Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

GRANT OF SHARE OPTIONS UNDER NEW SHARE OPTION SCHEME

The board (the "**Board**") of directors (the "**Directors**") of the Company hereby announces that on 13 November 2026, 52,121,800 share options (the "**Options**") to subscribe for up to a total of 52,121,800 ordinary shares of the Company (the "**Shares**") were granted to Ms. Yimin Chen ("**Ms. Chen**"), a director the Company, and 1,696 employees of the Group with key technical expertise and/or core managerial roles under the share option scheme adopted by the Company on 22 October 2026 (the "**New Share Option Scheme**"), subject to acceptance of each grantee. Pursuant to the requirements of the State-owned Assets Supervision and Administration Commission of the Shanghai Municipal Government of the People's Republic of China ("**PRC**"), the grant of the Options was approved by the shareholders of the Company at the extraordinary general meeting of the Company on 22 October 2026. Details of the grant of the Options are as follows:

Date of grant	:	13 November 2026
Exercise price of Options granted	:	HK$73.75
Number of Options granted	:	52,121,800 (each Option shall entitle the holder to subscribe for one Share)
Closing price of the Shares on the date of grant	:	HK$72.30
The average closing price of the Share for the five business days immediately preceding the date of grant	:	HK$73.75

Vesting period of the Options	:	No Options granted under the New Share Option Scheme shall vest until the expiry of a three (3)-year vesting period from the date of grant. Subject to the satisfaction of the applicable vesting conditions, the Options shall vest in tranches as follows: (i) 30% of the Options shall vest on the third anniversary of the date of grant; (ii) 30% of the Options shall vest on the fourth anniversary of the date of grant; and (iii) the remaining 40% of the Options shall vest on the fifth anniversary of the date of grant. Any vested but unexercised Options, and any Options which have not vested, shall lapse and cease to be exercisable upon the seventh anniversary of the date of grant (or such earlier date as may be specified in accordance with the terms of the New Share Option Scheme)
Exercise period of the Options	:	From 13 November 2026 to 12 November 2033 (7 years), both dates inclusive, subject to the vesting schedule set out in the preceding paragraph
Performance Target	:	The vesting of the Options is subject to the satisfaction of applicable corporate and individual performance targets. The corporate performance measures include revenue – and profit-related indicators. For each vesting tranche, the relevant target levels for such corporate measures will be assessed by reference to the Company's audited results for the financial year preceding the relevant vesting date and, where applicable, by reference to the Company's historical performance and peer-company benchmarks. Individual performance will be assessed under the Company's performance appraisal system for the financial year preceding the relevant vesting date, using internal grading with coefficients that may range from 100% to 0% to determine the vesting proportion for the relevant tranche. Any portion of a tranche that does not vest because the applicable corporate or individual performance conditions are not satisfied will be forfeited.

Clawback Mechanism	:	The Board may, in its absolute discretion, determine that any unvested or unexercised Options granted to a grantee shall lapse, or be clawed back in whole or in part and, upon such clawback, lapse, if the grantee commits misconduct, breaches material employment, service, confidentiality, non-competition or non-solicitation obligations, discloses trade secrets or confidential information, competes with the Group, causes material loss or reputational damage to the Group, is convicted of a criminal offence, breaches applicable laws or internal policies, or ceases to be an Eligible Participant in circumstances specified in the New Share Option Scheme or the relevant Grant Notice.
Financial Assistance	:	The Group has not provided any financial assistance to the grantees for the purchase of Shares under the New Share Option Scheme.

The purpose of the New Share Option Scheme is to attract, retain and provide incentives to the Eligible Participants, to provide them with the opportunity to obtain Shares of the Company and to link their interests closely to the operating results and share performance of the Company with the view to increasing the value of the Company.

Among the Options granted above, 134,700 Options were granted to the director of the Company, details of which is as follows:

Name of Grantee	**Position in the Company**	**Number of Options granted**
Ms. Chen	Non-Executive Director	134,700

Given Ms. Chen is a Director of the Company, the grant of the Options to Ms. Chen has been approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong (the "**Listing Rules**"). The grant of such Options was also approved by the Board, save that Ms. Chen has abstained on voting on the relevant resolutions relating to the grant of Options to herself.

51,987,100 Options were granted to employees of the Company. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save as disclosed in this announcement, none of the grantees (i) is a Director, chief executive or substantial shareholder of the Company, or any of their respective associate(s) (as defined under the Listing Rules) as at the date of this announcement; (ii) a participant with options granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider (each as defined under the Listing Rules) of the Company.

The exercise price of HK$73.75 per Share represents the higher of (i) the closing price of HK$72.30 per Share as stated in the daily quotation sheets issued by the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on the date of the grant; (ii) the average closing price of HK$73.75 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the face value of the Share.

Following the grant of the Options, and assuming that all grantees have accepted such grant, the number of Shares available for future grants under the scheme mandate limit of the Share Option Scheme is 140,727,679 Shares, representing approximately 7.30% of the total number of issued Shares as at the date of this announcement.

By Order of the Board
Hua Hong Grace Semiconductor Limited
Dr. Peng Bai
Chairman and Executive Director

Shanghai, PRC, 16 November 2026

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

Executive Director:
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