2025 % (Unaudited)	YoY Change US$000	YoY Change %
Wafers	692,177	96.5 %	541,076	95.6 %	151,101	27.9 %
Others	25,360	3.5 %	24,989	4.4 %	371	1.5 %
Total revenue	717,537	100.0 %	566,065	100.0 %	151,472	26.8 %

- 96.5% of total revenue was derived from the sale of semiconductor wafers in 2Q 2026.

Analysis of Revenue

Revenue by wafer size	2Q 2026 US$000 (Unaudited)	2Q 2026 % (Unaudited)	2Q 2025 US$000 (Unaudited)	2Q 2025 % (Unaudited)	YoY Change US$000	YoY Change %
8" wafers	271,811	37.9 %	232,308	41.0 %	39,503	17.0 %
12" wafers	445,726	62.1 %	333,757	59.0 %	111,969	33.5 %
Total revenue	717,537	100.0 %	566,065	100.0 %	151,472	26.8 %

- *Revenues from 8" wafers and 12" wafers* were US$271.8 million and US$445.7million, respectively, in 2Q 2026.

Analysis of Revenue

Revenue by geography	2Q 2026 US$000 (Unaudited)	2Q 2026 % (Unaudited)	2Q 2025 US$000 (Unaudited)	2Q 2025 % (Unaudited)	YoY Change US$000	YoY Change %
China[3]	563,704	78.6 %	469,674	83.0 %	94,030	20.0 %
North America[4]	93,842	13.1 %	53,007	9.4 %	40,835	77.0 %
Other Asia[5]	31,983	4.4 %	28,647	5.0 %	3,336	11.6 %
Europe	28,008	3.9 %	14,737	2.6 %	13,271	90.1 %
Total revenue	717,537	100.0 %	566,065	100.0 %	151,472	26.8 %

- *Revenue from China* was US$563.7 million, contributing 78.6% of total revenue and an increase of 20.0% over 2Q 2025, mainly driven by increased demand for MCU, flash, general MOSFET, logic and smart card ICs.
- *Revenue from North America* was US$93.8 million, an increase of 77.0% over 2Q 2025, mainly driven by increased demand for other PMIC and MCU products.
- *Revenue from Other Asia* was US$32.0 million, an increase of 11.6% over 2Q 2025, mainly driven by increased demand for super junction and MCU products.
- *Revenue from Europe* was US$28.0 million, an increase of 90.1% over 2Q 2025, mainly driven by increased demand for MCU and smart card ICs.

[3] *Includes Chinese Mainland and Hong Kong.*

[4] *Includes a major customer in US that was acquired by an Europe headquartered company in 2020.*

[5] *Includes Taiwan, China and Japan.*

Analysis of Revenue

Revenue by technology platform	2Q 2026 US$000 (Unaudited)	2Q 2026 % (Unaudited)	2Q 2025 US$000 (Unaudited)	2Q 2025 % (Unaudited)	YoY Change US$000	YoY Change %
Embedded NVM	200,116	27.9 %	141,158	24.9 %	58,958	41.8 %
Standalone NVM	68,803	9.6 %	27,603	4.9 %	41,200	149.3 %
Power Discrete	182,309	25.4 %	166,713	29.5 %	15,596	9.4 %
Logic & RF	83,203	11.6 %	68,589	12.1 %	14,614	21.3 %
Analog & PM	183,106	25.5 %	162,002	28.6 %	21,104	13.0 %
Total revenue	**717,537**	**100.0 %**	**566,065**	**100.0 %**	**151,472**	**26.8 %**

- *Revenue from embedded NVM* was US$200.1 million, an increase of 41.8% over 2Q 2025, mainly driven by increased demand for MCU and smart card ICs.
- *Revenue from standalone NVM* was US$68.8 million, an increase of 149.3% over 2Q 2025, mainly driven by increased demand for flash products.
- *Revenue from power discrete* was US$182.3 million, an increase of 9.4% over 2Q 2025, mainly driven by increased demand for general MOSFET products.
- *Revenue from logic & RF* was US$83.2 million, an increase of 21.3% over 2Q 2025, mainly driven by increased demand for logic products.
- *Revenue from analog & power management* was US$183.1 million, an increase of 13.0% over 2Q 2025, mainly driven by increased demand for other PMIC products.

Analysis of Revenue

Revenue by process technology node	2Q 2026 US$000 (Unaudited)	2Q 2026 % (Unaudited)	2Q 2025 US$000 (Unaudited)	2Q 2025 % (Unaudited)	YoY Change US$000	YoY Change %
≤65nm	205,069	28.6 %	125,537	22.2 %	79,532	63.4 %
90nm & 95nm	174,350	24.3 %	145,447	25.7 %	28,903	19.9 %
0.11μm & 0.13μm	78,183	10.9 %	64,011	11.3 %	14,172	22.1 %
0.15μm & 0.18μm	38,182	5.3 %	29,059	5.1 %	9,123	31.4 %
0.25μm	2,104	0.3 %	1,174	0.2 %	930	79.2 %
≥0.35μm	219,649	30.6 %	200,837	35.5 %	18,812	9.4 %
Total revenue	717,537	100.0 %	566,065	100.0 %	151,472	26.8 %

- *Revenue from 65nm and below technology nodes* was US$205.1 million, an increase of 63.4% over 2Q 2025, mainly driven by increased demand for flash and other PMIC products.
- *Revenue from the 90nm & 95nm technology nodes* was US$174.4 million, an increase of 19.9% over 2Q 2025, mainly driven by increased demand for MCU and smart card ICs.
- *Revenue from the 0.11μm & 0.13μm technology nodes* was US$78.2 million, an increase of 22.1% over 2Q 2025, mainly driven by increased demand for MCU products.
- *Revenue from the 0.15μm & 0.18μm technology nodes* was US$38.2 million, an increase of 31.4% over 2Q 2025, mainly driven by increased demand for other PMIC and MCU products.
- *Revenue from the 0.25μm technology node* was US$2.1 million, an increase of 79.2% compared to 2Q 2025, mainly driven by increased demand for RF products.
- *Revenue from the 0.35μm and above technology nodes* was US$219.6 million, an increase of 9.4% over 2Q 2025, mainly driven by increased demand for general MOSFET products.

Analysis of Revenue

Revenue by end market distribution	2Q 2026 US$000 (Unaudited)	2Q 2026 % (Unaudited)	2Q 2025 US$000 (Unaudited)	2Q 2025 % (Unaudited)	YoY Change US$000	YoY Change %
Consumer electronics	481,266	67.1 %	357,370	63.1 %	123,896	34.7 %
Industrial & automotive	162,071	22.6 %	129,150	22.8 %	32,921	25.5 %
Communications	62,493	8.7 %	71,638	12.7 %	(9,145)	(12.8)%
Computing	11,707	1.6 %	7,907	1.4 %	3,800	48.1 %
Total revenue	717,537	100.0 %	566,065	100.0 %	151,472	26.8 %

- *Revenue from consumer electronics,* our largest end market segment, contributed US$481.3 million, reaching 67.1% of total revenue, an increase of 34.7% over 2Q 2025, mainly driven by increased demand for flash, MCU, other PMIC, and general MOSFET products.
- *Revenue from industrial & automotive* was US$162.1 million, an increase of 25.5% over 2Q 2025, mainly driven by increased demand for other PMIC, smart card IC and MCU products.
- *Revenue from communications* was US$62.5 million, a decrease of 12.8% compared to 2Q 2025, mainly due to decreased demand for analog products.
- *Revenue from computing* was US$11.7 million, an increase of 48.1% over 2Q 2025, mainly driven by increased demand for MCU products.

Capacity[6] and Capacity Utilization

	2Q 2026 (Unaudited)	2Q 2025 (Unaudited)	1Q 2026 (Unaudited)
Total capacity (in thousands 8" equivalent wafers)	508	447	489
Overall capacity utilization	*102.8%*	*108.3%*	*99.7%*

- Monthly capacity was 508,000 8-inch equivalent wafers at the end of 2Q 2026. Overall capacity utilization was 102.8% in 2Q 2026.

Wafer Shipments

in thousands 8" equivalent wafers	2Q 2026 (Unaudited)	2Q 2025 (Unaudited)	1Q 2026 (Unaudited)	YoY Change	QoQ Change
Wafer shipments	1,538	1,305	1,453	17.9 %	5.8 %

- *Wafer shipments* were 1,538,000, an increase of 17.9% year over year, and 5.8% quarter over quarter.

[6] *Wafers per month at the end of the period, calculated on a 30-day basis for comparison purposes.*

Operating Expenses Analysis

Amounts in US$ thousands	2Q 2026 (Unaudited)	2Q 2025 (Unaudited)	1Q 2026 (Unaudited)	YoY Change	QoQ Change
Selling and distribution expenses	2,961	2,630	2,358	12.6 %	25.6 %
Administrative expenses[7]	104,403	94,687	102,548	10.3 %	1.8 %
Impairment losses on trade and notes receivables	1,719	600	707	186.5 %	143.1 %
Operating expenses	109,083	97,917	105,613	11.4 %	3.3 %

- *Operating expenses* were US$109.1 million, 11.4% over 2Q 2025 and 3.3% above 1Q 2026, mainly due to increased labor expenses.

Other Income / (Loss) Net Analysis

Amounts in US$ thousands	2Q 2026 (Unaudited)	2Q 2025 (Unaudited)	1Q 2026 (Unaudited)	YoY Change	QoQ Change
Rental income	3,927	3,460	3,229	13.5 %	21.6 %
Interest income	11,600	15,294	10,394	(24.2)%	11.6 %
Foreign exchange gains / (losses)	504	(1,064)	5,105	(147.4)%	(90.1)%
Share of profit of associates	9,491	591	153	1,505.9 %	6,103.3 %
Finance costs	(29,423)	(18,250)	(27,681)	61.2 %	6.3 %
Government subsidies	4,682	9,866	5,634	(52.5)%	(16.9)%
Others	1,408	705	718	99.7 %	96.1 %
Other income / (loss) net	2,189	10,602	(2,448)	(79.4)%	(189.4)%

- *Other income net* was US$2.20 million, 79.4% lower than 2Q 2025, primarily due to increased finance costs and decreased government subsidies, partially offset by increased share of profit of associates. It was other loss net of US$2.4 million in 1Q 2026, mainly due to increased share of profit of associates.

[7] *Administrative expenses include government grants recognized as an offset item.*

Cash Flow Analysis

Amounts in US$ thousands	2Q 2026 (Unaudited)	2Q 2025 (Unaudited)	1Q 2026 (Unaudited)	YoY Change	QoQ Change
Net cash flows generated from operating activities	338,054	169,630	130,427	99.3 %	159.2 %
Net cash flows used in investing activities	(331,165)	(385,556)	(856,988)	(14.1)%	(61.4)%
Net cash flows (used in) / generated from financing activities	(405,961)	(25,185)	638,664	1,511.9 %	(163.6)%
Effect of exchange rate changes	63,423	8,076	61,962	685.3 %	2.4 %
Net change in cash	**(335,649)**	**(233,035)**	**(25,935)**	**44.0 %**	**1,194.2 %**

- *Net cash flows generated from operating activities* was US$338.1 million, 99.3% over 2Q 2025 and 159.2% above 1Q 2026, mainly due to increased receipts from customers.
- *Net cash flows used in investing activities* was US$331.2 million, including US$356.6 million investment in fixed assets and US$16.1 million investment in equity instruments, partially offset by US$25.4 million receipt of government grants for equipment, US$8.6 million interest income, US$7.3 million dividends, and US$0.2 million receipts of disposal of equipment.
- *Net cash flows used in financing activities* was US$406.0 million, including US$569.0 million of bank principal repayments, US$37.6 million interest payments and US$1.0 million lease payments, partially offset by US$201.5 million proceeds from bank borrowings, and US$0.1 million proceeds from share option exercises.

Capital Structure

Amounts in US$ thousands	30-Jun-2026 (Unaudited)	31-Mar-2026 (Unaudited)
Total assets	15,225,807	14,947,323
Total liabilities	5,528,378	5,662,963
Total equity	9,697,429	9,284,360
Debt ratio[8]	*36.3%*	*37.9%*

Capital Expenditures

Amounts in US$ thousands	2Q 2026 (Unaudited)	1Q 2026 (Unaudited)
Hua Hong 8”	30,683	38,725
Hua Hong 12”	325,883	886,146
Total	**356,566**	**924,871**

- *Capital expenditures* were US$356.6 million in 2Q 2026, including US$325.9 million for Hua Hong 12” and US$30.7 million for Hua Hong 8”.

[8] *Debt ratio is calculated based on total liabilities / total assets.*

Liquidity

Amounts in US$ thousands	30-Jun-2026 (Unaudited)	31-Mar-2026 (Unaudited)
Completed properties held for sale	222,405	218,918
Inventories	584,782	533,311
Trade and notes receivables	322,463	313,053
Prepayments, other receivables and other assets	701,266	661,570
Due from related parties	12,552	14,153
Restricted and time deposits	45,355	44,646
Cash and cash equivalents	4,532,224	4,867,873
Total current assets	6,421,047	6,653,524
Trade payables	289,753	270,387
Other payables and accruals	829,746	735,491
Interest-bearing bank borrowings	1,902,063	811,820
Current portion of long-term payables	7,331	-
Lease liabilities	2,006	4,652
Government grants	115,740	90,371
Due to related parties	12,913	4,996
Income tax payable	14,549	17,912
Total current liabilities	3,174,101	1,935,629
Net working capital	3,246,946	4,717,895
Quick ratio	*1.8x*	*3.0x*
Current ratio	*2.0x*	*3.4x*
Trade and notes receivables turnover days	40	41
Inventories turnover days	84	84

- *Inventories* increased from US$533.3 million on 31 March 2026 to US$584.8 million on 30 June 2026, mainly due to increased work-in progress.
- *Prepayments, other receivables and other assets* increased from US$661.6 million on 31 March 2026 to US$701.3 million on 30 June 2026, mainly due to increased value-added tax credit.
- *Other payables and accruals* increased from US$735.5 million on 31 March 2026 to US$829.7 million on 30 June 2026, mainly due to increased payables for capital expenditures.
- *Interest-bearing bank borrowings* increased from US$811.8 million on 31 March 2026 to US$1,902.1 million on 30 June 2026, mainly due to the increase in the current portion of long-term bank borrowings.
- *Government grants* increased from US$90.4 million on 31 March 2026 to US$115.7 million on 30 June 2026, mainly due to receipts of government funding.
- On 30 June 2026, *net working capital* was US$3,246.9 million and the *current ratio* was 2.0.
- *Trade and notes receivables turnover days* were 40.
- *Inventories turnover days* were 84.

Please visit Company's website at www.huahonggrace.com

for further details regarding recent announcements.

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

	For the Three Months Ended		
	30-Jun-2026 (Unaudited)	30-Jun-2025 (Unaudited)	31-Mar-2026 (Unaudited)
Revenue	717,537	566,065	660,925
Cost of sales	(599,133)	(504,454)	(574,866)
Gross profit	**118,404**	**61,611**	**86,059**
Other income and gains	22,121	29,353	25,100
Selling and distribution expenses	(2,961)	(2,630)	(2,358)
Administrative expenses	(104,403)	(94,687)	(102,548)
Impairment losses on trade and notes receivables	(1,719)	(600)	(707)
Other expenses	–	(1,092)	(20)
Finance costs	(29,423)	(18,250)	(27,681)
Share of profit of associates	9,491	591	153
Profit / (loss) before tax	**11,510**	**(25,704)**	**(22,002)**
Income tax (expense) / credit	(7,632)	(7,097)	4,735
Profit / (loss) for the period	**3,878**	**(32,801)**	**(17,267)**
Attributable to:			
Owners of the parent	38,639	7,952	20,929
Non-controlling interests	(34,761)	(40,753)	(38,196)
Earnings per share attributable to owners of parent			
Basic	0.022	0.005	0.012
Diluted	0.022	0.005	0.012
Shares used in calculating basic earnings per share attributable to owners of parent	1,737,663,520	1,726,241,791	1,737,629,193
Shares used in calculating diluted earnings per share attributable to owners of parent	1,737,721,373	1,731,895,843	1,737,760,230

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

	As of		
	30-Jun-2026 (Unaudited)	31-Mar-2026 (Unaudited)	30-Jun-2025 (Unaudited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7,286,266	7,105,886	6,101,971
Investment property	226,803	223,247	218,468
Right-of-use assets	57,262	64,125	66,002
Intangible assets	30,483	32,834	27,313
Investment in associates	183,072	152,751	144,421
Equity instruments designated at fair value through other comprehensive income	787,420	486,369	290,515
Financial asset at fair value through profit or loss	8,809	-	-
Long term prepayment	224,645	228,587	42,672
Deferred tax assets	-	-	765
Total non-current assets	**8,804,760**	**8,293,799**	**6,892,127**
CURRENT ASSETS			
Completed properties held for sale	222,405	218,918	221,661
Inventories	584,782	533,311	513,434
Trade and notes receivables	322,463	313,053	264,329
Prepayments, other receivables and other assets	701,266	661,570	452,513
Due from related parties	12,552	14,153	14,360
Restricted and time deposits	45,355	44,646	31,756
Cash and cash equivalents	4,532,224	4,867,873	3,846,900
Total current assets	**6,421,047**	**6,653,524**	**5,344,953**
CURRENT LIABILITIES			
Trade payables	289,753	270,387	263,352
Other payables and accruals	829,746	735,491	716,648
Interest-bearing bank borrowings	1,902,063	811,820	341,313
Current portion of long-term payables	7,331	-	-
Lease liabilities	2,006	4,652	5,839
Government grants	115,740	90,371	59,040
Due to related parties	12,913	4,996	8,560
Income tax payable	14,549	17,912	16,046
Total current liabilities	**3,174,101**	**1,935,629**	**1,410,798**
NET CURRENT ASSETS	**3,246,946**	**4,717,895**	**3,934,155**
TOTAL ASSETS LESS CURRENT LIABILITIES	**12,051,706**	**13,011,694**	**10,826,282**
NON-CURRENT LIABIILITIES			
Interest-bearing bank borrowings	1,665,485	3,085,413	1,933,971
Lease liabilities	7,938	13,476	15,035
Deferred tax liabilities	67,251	24,463	3,633
Other long-term payables	613,603	603,982	-
Total non-current liabilities	**2,354,277**	**3,727,334**	**1,952,639**
Net assets	**9,697,429**	**9,284,360**	**8,873,643**
Equity and liabilities capital and reserves			
Share capital	4,987,827	4,987,537	4,960,855
Reserves	2,150,209	1,743,223	1,339,047
Equity attributable to the owners of the company	**7,138,036**	**6,730,760**	**6,299,902**
Non-controlling interests	2,559,393	2,553,600	2,573,741
Total equity	**9,697,429**	**9,284,360**	**8,873,643**

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

	For the Three Months Ended		
	30-Jun-2026 (Unaudited)	30-Jun-2025 (Unaudited)	31-Mar-2026 (Unaudited)
Cash flows from operating activities:			
Profit / (loss) before tax	11,510	(25,704)	(22,002)
Depreciation and amortization	233,468	179,658	214,606
Share of profit of associates	(9,491)	(591)	(153)
Changes in working capital and others	102,567	16,267	(62,024)
Net cash flows generated from operating activities	338,054	169,630	130,427
Cash flows from investing activities:			
Payments for property, plant and equipment and intangible assets	(356,566)	(407,728)	(924,871)
Purchase of an equity investment designated at fair value through other comprehensive income	(7,286)	-	-
Purchase of a financial assets at fair value through profit or loss	(8,809)	-	-
Investment in an associate	-	(2,794)	
Receipt of government grants of equipment	25,394	-	-
Decrease of time deposits	-	-	57,794
Dividend received from an associate	7,286	-	-
Other cash flow generated from investing activities	8,816	24,966	10,089
Net cash flows used in investing activities	(331,165)	(385,556)	(856,988)
Cash flows from financing activities:			
New bank loans	201,506	138,096	649,364
Proceeds from issue of shares	106	2,218	3,343
Repayment of bank borrowings	(568,985)	(125,677)	(828)
Interest paid	(37,605)	(38,623)	(12,137)
Payment of lease liabilities	(983)	(1,199)	(1,078)
Net cash flows (used in) / generated from financing activities	(405,961)	(25,185)	638,664
Net decrease in cash and cash equivalents	(399,072)	(241,111)	(87,897)
Cash and cash equivalents, beginning of period	4,867,873	4,079,935	4,893,808
Effects of exchange rate changes	63,423	8,076	61,962
Cash and cash equivalents, ending of period	4,532,224	3,846,900	4,867,873

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

Executive Directors

Peng Bai (Chairman and President)

Non-Executive Directors
Jun Ye
Guodong Sun
Bo Chen
Chengyan Xiong

Independent Non-Executive Directors
Stephen Tso Tung Chang
Kwai Huen Wong, JP
Songlin Feng

By order of the Board
Hua Hong Grace Semiconductor Limited
Peng Bai
Chairman and Executive Director

Hong Kong SAR, PRC
August 13, 2026