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Guangdong Tianyu Semiconductor Co., Ltd.
廣東天域半導體股份有限公司

(A joint stock company established in the People's Republic of China with limited liability)

(Stock Code: 2658)

PROFIT WARNING

This announcement is made by Guangdong Tianyu Semiconductor Co., Ltd. (the "**Company**" and, together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary assessment by the Board of the latest unaudited consolidated management accounts of the Group for the six months ended June 30, 2026 ("**1H2026**") and the information currently available to the Board, the Group expects to record a net loss ranging from approximately RMB104 million to RMB123 million for 1H2026, as compared to the net profit of approximately RMB30.9 million for the six months ended June 30, 2025 ("**1H2025**").

The Board considers that the expected turnaround from net profit to net loss was mainly attributable to the cumulative effect of the following factors:

(i) a substantial decrease in gross profit, notwithstanding a modest year-on-year increase in revenue. During 1H2026, supply-demand rebalancing and continued intense price competition in the silicon carbide ("**SiC**") epitaxial-wafer market resulted in a year-on-year decrease in the average selling price of SiC epitaxial wafers compared with 1H2025. This was further affected by the customary seasonal slowdown and the Chinese New Year holiday during the first quarter of 2026, which resulted in lower production volume and weaker absorption of fixed manufacturing costs. Although customer orders and production volume recovered progressively during the second quarter of 2026, such recovery did not fully offset the fixed manufacturing costs and depreciation incurred throughout 1H2026. The Group's gross result was also adversely affected by a non-cash provision for write-down of inventories, mainly attributable to decreases in the estimated selling prices and the higher inventory balance as at June 30, 2026 compared with that as at December 31, 2025. The increase in inventory was primarily attributable to increased production undertaken to fulfil a higher level of customer orders on hand, resulting in a larger inventory base being subject to provision. The Group's gross result was further affected by a substantial reduction in the benefit arising from the write-off or utilisation of previous inventory write-downs as compared with 1H2025;

(ii) a decrease in other net income mainly due to an increase in net foreign exchange losses arising from the depreciation of the Hong Kong dollar against the Renminbi in respect of the Group's Hong Kong dollar-denominated funds; and

(iii) an increase in administrative and other operating expenses, mainly due to a change from a reversal of impairment losses on financial assets during 1H2025 to an impairment losses on trade receivables during 1H2026 following the Group's reassessment of the expected credit losses on certain trade receivables in light of their slower-than-anticipated settlement progress.

As at the date of this announcement, the Company is still in the process of finalizing the consolidated results of the Group for 1H2026. The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for 1H2026 and other information currently available to the Company. It is not based on any data or information that has been reviewed or confirmed by the audit committee of the Board or reviewed or audited by the Company's auditors. The actual results of the Group for 1H2026 may differ from those disclosed in this announcement. Further details regarding the actual financial results and performance of the Group, and further information in relation to the expected net loss for 1H2026, will be disclosed in the announcement in relation to the Group's interim results for 1H2026, which is expected to be published in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Guangdong Tianyu Semiconductor Co., Ltd.
Li Xiguang
Chairman and executive director

Hong Kong, August 14, 2026

As of the date of this announcement, the Board comprises Mr. LI Xiguang as executive Director, Mr. AU YEUNG Chung and Mr. JIANG Dacai as non-executive Directors, Mr. HE Zhengsheng, Ms. LI Min and Mr. CHIN Vincent as independent non-executive Directors.