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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 Third 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 – November 5, 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 September 30, 2026.

Third Quarter 2026 Highlights (Unaudited)

- Revenue achieved US$987.1 million, 19.9% over 3Q 2025 and 9.9% above 2Q 2026. Revenue (excluding Huali Micro[1]) was US$803.4 million, compared to our guidance of US$770 million to US$780 million.
- Gross margin was 24.6%, 7.6 percentage points over 3Q 2025 and 4.7 percentage points above 2Q 2026. Gross margin (excluding Huali Micro) was 19.9%, compared to our guidance of 16% to 18%.
- Net profit attributable to shareholders of the parent company was US$123.4 million, 147.1% over 3Q 2025 and 77.7% above 2Q 2026.

Fourth Quarter 2026 Guidance

- We expect revenue to be approximately US$1,080 million to US$1,090 million.
- We expect gross margin to be in the range of 25% to 26%.

[1] *Huali Micro represents Shanghai Huali Microelectronics Corporation.*

President's Message

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

"In the third quarter of 2026, the Company completed acquisition of Huali Microelectronics, bringing the year-long effort to a successful close. As a result, all financial reports now include Huali Microelectronics, unless otherwise specified.

In the quarter that just passed, Hua Hong Grace achieved revenue of US$987.1 million, representing a 19.9% year-on-year increase on a restated comparable basis (excluding Huali Microelectronics, revenue was US$803.4 million, above the upper end of last quarter guidance of US$770 million to US$780 million). Gross margin stood at 24.6%, up by 7.6 percentage points year-on-year (excluding Huali Microelectronics, gross margin was 19.9%, above the upper end of last quarter guidance of 16% to 18%). Profit attributable to shareholders of the parent company was US$123.4 million. Revenue hit an all-time high by a large margin, and key financial metrics delivered significant improvement year-on-year and quarter-on-quarter. During the quarter, the company maintained a high fab utilization rate, witnessed a steadily upward trend in shipments and average selling prices, and continued to execute capacity expansion projects on schedule. Integration of Huali Microelectronics has been proved financially accretive and operationally synergistic. The 12-inch business now accounts for 70.7% of total revenue for the company."

Dr. Bai continued: "Artificial intelligence related products continue to drive global semiconductor market demand. The industrial and automotive markets are gradually improving. As a specialty technology foundry with a broad technology portfolio, Hua Hong Grace has seen increasingly higher demands for MCU, flash memory, power management, and power discrete products, with corresponding tight supply in some segments, even as we continue to expand capacity. We expect the pattern of rising volume and prices to continue for some time. The company will remain laser focused on operational excellence and delivering value for shareholders."

Webcast/Conference Call Announcement

Date:	Thursday, November 5, 2026
Time:	17:00 Hong Kong/Shanghai Time 04:00 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/amy9mj7q (Note: registration is required to access the webcast.) For those without internet access, you may join the teleconference call.
Teleconference 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/BI164ceba3f66d4e49b6565d87 *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 ("HHGrace" or the "Company"; Stock Code: 688347.SH/01347.HK) 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), analog & power management, logic & RF, and power discrete, supporting applications in emerging areas, such as AI and data centers, new energy vehicles, smart manufacturing, 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 owns mainstream advanced IC manufacturing process technologies in China.

The Company operates three 8-inch and one 12-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, Jiangsu Province. Construction is now underway on its Wuxi III 12-inch production line.

For more information, please visit: www.huahonggrace.com.

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

	3Q 2026 (Unaudited and excluding Huali Micro)[2]	3Q 2026 (Unaudited)	3Q 2025 (Unaudited and restated)[3]	2Q 2026 (Unaudited and restated)[3]	YoY Change	QoQ Change
Revenue	803,401	987,133	823,078	898,483	19.9 %	9.9 %
Gross profit	**159,964**	**242,643**	**140,313**	**179,227**	**72.9 %**	**35.4 %**
Gross margin	*19.9 %*	*24.6 %*	*17.0 %*	*19.9 %*	*7.6*	*4.7*
Operating expenses	(94,520)	(100,533)	(117,350)	(116,408)	(14.3)%	(13.6)%
Other (loss) / income net	(2,609)	(8,666)	16,285	(4,699)	(153.2)%	84.4 %
Profit before tax	**62,835**	**133,444**	**39,248**	**58,120**	**240.0 %**	**129.6 %**
Income tax expense	(13,391)	(13,391)	(10,259)	(7,632)	30.5 %	75.5 %
Profit for the period	**49,444**	**120,053**	**28,989**	**50,488**	**314.1 %**	**137.8 %**
Net profit margin	*6.2 %*	*12.2 %*	*3.5 %*	*5.6 %*	*8.7*	*6.6*
Attributable to:						
Owners of the parent	68,831	123,435	49,950	69,480	147.1 %	77.7 %
Non-controlling interests	(19,387)	(3,382)	(20,961)	(18,992)	(83.9)%	(82.2)%
Earnings per share attributable to owners of the parent						
Basic	0.040	0.066	0.027	0.037	144.4 %	78.4 %
Diluted	0.040	0.066	0.027	0.037	144.4 %	78.4 %
Wafers shipped (in thousands 8" equivalent wafers)	1,618	1,911	1,714	1,837	11.5 %	4.0 %
Capacity utilization[4]	*101.0 %*	*102.9 %*	*108.7 %*	*104.1 %*	*(5.8)*	*(1.2)*
ROE[5]	*4.0 %*	*6.8 %*	*3.2 %*	*4.0 %*	*3.6*	*2.8*

Third Quarter 2026

- *Revenue* achieved US$987.1 million, 19.9% over 3Q 2025 and 9.9% above 2Q 2026, primarily driven by increased wafer shipment and improved average selling price.
- *Gross margin* was 24.6%, 7.6 percentage points over 3Q 2025 and 4.7 percentage points above 2Q 2026, primarily driven by improved average selling price, partially offset by increased depreciation costs.
- *Operating expenses* were US$100.5 million, 14.3% lower than 3Q 2025, mainly due to decreased depreciation expenses and engineering wafer costs, and 13.6% below 2Q 2026, mainly due to decreased labor and engineering wafer costs.
- *Other loss net* was US$8.7 million, compared to other income net of US$16.3 million in 3Q 2025, primarily due to increased finance costs. It was 84.4% over 2Q 2026, mainly due to US$6.2 million of share of loss of associates in 3Q 2026.
- *Income tax expenses* was US$13.4 million, 30.5% over 3Q 2025 and 75.5% above 2Q 2026.
- *Profit for the period* was US$120.1 million, 314.1% over 3Q 2025 and 137.8% above 2Q 2026.
- *Net profit attributable to shareholders of the parent company* was US$123.4 million, 147.1% over 3Q 2025 and 77.7% above 2Q 2026.
- *Basic earnings per share* was US$0.066, 144.4% over 3Q 2025 and 78.4% above 2Q 2026.
- *ROE (annualized)* was 6.8%, 3.6 percentage points over 3Q 2025 and 2.8 percentage points above 2Q 2026.

[2]This column presents results excluding the effect of acquisition of share capital of Huali Micro.

[3]Financial information of 2Q 2026 and 3Q 2025 has been restated as a result of merger between the Company and Huali Micro.

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

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

Analysis of Revenue

Revenue by service type	3Q 2026 US$000 (Unaudited)	3Q 2026 % (Unaudited)	3Q 2025 US$000 (Unaudited and restated)	3Q 2025 % (Unaudited and restated)	YoY Change US$000	YoY Change %
Wafers	960,615	97.3 %	794,927	96.6 %	165,688	20.8 %
Others	26,518	2.7 %	28,151	3.4 %	(1,633)	(5.8)%
Total revenue	**987,133**	**100.0 %**	**823,078**	**100.0 %**	**164,055**	**19.9 %**

- 97.3% of total revenue was derived from the sale of semiconductor wafers in 3Q 2026.

Analysis of Revenue

Revenue by wafer size	3Q 2026 US$000 (Unaudited)	3Q 2026 % (Unaudited)	3Q 2025 US$000 (Unaudited and restated)	3Q 2025 % (Unaudited and restated)	YoY Change US$000	YoY Change %
8" wafers	289,227	29.3 %	258,805	31.4 %	30,422	11.8 %
12" wafers	697,906	70.7 %	564,273	68.6 %	133,633	23.7 %
Total revenue	**987,133**	**100.0 %**	**823,078**	**100.0 %**	**164,055**	**19.9 %**

- *Revenues from 8" wafers and 12" wafers* were US$289.2 million and US$697.9 million, respectively, in 3Q 2026.

Analysis of Revenue

Revenue by geography	3Q 2026 US$000 (Unaudited)	3Q 2026 % (Unaudited)	3Q 2025 US$000 (Unaudited and restated)	3Q 2025 % (Unaudited and restated)	YoY Change US$000	YoY Change %
China[6]	760,779	77.1 %	664,056	80.7 %	96,723	14.6 %
North America[7]	111,850	11.3 %	63,889	7.8 %	47,961	75.1 %
Other Asia[8]	76,863	7.8 %	76,708	9.3 %	155	0.2 %
Europe	37,641	3.8 %	18,425	2.2 %	19,216	104.3 %
Total revenue	**987,133**	**100.0 %**	**823,078**	**100.0 %**	**164,055**	**19.9 %**

- *Revenue from China* was US$760.8 million, contributing 77.1% of total revenue and an increase of 14.6% over 3Q 2025, mainly driven by increased demand for MCU, flash, smart card IC, logic, and general MOSFET products, partially offset by decreased demand for analog products.
- *Revenue from North America* was US$111.9 million, an increase of 75.1% over 3Q 2025, mainly driven by increased demand for PMIC and MCU products.
- *Revenue from Other Asia* was US$76.9 million, flat with 3Q 2025.
- *Revenue from Europe* was US$37.6 million, an increase of 104.3% over 3Q 2025, mainly driven by increased demand for MCU products.

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

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

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

Analysis of Revenue

Revenue by technology platform	3Q 2026 US$000 (Unaudited)	3Q 2026 % (Unaudited)	3Q 2025 US$000 (Unaudited and restated)	3Q 2025 % (Unaudited and restated)	YoY Change US$000	YoY Change %
Embedded NVM	252,467	25.5 %	177,143	21.5 %	75,324	42.5 %
Standalone NVM	147,599	15.0 %	115,113	14.0 %	32,486	28.2 %
Power Discrete	202,024	20.5 %	169,036	20.5 %	32,988	19.5 %
Logic & RF	185,160	18.8 %	185,703	22.6 %	(543)	(0.3)%
Analog & PM	199,883	20.2 %	176,083	21.4 %	23,800	13.5 %
Total revenue	**987,133**	**100.0 %**	**823,078**	**100.0 %**	**164,055**	**19.9 %**

- *Revenue from embedded NVM* was US$252.5 million, an increase of 42.5% over 3Q 2025, mainly driven by increased demand for MCU and smart card ICs.
- *Revenue from standalone NVM* was US$147.6 million, an increase of 28.2% over 3Q 2025, mainly driven by increased demand for flash products.
- *Revenue from power discrete* was US$202.0 million, an increase of 19.5% over 3Q 2025, mainly driven by increased demand for general MOSFET products.
- *Revenue from logic & RF* was US$185.2 million, flat with 3Q 2025.
- *Revenue from analog & power management* was US$199.9 million, an increase of 13.5% over 3Q 2025, mainly driven by increased demand for PMIC products.

Analysis of Revenue

Revenue by technology platform	3Q 2026 US$000 (Unaudited)	3Q 2026 % (Unaudited)	3Q 2025 US$000 (Unaudited and restated)	3Q 2025 % (Unaudited and restated)	YoY Change US$000	YoY Change %
≤65nm	437,849	44.4 %	360,095	43.8 %	77,754	21.6 %
90nm & 95nm	173,842	17.6 %	144,396	17.5 %	29,446	20.4 %
0.11μm & 0.13μm	85,145	8.6 %	73,231	8.9 %	11,914	16.3 %
0.15μm & 0.18μm	41,523	4.2 %	36,492	4.4 %	5,031	13.8 %
0.25μm	2,745	0.3 %	3,163	0.4 %	(418)	(13.2)%
≥0.35μm	246,029	24.9 %	205,701	25.0 %	40,328	19.6 %
Total revenue	**987,133**	**100.0 %**	**823,078**	**100.0 %**	**164,055**	**19.9 %**

- *Revenue from 65nm and below technology nodes* was US$437.8 million, an increase of 21.6% over 3Q 2025, mainly driven by increased demand for PMIC, flash and MCU products.
- *Revenue from the 90nm & 95nm technology nodes* was US$173.8 million, an increase of 20.4% over 3Q 2025, mainly driven by increased demand for MCU and smart card ICs.
- *Revenue from the 0.11μm & 0.13μm technology nodes* was US$85.1 million, an increase of 16.3% over 3Q 2025, mainly driven by increased demand for MCU products.
- *Revenue from the 0.15μm & 0.18μm technology nodes* was US$41.5 million, an increase of 13.8% over 3Q 2025, mainly driven by increased demand for PMICs.
- *Revenue from the 0.25μm technology node* was US$2.7 million, a decrease of 13.2% compared to 3Q 2025.
- *Revenue from the 0.35μm and above technology nodes* was US$246.0 million, an increase of 19.6% over 3Q 2025, mainly driven by increased demand for general MOSFET products.

Analysis of Revenue

Revenue by end market distribution	3Q 2026 US$000 (Unaudited)	3Q 2026 % (Unaudited)	3Q 2025 US$000 (Unaudited and restated)	3Q 2025 % (Unaudited and restated)	YoY Change US$000	YoY Change %
Consumer	688,210	69.7 %	544,384	66.2 %	143,826	26.4 %
Industrial & automotive	194,525	19.7 %	140,000	17.0 %	54,525	38.9 %
Communications	90,443	9.2 %	126,268	15.3 %	(35,825)	(28.4)%
Computing	13,955	1.4 %	12,426	1.5 %	1,529	12.3 %
Total revenue	987,133	100.0 %	823,078	100.0 %	164,055	19.9 %

- *Revenue from consumer electronics,* our largest end market segment, contributed US$688.2 million, reaching 69.7% of total revenue, an increase of 26.4% over 3Q 2025, mainly driven by increased demand for MCU, flash, and PMICs.
- *Revenue from industrial & automotive* was US$194.5 million, an increase of 38.9% over 3Q 2025, mainly driven by increased demand for PMICs.
- *Revenue from communications* was US$90.4 million, a decrease of 28.4% compared to 3Q 2025, mainly due to decreased demand for CIS products.
- *Revenue from computing* was US$14.0 million, an increase of 12.3% over 3Q 2025, mainly driven by increased demand for MCU products.

Capacity[9] and Capacity Utilization

	3Q 2026 (Unaudited)	3Q 2025 (Unaudited and restated)	2Q 2026 (Unaudited and restated)
Total capacity (in thousands 8" equivalent wafers)	636	543	593
Overall capacity utilization	*102.9 %*	*108.7 %*	*104.1 %*

- Monthly capacity was 636,000 8-inch equivalent wafers at the end of 3Q 2026. Overall capacity utilization was 102.9% in 3Q 2026.

Wafer Shipments

in thousands 8" equivalent wafers	3Q 2026 (Unaudited)	3Q 2025 (Unaudited and restated)	2Q 2026 (Unaudited and restated)	YoY Change	QoQ Change
Wafer shipments	1,911	1,714	1,837	11.5 %	4.0 %

- *Wafer shipments* were 1,911,000, an increase of 11.5% year over year, and 4.0% quarter over quarter.

[9] *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	3Q 2026 (Unaudited)	3Q 2025 (Unaudited and restated)	2Q 2026 (Unaudited and restated)	YoY Change	QoQ Change
Selling and distribution expenses	2,801	2,550	3,021	9.8 %	(7.3)%
Administrative expenses[10]	97,509	118,230	114,617	(17.5)%	(14.9)%
Impairment losses on trade and notes receivables	223	(3,430)	(1,230)	(106.5)%	(118.1)%
Operating expenses	**100,533**	**117,350**	**116,408**	**(14.3)%**	**(13.6)%**

- *Operating expenses* were $100.5 million, 14.3% lower than 3Q 2025, mainly due to decreased depreciation expenses and engineering wafer costs, and 13.6% below 2Q 2026, mainly due to decreased labor and engineering wafer costs.

Other (Loss) / Income Net Analysis

Amounts in US$ thousands	3Q 2026 (Unaudited)	3Q 2025 (Unaudited and restated)	2Q 2026 (Unaudited and restated)	YoY Change	QoQ Change
Interest income	14,741	15,096	15,223	(2.4)%	(3.2)%
Foreign exchange gains / (losses)	542	346	(5,859)	56.6 %	(109.3)%
Share of (loss) / profit of associates	(6,191)	1,843	9,491	(435.9)%	(165.2)%
Finance costs	(29,500)	(18,042)	(31,468)	63.5 %	(6.3)%
Government subsidies	11,939	16,199	6,043	(26.3)%	97.6 %
Others	(197)	843	1,871	(123.4)%	(110.5)%
Other (loss) / income net	**(8,666)**	**16,285**	**(4,699)**	**(153.2)%**	**84.4 %**

- *Other loss net* was US$8.7 million, compared to other income net of US$16.3 million in 3Q 2025, primarily due to increased finance costs. It was 84.4% over 2Q 2026, mainly due to US$6.2 million of share of loss of associates in 3Q 2026.

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

Cash Flow Analysis

Amounts in US$ thousands	3Q 2026 (Unaudited)	3Q 2025 (Unaudited and restated)	2Q 2026 (Unaudited and restated)	YoY Change	QoQ Change
Net cash flows generated from operating activities	377,277	279,004	419,870	35.2 %	(10.1)%
Net cash flows used in investing activities	(549,993)	(258,140)	(330,367)	113.1 %	66.5 %
Net cash flows generated from / (used in) financing activities	1,114,615	56,873	(422,727)	1,859.8 %	(363.7)%
Effect of exchange rate changes	44,138	25,328	65,000	74.3 %	(32.1)%
Net change in cash	**986,037**	**103,065**	**(268,224)**	**856.7 %**	**(467.6)%**

- *Net cash flows generated from operating activities* was US$377.3 million, 35.2% over 3Q 2025, mainly due to increased receipts from customers, and 10.1% lower than 2Q 2026, primarily due to increased labor payments in 3Q 2026.
- *Net cash flows used in investing activities* was US$550.0 million, including US$601.0 million investment in fixed assets, partially offset by US$26.5 million interest income, US$24.5 million receipt of government grants for equipment.
- *Net cash flows generated from financing activities* was US$1,114.6 million, including US$1,167.6 million capital contribution from non-controlling interests, US$74.2 million proceeds from bank borrowings, and US$0.1 million proceeds from share option exercises, partially offset by US$99.9 million of bank principal repayments, US$26.4 million interest payments and US$1.0 million lease payments.

Capital Structure

Amounts in US$ thousands	30-Sep-2026 (Unaudited)	30-Jun-2026 (Unaudited and restated)
Total assets	17,727,129	16,019,042
Total liabilities	6,407,387	6,062,217
Total equity	11,319,742	9,956,825
Debt ratio[11]	*36.1 %*	*37.8 %*

Capital Expenditures

Amounts in US$ thousands	3Q 2026 (Unaudited)	2Q 2026 (Unaudited and restated)
Hua Hong 8"	29,249	30,683
Hua Hong 12"	571,784	332,573
Total	**601,033**	**363,256**

- *Capital expenditures* were US$601.0 million in 3Q 2026, including US$571.8 million for Hua Hong 12" and US$29.2 million for Hua Hong 8".

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

Liquidity

Amounts in US$ thousands	30-Sep-2026 (Unaudited)	30-Jun-2026 (Unaudited and restated)
Completed properties held for sale	224,908	222,405
Inventories	737,791	711,164
Trade and notes receivables	367,102	388,242
Prepayments, other receivables and other assets	747,453	703,329
Due from related parties	32,788	24,691
Restricted and time deposits	45,937	45,355
Cash and cash equivalents	6,048,435	5,062,398
Total current assets	**8,204,414**	**7,157,584**
Trade payables	284,361	356,588
Other payables and accruals	1,282,472	905,397
Interest-bearing bank borrowings	1,942,232	1,985,982
Current portion of long-term payables	-	7,331
Lease liabilities	1,758	2,006
Government grants	134,031	119,681
Due to related parties	3,363	4,310
Income tax payable	22,532	14,549
Total current liabilities	**3,670,749**	**3,395,844**
Net working capital	**4,533,665**	**3,761,740**
Quick ratio	*2.0*	*1.8*
Current ratio	*2.2*	*2.1*
Trade and notes receivables turnover days	34	41
Inventories turnover days	88	87

- *Trade payables* decreased from US$356.6 million on 30 June 2026 to US$284.4 million on 30 September 2026, mainly due to increased payments to suppliers.
- *Other payables and accruals* increased from US$905.4 million on 30 June 2026 to US$1,282.5 million on 30 September 2026, mainly due to increased payables for capital expenditures.
- On 30 September 2026, *net working capital* was US$4,533.7 million and the *current ratio* was 2.2.
- *Trade and notes receivables turnover days* were 34.
- *Inventories turnover days* were 88.

Please visit Company's website at www.huahonggrace.com
for further details regarding recent announcements.

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

	As previously reported				Restated			
	3Q 2025 (Unaudited)	4Q 2025 (Unaudited)	1Q 2026 (Unaudited)	2Q 2026 (Unaudited)	3Q 2025 (Unaudited)	4Q 2025 (Unaudited)	1Q 2026 (Unaudited)	2Q 2026 (Unaudited)
Revenue	635,180	659,882	660,925	717,537	823,078	840,696	824,473	898,483
Gross profit	**85,854**	**85,464**	**86,059**	**118,404**	**140,313**	**125,442**	**128,552**	**179,227**
Gross margin	*13.5 %*	*13.0 %*	*13.0 %*	*16.5 %*	*17.0 %*	*14.9 %*	*15.6 %*	*19.9 %*
Operating expenses	(100,433)	(130,165)	(105,613)	(109,083)	(117,350)	(141,506)	(112,574)	(116,408)
Other income/ (loss) net	17,752	34,110	(2,448)	2,189	16,285	26,900	(5,489)	(4,699)
Profit / (Loss) before tax	**3,173**	**(10,591)**	**(22,002)**	**11,510**	**39,248**	**10,836**	**10,489**	**58,120**
Income tax credit / (expense)	(10,363)	(8,069)	4,735	(7,632)	(10,259)	(8,008)	4,735	(7,632)
(Loss) / profit for the period	**(7,190)**	**(18,660)**	**(17,267)**	**3,878**	**28,989**	**2,828**	**15,224**	**50,488**
Net profit margin	*(1.1)%*	*(2.8)%*	*(2.6)%*	*0.5 %*	*3.5 %*	*0.3 %*	*1.8 %*	*5.6 %*
Attributable to:								
Owners of the parent	25,725	17,454	20,929	38,639	49,950	35,359	42,524	69,480
Non-controlling interests	(32,915)	(36,114)	(38,196)	(34,761)	(20,961)	(32,531)	(27,300)	(18,992)
Earnings per share attributable to owners of the parent								
Basic	0.015	0.010	0.012	0.022	0.027	0.019	0.023	0.037
Diluted	0.015	0.010	0.012	0.022	0.027	0.019	0.023	0.037
Wafers shipped (in thousands 8" equivalent wafers)	1,400	1,448	1,453	1,538	1,714	1,745	1,736	1,837
Capacity utilization	109.5 %	103.8 %	99.7 %	102.8 %	108.7 %	104.2 %	101.1 %	104.1 %
ROE (annualized)	1.6 %	1.2 %	1.2 %	2.4 %	3.2 %	2.0 %	2.4 %	4.0 %

In September 2026, the Company completed the acquisition of share capital of Huali Micro. The transaction was accounted for as a business combination under common control in accordance with relevant accounting standards and accordingly, the comparative figures for the corresponding period were restated.

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

	For the Three Months Ended		
	30-Sep-2026 (Unaudited)	30-Sep-2025 (Unaudited and restated)	30-Jun-2026 (Unaudited and restated)
Revenue	987,133	823,078	898,483
Cost of sales	(744,490)	(682,765)	(719,256)
Gross profit	**242,643**	**140,313**	**179,227**
Other income and gains	27,044	32,687	23,137
Selling and distribution expenses	(2,801)	(2,550)	(3,021)
Administrative expenses	(97,509)	(118,230)	(114,617)
Impairment losses on trade and notes receivables	(223)	3,430	1,230
Other expenses	(19)	(203)	(5,859)
Finance costs	(29,500)	(18,042)	(31,468)
Share of (loss) / profit of associates	(6,191)	1,843	9,491
Profit before tax	**133,444**	**39,248**	**58,120**
Income tax expense	(13,391)	(10,259)	(7,632)
Profit for the period	**120,053**	**28,989**	**50,488**
Attributable to:			
Owners of the parent	123,435	49,950	69,480
Non-controlling interests	(3,382)	(20,961)	(18,992)
Earnings per share attributable to owners of parent			
Basic	0.066	0.027	0.037
Diluted	0.066	0.027	0.037
Shares used in calculating basic earnings per share attributable to owners of parent	1,873,036,969	1,855,794,006	1,861,964,246
Shares used in calculating diluted earnings per share attributable to owners of parent	1,873,094,983	1,857,346,418	1,862,022,099

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

	As of		
	30-Sep-2026 (Unaudited)	30-Jun-2026 (Unaudited and restated)	30-Sep-2025 (Unaudited and restated)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8,166,992	7,520,454	6,415,117
Investment property	54,451	53,845	54,154
Right-of-use assets	58,078	57,906	65,850
Intangible assets	33,777	37,068	42,629
Investment in associates	167,106	183,072	147,349
Equity instruments designated at fair value through other comprehensive income	748,292	763,190	368,411
Financial asset at fair value through profit or loss	8,909	8,809	-
Long term prepayment	276,598	228,796	42,432
Due from related parties	8,512	8,318	8,970
Deferred tax assets	-	-	9,119
Total non-current assets	**9,522,715**	**8,861,458**	**7,154,031**
CURRENT ASSETS			
Completed properties held for sale	224,908	222,405	223,302
Inventories	737,791	711,164	718,385
Trade and notes receivables	367,102	388,242	323,867
Prepayments, other receivables and other assets	747,453	703,329	494,794
Due from related parties	32,788	24,691	21,050
Restricted and time deposits	45,937	45,355	32,135
Cash and cash equivalents	6,048,435	5,062,398	4,357,050
Total current assets	**8,204,414**	**7,157,584**	**6,170,583**
CURRENT LIABILITIES			
Trade payables	284,361	356,588	368,483
Other payables and accruals	1,282,472	905,397	734,529
Interest-bearing bank borrowings	1,942,232	1,985,982	457,803
Current portion of long-term payables	-	7,331	-
Lease liabilities	1,758	2,006	3,598
Government grants	134,031	119,681	68,790
Due to related parties	3,363	4,310	21,602
Income tax payable	22,532	14,549	14,341
Total current liabilities	**3,670,749**	**3,395,844**	**1,669,146**
NET CURRENT ASSETS	**4,533,665**	**3,761,740**	**4,501,437**
TOTAL ASSETS LESS CURRENT LIABILITIES	**14,056,380**	**12,623,198**	**11,655,468**

	As of		
	30-Sep-2026 (Unaudited)	30-Jun-2026 (Unaudited and restated)	30-Sep-2025 (Unaudited and restated)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	2,066,658	1,999,824	2,464,562
Lease liabilities	7,652	7,938	15,329
Deferred tax liabilities	41,819	45,008	7,123
Other long-term payables	620,509	613,603	-
Total non-current liabilities	**2,736,638**	**2,666,373**	**2,487,014**
Net assets	**11,319,742**	**9,956,825**	**9,168,454**
Equity and liabilities capital and reserves			
Share capital	5,709,809	4,987,827	4,982,556
Reserves	1,253,134	2,269,969	1,521,497
Equity attributable to the owners of the company	**6,962,943**	**7,257,796**	**6,504,053**
Non-controlling interests	4,356,799	2,699,029	2,664,401
Total equity	**11,319,742**	**9,956,825**	**9,168,454**

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

	For the Three Months Ended		
	30-Sep-2026 (Unaudited)	30-Sep-2025 (Unaudited and restated)	30-Jun-2026 (Unaudited and restated)
Cash flows from operating activities:			
Profit before tax	133,444	39,248	58,120
Depreciation and amortization	265,839	202,848	244,736
Share of loss / (profit) of associates	6,191	(1,843)	(9,491)
Changes in working capital and others	(28,197)	38,751	126,505
Net cash flows generated from operating activities	**377,277**	**279,004**	**419,870**
Cash flows from investing activities:			
Payments for property, plant and equipment and intangible assets	(601,033)	(275,347)	(363,256)
Purchase of an equity investment designated at fair value through other comprehensive income	-	(14,030)	(7,286)
Purchase of a financial assets at fair value through profit or loss	-	-	(8,809)
Receipt of government grants of equipment	24,484	7,000	28,283
Other cash flow generated from investing activities	26,556	24,237	20,701
Net cash flows used in investing activities	**(549,993)**	**(258,140)**	**(330,367)**
Cash flows from financing activities:			
New bank loans	74,238	99,923	201,506
Proceeds from issue of shares	110	14,376	106
Capital contribution from non-controlling interests	1,167,600	-	-
Repayment of bank borrowings	(99,903)	(47,865)	(583,667)
Interest paid	(26,452)	(7,572)	(39,689)
Payment of lease liabilities	(978)	(1,989)	(983)
Net cash flows generated from / (used in) financing activities	**1,114,615**	**56,873**	**(422,727)**
Net increase / (decrease) in cash and cash equivalents	941,899	77,737	(333,224)
Cash and cash equivalents, beginning of period	5,062,398	4,253,985	5,330,622
Effects of exchange rate changes	44,138	25,328	65,000
Cash and cash equivalents, ending of period	**6,048,435**	**4,357,050**	**5,062,398**

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
Yimin 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
November 5, 2026