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.

上海復旦微電子集團股份有限公司
Shanghai Fudan Microelectronics Group Company Limited*
(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 1385)

PROFIT WARNING

This announcement is made by the board (the "Board") of directors of Shanghai Fudan Microelectronics Group Company Limited* (the "Company" and together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary review and analysis of the latest available unaudited management accounts of the Group for the year ended 31 December 2025, (1) the revenue was estimated to be in a range of approximately RMB3,930,000,000 to RMB4,030,000,000, representing an increase by a range of RMB339,776,200 to RMB439,776,200 or with an increase of approximately 9.46% to 12.25% as compared to approximately RMB3,590,223,800 for the same period of the previous year; (2) the net profit attributable to owners of the parent company was estimated to be in a range of approximately RMB190,000,000 to RMB283,000,000, representing a decrease by a range of RMB382,595,100 to RMB289,595,100 or with a decrease of approximately 66.82% to 50.58% as compared to approximately RMB572,595,100 for the same period of the previous year; (3) the net profits attributable to the owners of the parent company after deducting non-recurring profit or loss was estimated to be in a range of approximately RMB125,000,000 to RMB185,000,000, representing a decrease by a range of RMB339,151,100 to RMB279,151,100 or with a decrease of approximately 73.07% to 60.14% as compared to approximately RMB464,151,100 for the same period of the previous year.

The Group expected to record an increase in revenue and decrease in net profit during the reporting period mainly due to:

(A) Impact of business operations
By 2025, the semiconductor industry exhibited obvious structural divergence in market conditions, with significant variations in downstream application demand. The gross profit rose by approximately RMB200 million to RMB260 million when compared to the same period of last year. FPGA products demonstrate strong applicability across wired and wireless communications, satellite communications, video imaging, industrial control, artificial intelligence, and specialised high-reliability sectors. The Company achieved revenue growth with the competitive strength of the Company's products. Performance varied across sub-segments of the security and identification chips market, with overall revenue showing modest growth driven by RFID and sensor chips. The non-volatile memory market was fiercely competitive, with revenue declined during the year. Benefited from sound market positioning and consistent product quality, sales of MCU chips experienced rapid growth by year across the automotive and white goods sectors.

(B) Impact of expenditure and cost

1.) Against a background of heightened uncertainty in the international environment and volatility within the integrated circuit supply chain, the Company implemented a strategic stockpiling strategy in recent years to ensure continuous and stable deliveries to customers, with particular emphasis on increasing inventory levels for critical materials constrained by overseas production. On one hand, amid increasingly strained international trade conditions, the Company's inventory enhanced supply chain security and resilience effectively, supported the favourable market performance of relevant products, and ensured stable operating revenue. On the other hand, structural shifts in downstream demand for certain stockpiled products led to the sales of some inventory being lower than expected. The Company conducted impairment test and measurement of inventories according to prudent principles, resulting in an increase of approximately RMB250 million of impairment losses of inventory when compared to the previous year.

2.) To enhance product competitiveness and supply chain resilience, the Company continued to strengthen its diversified supply system and intensify efforts in developing new processes and products. Concurrently, influenced by shifts in the international trade environment, changes have occurred in supply chains and customer demand. Certain capitalised research and development projects are unlikely to achieve anticipated economic benefits in the future, therefore, some development expenditure was written off. Thus, research and development expenses increased by approximately RMB180 million when compared to the previous year.

3.) There are reductions of the VAT deduction for integrated circuit design enterprises and special government subsidies for research and development projects, resulting in a decrease in other income of approximately RMB90 million.

The Company is still in the process of finalising the unaudited consolidated financial results for the year ended 31 December 2025. The information contained in this announcement is only based on a preliminary assessment of the unaudited management accounts of the Group and information currently available. It is not based on any data or information that have been audited or reviewed by the auditors of the Company. Further details of the Group’s financial information and performance for the year ended 31 December 2025 will be disclosed in the forthcoming result announcement for the year ended 31 December 2025 to be published by the Company in March 2026.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Shanghai Fudan Microelectronics Group Company Limited*
Mr. Zhang Wei
Chairman

Shanghai, PRC, 23 January 2026

As at the date of this announcement, the Company’s executive Directors are Mr. Zhang Wei and Mr. Shen Lei; non-executive Directors are Ms. Yan Na, Mr. Zhuang Qifei, Ms. Zhang Rui and Mr. Song Jiale, and independent non-executive Directors are Ms. Shi Yanling, Ms. Wang Meijuan, Mr. Hu Xue and Mr. Zhang Yu Ming; employee Director is Mr. Shen Mingjie.

* *For identification purposes only*