The information and statistics set out in this section and other sections of this document were extracted from official government publications and other publicly available sources as well as from the independent industry report prepared by Frost & Sullivan (the "Frost & Sullivan Report"). The Company engaged Frost & Sullivan to prepare the Frost & Sullivan Report in connection with the **[REDACTED]**. *The information from official government sources has not been independently verified by us, any of the Joint Sponsors,* **[REDACTED]**, *any of their respective directors and advisers, or any other persons or parties involved in the* **[REDACTED]**. *For discussion of risks related to the Group's industry, see "Risk Factors—Risks Relating to Our Business and Industry" for more details.*

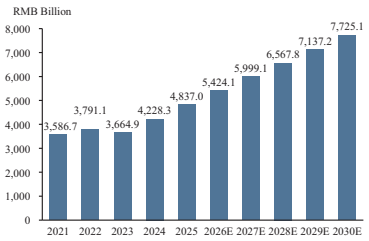
GLOBAL SEMICONDUCTOR INDUSTRY OVERVIEW

Classification and Market Overview of the Global Semiconductor Industry

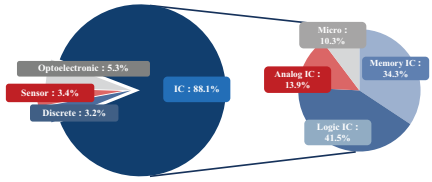
The global semiconductor market demonstrated significant growth between 2021 and 2025, with market size expanding from RMB3.6 trillion in 2021 to RMB4.8 trillion in 2025, representing a CAGR of 7.8%. From 2025 to 2029, the market is projected to grow at a CAGR of 9.2%, reaching RMB7.7 trillion by 2030.

In terms of product mix, the global semiconductor market is primarily comprised of four major categories: ICs, discrete devices, sensors, and optoelectronic products. Among them, ICs represent the largest segment, accounting for 88.1% of total market value. Sensors, as the core units at the sensing layer of electronic systems, convert physical quantities from the real world into electrical signals and accounted for 3.4% of the market. ICs can be further divided into logic ICs, memory ICs, analog ICs and microprocessors. Analog ICs perform critical functions in signal acquisition, signal transmission, and power management, and serve as the fundamental infrastructure for the proper operation of all electronic systems. In 2025, analog ICs accounted for approximately 13.9% of the IC market.

Semiconductor Market Size (by Revenue), Global, 2021–2030E



Semiconductor Market Structure by Product Category, Global, 2025



Source: Frost & Sullivan, World Semiconductor Trade Statistics, Semiconductor Industry Association

Analysis of the Unique Value of Analog ICs in the Semiconductor Industry

Analog ICs, including analog signal ICs and mixed signal ICs, hold a critical position within the semiconductor value chain, serving as the core bridge between the real and digital worlds. Analog ICs convert continuous analog signals such as sound, light, temperature, pressure, and current into digital signals for processing by digital ICs, or transform digital outputs back into analog signals to drive physical devices. Unlike digital ICs, which operate on binary logic, analog ICs directly process

real-world continuous signals and provide irreplaceable functional attributes. Analog ICs' applications span across sensing and detection, signal processing, power management, and actuation and driving, making them indispensable for the stable, efficient, and reliable operation of nearly all electronic systems.

From the perspective of downstream applications, analog ICs are embedded throughout the operating chain of electronic systems and are used in a wide range of sectors. In the industrial and energy sector, analog ICs with high precision, wide temperature and voltage ranges, low noise, and strong anti-interference characteristics enable the acquisition and conditioning of sensor signals and drive power devices to achieve energy conversion and execution control. Specifically, signal chain ICs such as amplifiers, comparators, and ADC/DACs perform precision sensing, conditioning, converting and feedback control functions, which are essential to motion control and automation systems. Meanwhile, power management ICs and driver ICs regulate and control voltage and current to operate power components such as MOSFETs, GaN FETs or IGBTs, ensuring efficient energy transformation, stable power delivery, and safe switching in applications such as photovoltaic inverters, power supplies, and industrial equipment. In the automotive sector, analog ICs provide automotive-grade precision signal acquisition, power management, and control driving for powertrain systems, BMS, ADAS, and in-vehicle infotainment. In the networking and computing sector, analog ICs ensure stable IC operation under heavy workloads through high-speed signal conditioning, efficient power conversion, and multiphase voltage regulation. In the consumer electronics sector, analog ICs, including signal chain and power management, enable long battery life, miniaturization, and multi-functional experiences, as signal chain ICs enable diverse sensing and interactive functions through high-precision and low-power signal processing, while power management ICs enhance energy conversion efficiency, reduce power consumption and optimize battery usage to extend operating time. Compared with discrete solutions, the higher level of integration of analog ICs also contributes to miniaturization by reducing overall component count and system footprint.

From a product and technology perspective, analog ICs are generally characterized by broad product diversity, long life cycles, multi-dimensional performance metrics, high design barriers, diverse manufacturing processes, and relatively long-term talent development. The mainstream processes for analog ICs are concentrated on mature process nodes, with stringent requirements for reliability and stability. Analog ICs have high design thresholds and complex performance parameters, with characteristics such as strong reliance on experience, non-standardization, and cross-disciplinary. During design, engineers are required to carefully consider the alignment between system architecture and device parameters, as well as their mutual interactions. Moreover, due to the diversity of manufacturing and packaging processes, designers not only master the characteristics of various components but also are proficient in different manufacturing and packaging techniques. Therefore, designing analog ICs demands a high level of experience.

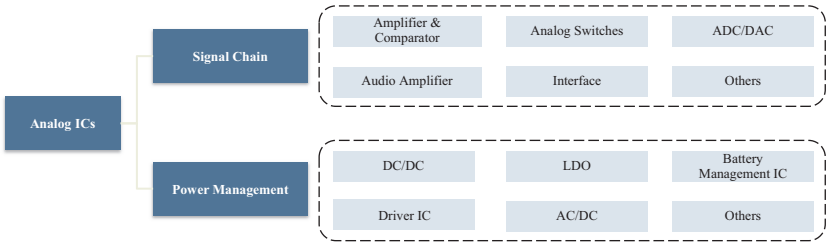
As the global semiconductor industry advances toward higher performance, lower power consumption, and greater reliability, the system-level value of analog ICs has become increasingly prominent. The expansion of AI-driven computing infrastructure, the rising penetration of electric and intelligent vehicles, and the ongoing upgrade of industrial and energy systems all place simultaneous demands on both the volume and performance of analog ICs. Therefore, analog ICs are not only essential components that support downstream technology iteration but also one of the core forces driving growth across the semiconductor industry.

ANALOG IC MARKET ANALYSIS

Introduction to Analog ICs

In terms of functionality in circuits, analog ICs can be broadly categorized into two major types: signal chain ICs and power management ICs. Signal chain ICs are designed to receive, transmit, convert, amplify, and condition analog signals, enabling high-precision interaction between the real world and digital processing systems. Power management ICs are responsible for power conversion, distribution, detection, and monitoring across an entire electronic system, ensuring stable operation under varying conditions.

Classification of Analog ICs

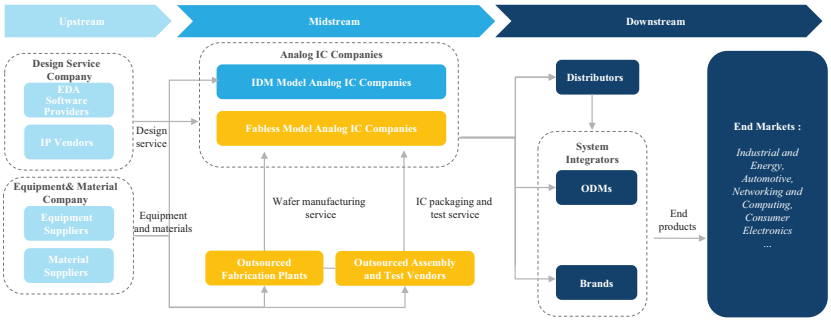


Source: Frost & Sullivan

Analog IC Industry Value Chain

The value chain of the analog IC industry can be divided into three major segments: upstream suppliers of EDA tools, IP, equipment, and materials; midstream participants including analog IC companies, wafer fabrication, packaging, and testing providers; and downstream distributors, system integrators, and end markets. Within the midstream segment, analog IC companies may adopt the IDM model, which integrates IC design, wafer fabrication, packaging, testing, and product sales, or the fabless model, which focuses on IC design and sales while outsourcing manufacturing. Analog ICs have a wide range of applications across end markets such as industrial and energy, automotive, networking and computing, and consumer electronics.

Industry Value Chain of Analog ICs



Source: Frost & Sullivan

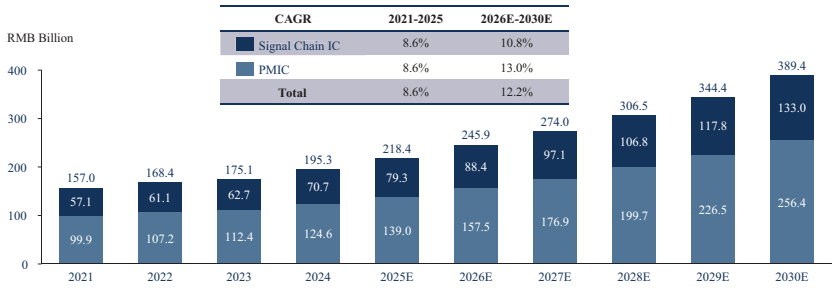
Analog IC Market Size

From a market size perspective, the global analog IC market expanded from RMB478.1 billion in 2021 to RMB617.9 billion in 2025, driven by rapid growth in industrial and energy, automotive,

networking and computing and consumer electronics. During 2022 to 2023, however, the analog IC market in China experienced a temporary slowdown as weaker macroeconomic conditions led to softer end-market demand. The most significant impact came from the consumer electronics sector, where shipments of smartphones, PCs and other personal devices declined materially, resulting in reduced procurement by device manufacturers and channel partners and moderating overall market growth during the period. In 2024, consumer electronics shipments began to recover, partially supported by AI-related infrastructure upgrades, and the analog IC market accordingly resumed its growth trajectory. Looking ahead, driven by the increasing adoption of AI applications, along with the rising penetration of ADAS and NEVs, the global analog IC market is expected to reach RMB927.0 billion by 2030. China, as one of the world's largest consumption markets for analog ICs, recorded significant expansion between 2021 and 2025. Market size increased from RMB158.0 billion in 2021 to RMB218.4 billion in 2025, and is expected to reach RMB 389.4 billion by 2030.

By product category, the signal chain IC market expanded from RMB57.1 billion in 2021 to RMB79.3 billion in 2025, and is projected to reach RMB133.0 billion by 2030, driven by industrial automation, NEVs, and the growing adoption of embodied AI. China's power management IC market grew from RMB99.9 billion in 2021 to RMB139.0 billion in 2025. Driven by demand for high-efficiency power solutions in AI infrastructure, NEV power systems, and smart devices, China's power management IC market is expected to continue its growth and reach RMB256.4 billion by 2030.

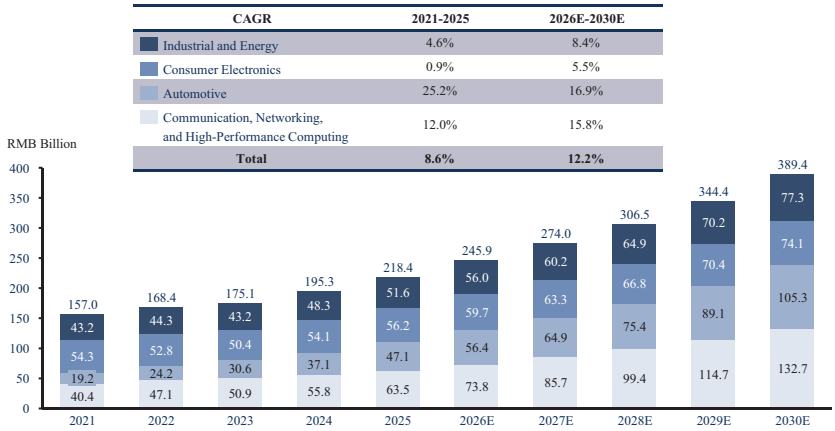
Analog IC Market Size (by Revenue), by Product Type, China, 2021-2030E



Source: Frost & Sullivan, China Semiconductor Industry Association

From a downstream perspective, China's analog IC market exhibits differentiated growth across major application sectors. The automotive sector is expected to be the fastest-growing segment, while the networking and computing sector remains the largest downstream market. Meanwhile, industrial and energy applications continue to grow, and consumer electronics provide a stable demand base.

Analog IC Market Size (by Revenue), by Downstream Application, China, 2021-2030E



Source: Frost & Sullivan, China Semiconductor Industry Association

Downstream Applications and Market Outlook for Analog ICs

Analog ICs play a foundational role across a wide range of industries, driving technological progress in industrial and energy, automotive, networking and computing and consumer electronics. Their unique capability to serve as the interface between the real and digital worlds makes them indispensable components of nearly all modern technology ecosystems. At present, China's analog IC market remains dominated by overseas providers. From the perspective of downstream applications, in consumer electronics sector, domestic enterprises have gradually caught up with leading international manufacturers and have secured a share of the market. However, in other critical sectors such as industrial and energy, automotive, networking and computing, domestic enterprises still lag behind leading international players. The primary reason lies in the high technical barriers of core products. For example, products such as ADC/DAC impose extremely demanding requirements across multiple parameters, including sampling rate, resolution, signal-to-noise ratio, and power consumption. Similarly, power management ICs for servers have to deliver high current capacity, fast transient response, and long-term stability, all of which depend on years of technological accumulation and extensive application validation. Nevertheless, supported by sustained R&D and technological breakthroughs, Chinese companies are steadily expanding their presence and market share in the analog IC industry.

Overview of Major Downstream Applications of Analog ICs

	Industrial and Energy	Automotive	Networking and Computing	Consumer Electronics
Product	• High-precision ADC/DACs • Precision operational amplifiers • High-speed comparators • ...	• Automotive-grade operational amplifiers • BMS • Motor drivers • High-Side drivers • ...	• Multiphase controllers and DrMOS • High-current DC/DC converters • SerDes • ...	• Display power supply ICs • Battery charger ICs • LDOs • ...
Product Function	• Capture and convert micro-volt sensor signals into high-resolution digital signals; • Provide low-noise amplification, filtering and level shifting to preserve signal integrity; • Enable fast threshold detection and protection loops for motor drives, power supplies and safety circuits.	• Condition and amplify sensor signals in ECUs, ADAS, and infotainment units to ensure accurate system performance; • Manage 12 V/48 V batteries and high-phase motors in EV power-train, body, and chassis systems. • Drive and control traction or auxiliary motors in electric vehicles with integrated gate drivers, current sensing, and comprehensive protection features for high-efficiency and reliable operation. • Provide robust high-voltage load switching and short-circuit protection, enabling safe and efficient power distribution across automotive power-train, body, and chassis systems.	• Deliver sub-microsecond transient response and tight voltage regulation for CPUs / ASICs. • Provide high-efficiency, large-current power delivery for servers, high-performance computing systems, and networking equipment. • Enable multi-gigabit high-speed serial data transmission and clock recovery for data-center interconnects, 5G infrastructure, and optical network backbones, supporting low-latency and low-jitter links required by CPUs, and ASICs.	• Provide multiple regulated voltage rails (e.g., AVDD, VGH, VGL, VCI) required by AMOLED displays, ensuring stable brightness and color performance; • Manage mobile device charging with voltage conversion, current regulation, and protection for safe and efficient battery charging. • Offer ultra-low-dropout, high-PSRR voltage regulation to supply noise-sensitive circuits such as camera sensors, and audio systems, etc., ensuring stable operation and extended battery life.

Source: Frost & Sullivan

Industrial and Energy

With the continued advancement of industrial automation and the energy transition sector, the role of analog ICs in enabling precise signal processing, efficient energy conversion, and stable equipment operation has become increasingly prominent. For example, amplifiers and ADC/DACs acquire and convert sensor signals, ensuring accuracy and real-time performance in motion control. Power management ICs, such as LDOs and DC/DC converters, provide a stable power supply for industrial equipment, medical devices, household appliances, and embodied AI. In addition, these ICs enable efficient energy transfer and regulation across different voltage platforms. In the energy sector, analog ICs serve as critical components in photovoltaic inverters and energy storage systems, helping to improve energy efficiency and reduce losses.

In the industrial sector, diverse applications such as manufacturing automation, medical equipment, and household appliances impose higher requirements on analog ICs. These demands are driving continuous upgrades in precision, speed, power efficiency, noise immunity, and long-term reliability. Motion control in manufacturing, as well as embodied AI and CNC machine tools, requires real-time and highly accurate signal acquisition and processing, which drives ADC/DACs toward higher resolution and lower latency. Large power devices used in factories, such as motors and inverters, generate significant electromagnetic interference, which requires analog ICs to feature high signal-to-noise ratios and strong resistance to interference. In medical equipment and household appliances, LDOs and DC/DC converters are required to deliver stable performance across wide temperature ranges and long operating lifetimes, while achieving high energy efficiency and low noise to safeguard diagnostic accuracy and household energy efficiency.

In the energy sector, including photovoltaic, wind power, and energy storage systems, analog ICs are essential for ensuring efficient and secure system operation. Photovoltaic inverters and wind converters are evolving toward higher power density, greater conversion efficiency, and larger system scale, which requires power management ICs with higher efficiency, superior transient response, and strong long-term stability to enable safe and low-loss energy conversion under high voltage and large current fluctuation conditions. The intelligence and digitalization of new energy systems have advanced significantly, placing higher requirements on signal chain ICs for high-accuracy sampling, low-noise conditioning, fast data conversion, and robustness under strong electromagnetic interference to ensure real-time monitoring and control of key parameters such as voltage, current, and temperature. At the same time, with the large-scale deployment of energy storage systems, increasingly stringent standards are imposed on battery safety and lifespan management, driving continuous upgrades of power management ICs in precise power control, long cycle reliability, and safety redundancy design.

Automotive

In the automotive sector, analog ICs are widely deployed across systems such as ADAS, intelligent cockpits, body electronics, lighting, infotainment and instrument displays. Specifically, in BMS, high-precision signal-chain ICs and power-management ICs monitor and condition battery voltage, current, and temperature in real time. Working together with analog driver ICs, they provide cell balancing and safety protection, which are critical to ensuring the driving range and operational safety of NEVs. In perception systems such as LiDAR and in-vehicle cameras, high-performance power-management ICs supply low-noise, stable power, while high-speed ADC/DAC and signal-amplifier ICs enable rapid data acquisition, conversion, and processing to support ADAS decisions. In intelligent cockpit and body-control systems, switching and driver ICs manage multi-channel signal control and actuator driving, improving human–machine interaction and overall vehicle control precision.

From a market perspective, China's automotive industry is undergoing profound structural transformation: sales of traditional vehicles declined from 22.8 million units in 2021 to 18.0 million units in 2025, while sales of NEVs surged from 3.5 million to 16.5 million units over the same period, representing a CAGR of 47.2%, and it is projected to reach 36.6 million units by 2030. China has become a microcosm of the global automotive shift toward electrification and intelligence, creating sustained growth opportunities for analog ICs.

Networking and Computing

In the networking and computing sector, the surge in AI model training, cloud computing and data traffic is driving rapid expansion and performance upgrades in computing infrastructure. Taking servers as an example, shipments in China increased from 4.1 million units in 2021 to 4.7 million units in 2025 and are expected to reach 5.4 million units by 2030. Among them, AI servers are the primary growth engine, with shipments rising from 233.3 thousand units in 2021 to 657.4 thousand units in 2025 and projected to reach 2.0 million units by 2030.

Meanwhile, following the gradual completion of 5G deployment, the construction of communication base-stations is progressing toward high-speed optical networks, driving continuous upgrades of key equipment such as optical modules and switches. The continuous rise in data transmission rates and the sharp increase in power consumption have made signal-chain ICs and power management ICs increasingly critical in computing infrastructure. High-current DC/DC converters, multiphase power controllers, and DrMOS enable efficient power delivery to CPU, microprocessor, memory, and network-interconnect devices, meeting the requirements for high power density and intelligent power control. High-speed ADCs/DACs, interface ICs, and high precision clock ICs support optical-electrical conversion, signal amplification, data acquisition, and conditioning, thereby ensuring low latency and high signal integrity. At the same time, eFuses, as key components for server power protection, are capable of rapidly disconnecting circuits under overcurrent or short-circuit conditions to prevent damage to critical ICs and modules. With the accelerating demand for servers, optical modules, and communication base stations, the analog IC market is expected to see continuous and rapid growth.

Consumer Electronics

In smartphones, wearable devices, personal computers, televisions and other consumer electronics, analog ICs are used in critical functions such as power management, display driving, audio amplification, charging and protection, ensuring stable operation under the demands of multifunctionality, high performance, high reliability, and portability. Power management ICs deliver efficient voltage regulation, power control and battery-charging and discharging management. Display driver ICs convert digital signals into analog signals recognizable by display panels, enabling high-resolution and low-power visual performance. Charging and protection ICs ensure safety and compatibility in fast-charging environments.

From a market perspective, China is the world's largest producer of consumer electronic products, accounting for more than 70% of global output and holding a central position in the global supply chain with production volumes growing from 1.7 billion units in 2021 to 1.8 billion units in 2025. Looking ahead, as consumer electronics increasingly adopt edge-AI capabilities and evolve toward product diversification, portability, fast-charging, high power, and low power consumption, next-generation devices will impose higher requirements on analog ICs. AI smartphones and AI PCs

deploying large models locally will raise inference power consumption, accelerate load fluctuations, and increase the number of voltage domains, requiring power management ICs to deliver high current output within limited space, manage multiple power rails, and schedule them efficiently. AR/VR interactive devices will demand lower power consumption and more complex signal processing. Wearable devices will place greater emphasis on miniaturization and longer battery life. High-performance audio applications will pursue lower distortion and wider dynamic range. These trends are expected to further increase demand and value of analog ICs.

Critical Success Factors in the Analog IC Market

From the product dimension, companies are required to establish a comprehensive product portfolio spanning both signal chain and power management, while continuously expanding part numbers to address diverse application requirements across multiple end markets. Such a broad product line layout not only provides long-term, stable and predictable growth potential and business resilience across specific products and application cycles, but also enhances resilience against risks, creates cross-selling opportunities and enhances customer stickiness.

From the customer dimension, demand typically spans multiple product categories, making cross-product-line supply chain capabilities critical for delivering overall solutions and improving procurement efficiency. At the same time, stringent qualification and verification processes, together with long product life cycles in downstream applications, reinforce customer stickiness and switching costs, making continuous customer accumulation and long-term relationship maintenance key to sustained growth.

From the technology dimension, companies need to respond efficiently to diverse and evolving application requirements in terms of performance, interface standards and power optimisation, requiring strong coordination across R&D, verification and delivery. In addition, capabilities in ensuring product reliability, safety and compatibility under complex operating environments, as well as early-stage participation in customer design processes, enable deeper integration with end systems and strengthen long-term technical advantages.

From the industry collaboration dimension, close cooperation across the value chain, particularly with downstream customers and foundries, enables companies to better capture end-market demand, secure process technology support and production capacity, and improve yield and product iteration efficiency. Such collaboration helps companies shorten development cycles, align product launches with market trends and maintain competitiveness in a rapidly evolving industry.

Drivers and Development Trends of China's Analog IC Market

Demand Side. The rapid development of AI, automotive, as well as industrial and energy sectors is driving both volume growth and higher performance requirements for analog ICs. In AI, demand is increasing for high-performance signal chain and power management solutions across both cloud and edge deployments. In automotive, electrification, intelligence and connectivity are increasing semiconductor value per vehicle and driving greater adoption of analog ICs. In industrial and energy applications, stringent requirements on reliability, operating conditions and system stability are further supporting growth in both the quantity and performance of analog ICs.

Product Side. Ongoing technological iteration and sustained R&D investment are intensifying industry competition. High-precision signal chain products—including low-noise operational

amplifiers, low-drift references, high-resolution and high-speed ADCs, low-RON analog switches and high-PSRR LDOs—are being continually optimized to support high-quality signal acquisition and processing in complex environments. High-efficiency power architectures, such as multiphase power, DrMOS, digital power control, PoL, and GaN drivers, are rapidly upgrading, significantly improving power supply efficiency and energy management levels. In the analog IC market, companies that pursue platform-based and series-based development together with large-scale part number layout can meet the differentiated requirements of various terminals in terms of power consumption, speed, precision, temperature range, and interface compatibility. These companies are also able to establish deep binding and technical barriers in high-value applications, thereby further strengthening overall competitiveness.

Policy Side. Government initiatives are increasingly focused on integrated circuit self-sufficiency, domestic substitution in industrial and automotive-grade equipment, energy transition, and carbon neutrality goals. On the supply side, policies such as the Several Policies to Promote the High-quality Development of the Integrated Circuit Industry and Software Industry in the New Era (《新時期促進集成電路產業和軟件產業高質量發展的若干政策》) support domestic semiconductor enterprises, including analog IC manufacturers, through tax incentives, R&D support, facilitation of investment and financing, and encouragement of market-oriented application and verification. On the demand side, policies promoting downstream industries, such as the Outline of the 15th Five-Year Plan for National Economic and Social Development （《國民經濟和社會發展第十五個五年規劃綱要》）, drive the expansion and upgrading of industrial automation, smart equipment and intelligent production systems. As analog ICs, including signal chain ICs and power management ICs, are core components in industrial control, sensing, signal processing and power conversion, the expansion and upgrading of these downstream application scenarios directly increase demand for analog ICs, thereby supporting sustained growth of the analog IC industry.

CHINA'S ANALOG IC MARKET COMPETITION ANALYSIS

Overview of China's Analog IC Market Landscape

The analog IC industry, given its broad application coverage and diverse product categories, has developed into a fragmented market characterized by the coexistence of multiple players. International leaders, supported by long-term technological accumulation and comprehensive product portfolios, continue to dominate the China analog IC market. In recent years, however, driven by rising demand and continuous technological progress, Chinese companies have been steadily narrowing the gap with global leaders, gradually reshaping the competitive landscape.

Rankings and Market Share Analysis of Analog IC Companies

The global and China's analog IC markets have long exhibited relatively stable yet fragmented competitive landscapes. In the China market, we continue to hold a leading position, while in the global market we are steadily moving up the rankings.

In 2025, in the China analog IC market, the top eight companies together accounted for 37.3% of market share, with our company ranking first among domestic companies and eighth among global companies. In the global analog IC market, we ranked among the top fifteen worldwide.

In the China signal chain IC market, we ranked first among domestic companies and sixth among global companies, while in the global market we ranked twelfth worldwide. In the China power management IC market, we ranked second among domestic companies and seventh among global companies, while in the global market we ranked tenth worldwide.

It is noteworthy that we are the only company ranked among the top three domestic players in the analog IC market, the signal chain IC market, and the power management IC market.

In terms of specific products, in the China signal chain IC market we ranked first among domestic companies and the top four among global companies in the amplifier & comparator and ADC/DAC market. In the China power management IC market, we ranked first among domestic companies and the top three among global companies in the LDO market, and first among domestic companies and the top four among global companies in the AMOLED power supply IC market.

Our core rankings in 2025 in terms of revenue are as follows:

- In the China analog IC market, we ranked first among domestic companies and eighth among global companies.
- In the China signal chain IC market, we ranked first among domestic companies and sixth among global companies.
- In the China power management IC market, we ranked second among domestic companies and seventh among global companies.
- In the China market for amplifier & comparator, ADC/DAC, AMOLED power supply IC, and LDO, we ranked first among all domestic companies.

Ranking of Analog IC Companies by Revenue, China, 2025

Rank	Company Name	Revenue (RMB bn)	Market Share (%)
1	Company A	21.4	9.8
2	Company B	16.3	7.5
3	Company C	11.0	5.0
4	Company D	11.0	5.0
5	Company E	7.4	3.4
6	Company F	6.3	2.9
7	Company G	4.1	1.9
8	**Our Company**	**3.9**	**1.8**
Subtotal		**81.4**	**37.3**

Source: Frost & Sullivan

Notes:

1. Company A is a listed company on Nasdaq, established in 1930 and headquartered in Texas, United States, with major business operations in North America, Europe and Asia-Pacific. It specializes in the provision of analog and embedded processing ICs for the end market such as industrial and energy, automotive, networking and computing.

2. Company B is a listed company on Nasdaq, established in 1965 and headquartered in Massachusetts, United States, with global business coverage across North America, Europe and Asia. It focuses on manufacturing high-performance analog and digital signal processing integrated circuits for the end market of industrial and energy, automotive, networking and computing.

3. Company C is a listed company on Nasdaq, established in 1997 and headquartered in Florida, United States, with sales mainly concentrated in Asia and North America. It manufactures high-efficiency power management integrated circuits used in end markets such as networking and computing and consumer electronics.

4. Company D is a listed company on the FSE, established in 1999 and headquartered in Neubiberg, Germany, with major revenue contributions from the automotive and industrial markets in Europe, Asia-Pacific and North America. It focuses on providing MCUs, sensors, analog ICs and other semiconductors and system solutions for the automotive, networking and computing markets.

5. Company E is a listed company on Euronext Paris, Borsa Italiana, and the NYSE, established in 1987 and headquartered in Geneva, Switzerland, with major business presence in Europe and significant operations in Asia-Pacific and the Americas. It provides a wide range of semiconductors including microcontrollers, analog ICs and MEMS used in industrial and energy, automotive, networking and computing applications.

6. Company F is a listed company on Nasdaq, established in 2006 and headquartered in Eindhoven, Netherlands, with key business operations in Europe, Asia-Pacific and North America. It specializes in providing semiconductor solutions for the end market of industrial and energy, automotive, networking and computing.

7.Company G is a listed company on the TWSE, established in 2008 and headquartered in California, United States, with business focus in Greater China and Asia-Pacific. It develops and produces power management ICs for the end market of consumer electronics, industrial and energy, networking and computing.

In the signal chain IC market, the top six companies together accounted for 50.0% of total market share in 2025. In this market, we ranked first among Chinese companies and sixth among global companies, with a revenue of RMB1.5 billion and a market share of 1.9%.

Ranking of Signal Chain IC Companies by Revenue, China, 2025

Rank	Company Name	Revenue (RMB bn)	Market Share (%)
1	Company B	15.5	19.5
2	Company A	9.0	11.3
3	Company F	5.7	7.2
4	Company E	4.2	5.3
5	Company D	3.9	4.8
6	**Our Company**	**1.5**	**1.9**
Subtotal		**39.7**	**50.0**

Source: Frost & Sullivan

In the power management IC market, the top seven companies together accounted for 30.3% of total market share in 2025, reflecting a more fragmented structure compared with the signal chain IC market. In this market, we ranked second among Chinese companies and seventh among global companies, with a revenue of RMB2.4 billion and a market share of 1.7%.

Ranking of Power Management IC Companies by Revenue, China, 2025

Rank	Company Name	Revenue (RMB bn)	Market Share (%)
1	Company A	12.4	8.9
2	Company C	9.9	7.1
3	Company D	7.1	5.1
4	Company G	3.9	2.8
5	Company H	3.2	2.3
6	Company E	3.2	2.3
7	**Our Company**	**2.4**	**1.7**
Subtotal		**42.1**	**30.3**

Source: Frost & Sullivan

Note:

1. Company H is a listed company on the SSE STAR Market, established in 2015 and headquartered in Shanghai, China, with business operations primarily in Mainland China and Asia-Pacific. It designs power management ICs mainly used in the end market of consumer electronics.

Wafer Pricing Analysis

The global and China's wafer industry's pricing aligns closely with the overall semiconductor cycle, with core drivers stemming from supply–demand fundamentals, production capacity, and technology iteration. The wafer industry does not exhibit an independent pricing cycle. Instead, it fluctuates with variations in downstream demand and the pace of production capacity expansion. From 2020 to 2022, supported by strong global semiconductor demand and production capacity constraints, wafer foundry pricing moved higher. The strong global semiconductor demand and the production capacity constraints from 2020 to 2022 were primarily driven by two factors: on the demand side, the rapid growth of downstream end-market demand significantly increased semiconductor consumption; and on the supply side, pandemic-related disruptions constrained manufacturing capacity, resulting in a tight supply environment. At the downstream demand level, key end markets including automotive—particularly new energy vehicles—consumer electronics, artificial intelligence computing equipment and related AI infrastructure, as well as renewable energy applications such as photovoltaic and wind power, experienced rapid growth during this period, significantly expanding overall semiconductor demand. Due to stay-at-home measures during the pandemic, demand for consumer electronics products, particularly PCs and laptops, surged significantly. At the product technology level, technological upgrades across these end markets further increased semiconductor usage per device: for example, the transition from conventional vehicles to new energy vehicles increased the demand for signal chain ICs and power management ICs per vehicle. The combined effect of rising end-market volumes and increasing semiconductor content per product resulted in a rapid demand surge. Against this backdrop, wafer fabrication capacity became constrained as demand rose sharply, while on the supply side certain capacities could not be fully utilised due to pandemic-related disruptions, and capacity was concentrated among a limited number of leading foundries, ultimately leading to severe capacity shortages and extended order lead times. In 2023, weak demand in consumer electronics and smartphones left part of the production capacity idle, putting downward pressure on certain wafer prices. Since 2024, as the consumer electronics market has gradually recovered and demand for AI training, automotive-grade ICs, and computing has continued to rise, wafer pricing has stabilized. The penetration of advanced nodes in computing ICs and automotive applications has supported stabilization and modest increase; in mature nodes, however, rapid expansion of domestic production capacity has intensified competition and introduced a downward pricing trend. Looking ahead, wafer pricing is expected to remain broadly stable in the mid- to long-term, continuing to mirror the semiconductor cycle, being influenced both by fluctuations in downstream demand and by the cadence of production capacity build-out.

Barriers to Entry in the Analog IC Industry

The analog IC industry is subject to technology and product development barriers, supply chain barriers, brand barriers and talent barriers. Technology and product development barriers arise from the complexity of analog IC design across circuit architecture, process parameters, power management and signal integrity, as well as stringent requirements on precision, power efficiency and reliability, which necessitate long-term R&D accumulation and continuous product iteration. Supply chain barriers stem from the reliance on stable collaboration with high-quality foundries and OSAT providers for wafer fabrication, packaging and testing, as well as the need to secure capacity and delivery stability across market cycles and, in some cases, develop proprietary processes through deep manufacturing partnerships. Brand barriers are driven by strict requirements from downstream customers on product reliability and long-term supply capability, where product validation and adoption lead to high customer stickiness and switching costs, reinforcing the advantages of companies with established

track records. Talent barriers result from the industry's dependence on experienced analog IC design engineers with capabilities in circuit design, process integration and system-level understanding, combined with a long talent cultivation cycle that makes it difficult for new entrants to build competitive R&D teams.

OVERVIEW OF CHINA'S SENSOR MARKET

Definition and Classification of Sensors

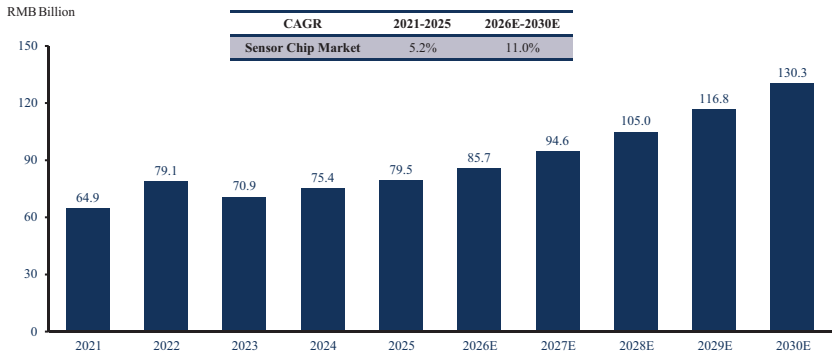
Sensors are core devices that convert physical or chemical quantities, such as temperature, pressure, acceleration, light, electricity, magnetism, and gases, into processable electrical signals, while performing signal amplification, conditioning, and analog-to-digital conversion within the IC. The core components of sensors include sensing elements, signal processing circuits, and packaging structures. The sensing elements are responsible for converting external stimuli into initial electrical signals. The integrated signal processing circuits, such as amplifier & comparator and ADC/DAC analog or mixed-signal ICs, amplify, filter, and digitize weak signals for output. The packaging structures provide protection, interconnection, and heat dissipation, ensuring reliable system integration and application interfaces.

From a functional perspective, sensors can be broadly categorized into physical sensors, chemical and biological sensors, optical and imaging sensors, and magnetoelectric and special sensors. Physical sensors measure temperature, pressure, humidity, vibration, displacement, and other parameters, making them essential components in industrial and energy, automotive, networking and computing, and consumer electronics. Chemical and biological sensors detect gas concentrations, chemical compositions, or biomolecules, with applications in environmental monitoring, healthcare, and food safety. Optical and imaging sensors, such as CMOS image sensors and LiDAR receivers, provide core imaging and distance data for smartphones, autonomous driving, and AR/VR. Magnetic and special sensors, such as Hall-effect or magnetoresistive sensors and Radio Frequency Identification ICs, are used in position detection, current measurement, motion control, and security IoT scenarios. Overall, sensors are evolving toward integration, miniaturization, and low power consumption. These trends not only support the upgrading of traditional applications in smart devices, automotive, and industrial control, but also provide indispensable sensing capabilities for emerging fields such as IoT, smart healthcare, and ADAS.

Market Size of Sensors

In 2025, the China sensor market reached RMB79.5 billion. With the rise of new energy and intelligent vehicles, industrial automation, and edge AI-enabled smart devices, the China sensor market is expected to maintain steady growth. By 2030, the market size is projected to reach RMB130.3 billion.

Sensor Market Size (by Revenue), China, 2021–2030E



Source: Frost & Sullivan, China Semiconductor Industry Association

Drivers of the Sensor Market

Accelerating automotive electrification and intelligence. As the automotive industry shifts toward electrification and intelligence, both the demand for sensors and the technical thresholds are rising significantly. Compared with traditional fuel vehicles, the number of sensors used in new energy and intelligent vehicles has more than doubled. The "three electric systems" of new energy vehicles, which replace traditional engines, are driving rapid growth in demand for current sensors. Motor control, as the core technology of electric vehicles, requires angle sensors with higher accuracy, lower power consumption, and wider operating temperature ranges to ensure efficient and stable operation under extreme conditions. Applications such as electric power steering, electronic throttle pedals, and electric seats are also creating additional demand for magnetic sensors. At the same time, temperature sensors play a critical role in real-time monitoring of BMS and motor power units, which is essential for ensuring driving safety and system reliability.

AI infrastructure expansion. The rapid construction of computing power centers is generating sustained incremental demand for sensors. AI data centers integrate massive volumes of servers, networking, and storage equipment, and the prolonged full-load operation of these facilities produces substantial heat that requires real-time monitoring and dynamic adjustment. Temperature sensors enable high-precision monitoring and early warning of core component temperatures, serving as a critical safeguard for cooling systems and stable equipment operation. Current sensors, pressure sensors, and position sensors support power management, cabinet safety, and operations optimization, forming indispensable underlying hardware in AI data centers.

Breakthroughs in embodied AI and accelerating industrialization are also driving demand. Embodied AI depends on high-precision motion control and real-time feedback. Magnetic sensors, leveraging non-contact operation, high sensitivity, and strong interference immunity, can amplify, filter, and perform analog-to-digital conversion on minute joint position changes, and, in coordination with the accelerometer and gyroscope within the inertial measurement unit (IMU), enable autonomous navigation, dynamic balance, and complex motion control. Under micrometer-level

precision requirements, a single joint typically requires multiple magnetic sensors together with signal-conditioning circuits to ensure real-time feedback and stable system operation.

Source of Information:

We commissioned Frost & Sullivan to conduct market research on global and China's analog IC industry and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB500,000 to Frost & Sullivan for compiling the Frost & Sullivan Report.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data and considered the key industry drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating critical market elements investigated during the research phase of the project. These elements primarily include forecasting methodology based on expert opinions, integration of market drivers and restraints, market challenges, market engineering measurement trends and econometric variables.

There has been no adverse change in the market information since December 31, 2025 that may qualify, contradict, or impact the information disclosed.