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)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the "Board") of Shanghai Fudan Microelectronics Group Company Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2025, along with the comparative audited figures for the year ended 31 December 2024. Such financial results in this announcement had been agreed by Ernst & Young Hua Ming (LLP), the external auditor of the Company.

CONSOLIDATED BALANCE SHEET
As at 31 December 2025
(All amounts in RMB unless otherwise stated)

	Note 4	**2025**	2024
Assets			
Current assets			
Cash at bank and on hand		**1,298,621,710.02**	1,087,494,485.36
Financial assets held for trading		**180,133,750.68**	140,423,986.11
Notes receivable	1	**296,994,501.37**	298,713,176.51
Accounts receivable	2	**1,876,899,180.89**	1,493,805,646.24
Financing of accounts receivable		**190,455,252.30**	146,984,229.37
Prepayments		**346,455,226.64**	113,644,331.24
Other receivables		**5,802,950.31**	9,833,164.05
Inventories		**2,636,594,349.55**	3,134,456,903.75
Other current assets		**27,539,158.57**	55,622,669.89
Total current assets		**6,859,496,080.33**	6,480,978,592.52
NON-CURRENT ASSETS			
Long-term equity investments		**46,892,929.09**	54,181,165.60
Investments in other equity instruments		**55,347,871.25**	34,816,060.94
Fixed assets		**1,467,987,999.20**	1,567,673,557.56
Construction in progress		**81,428,048.12**	54,802,756.87
Right-of-use assets		**41,875,235.62**	21,412,383.49
Intangible assets		**310,123,944.62**	197,495,198.20
Development costs		**204,362,592.25**	502,272,190.99
Long-term prepaid expenses		**50,152,070.41**	50,444,603.53
Deferred tax assets		**17,542,624.19**	12,150,568.25
Other non-current assets		**69,926,424.80**	64,885,721.14
Total non-current assets		**2,345,639,739.55**	2,560,134,206.57
Total assets		**9,205,135,819.88**	9,041,112,799.09

	Note 4	**2025**	2024
LIABILITIES AND EQUITY			
Current liabilities			
Short-term borrowings		**675,896,654.17**	1,071,872,039.08
Accounts payable	3	**233,204,494.78**	234,621,512.71
Contract liabilities		**127,777,512.09**	103,194,260.37
Employee benefits payable		**212,158,413.45**	164,318,991.66
Taxes payable		**37,303,192.73**	38,398,088.82
Other payables		**68,838,190.24**	76,683,635.99
Current portion of non-current liabilities		**175,772,810.70**	368,203,159.44
Other current liabilities		**175,187,801.73**	167,099,502.06
Total current liabilities		**1,706,139,069.89**	2,224,391,190.13
Non-current liabilities			
Long-term borrowings		**637,126,685.00**	239,863,539.60
Lease liabilities		**31,738,955.78**	8,582,179.88
Deferred income		**35,374,548.33**	20,516,501.67
Provisions		**34,035,079.00**	**-**
Deferred tax liabilities		**6,538,728.07**	3,638,465.02
Total non-current liabilities		**744,813,996.18**	272,600,686.17
Total liabilities		**2,450,953,066.07**	2,496,991,876.30
Owners' equity			
Share capital	4	**82,371,325.00**	82,142,730.00
Capital surplus		**1,939,566,639.74**	1,882,822,116.58
Other comprehensive income		**33,345,873.50**	16,211,183.24
Surplus reserves		**41,185,662.50**	41,071,365.00
Undistributed profits	5	**4,038,346,732.33**	3,871,837,648.79
Total equity attributable to shareholders of the parent company		**6,134,816,233.07**	5,894,085,043.61
Minority interests		**619,366,520.74**	650,035,879.18
Total shareholders' equity		**6,754,182,753.81**	6,544,120,922.79
Total liabilities and shareholders' equity		**9,205,135,819.88**	9,041,112,799.09

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

	Note 4	**2025**	2024
Revenue	7	**3,982,261,101.52**	3,590,223,828.23
Less: Cost of sales	7	**1,744,807,063.30**	1,581,600,939.97
Taxes and surcharges	8	**24,722,545.76**	11,783,676.78
Selling expenses		**238,793,628.27**	242,133,769.33
Administrative expenses		**184,127,203.14**	158,443,584.15
Research and development expenses	9	**1,222,742,123.48**	1,030,651,521.72
Finance expenses		**31,876,216.42**	28,666,755.68
Including: Interest expenses		**38,076,618.07**	42,712,216.50
Interest income		**16,073,359.98**	16,796,059.39
Add: Other income		**142,995,060.40**	233,599,228.29
Investment (losses)/gains		**(1,852,932.19)**	513,788.17
Including: Investment losses in associates and joint ventures		**(5,564,320.89)**	(3,430,403.58)
(Loss)/Profit arising from changes in fair value		**(290,235.43)**	210,236.11
Credit impairment losses		**(33,284,139.70)**	(45,676,282.02)
Assets impairment losses	10	**(439,276,256.74)**	(168,768,031.87)
Gains on disposals of assets		**533,425.33**	2,116,899.58
Operating profit		**204,017,242.82**	558,939,418.86
Add: Non-operating income		**40,477.28**	467,689.36
Less: Non-operating expenses		**1,710,497.81**	513,570.59
Total profit		**202,347,222.29**	558,893,537.63
Income tax (expenses) / credit	11	**(679,015.69)**	865,377.50
Net profit		**201,668,206.60**	559,758,915.13
Classified by operation continuity			
Net profit from continuing operations		**201,668,206.60**	559,758,915.13
Classified by ownership of the equity			
Net profit attributable to shareholders of the parent company		**232,337,565.04**	572,595,101.31
Gains or losses of minority interests		**(30,669,358.44)**	(12,836,186.18)
Other comprehensive income, net of tax		**17,134,690.26**	87,455.61
Other comprehensive income, net of tax, attributable to shareholders of the parent company		**17,134,690.26**	87,455.61
Other comprehensive income that may not be reclassified to profit or loss			
Changes in fair value of investments in other equity instrument		**17,885,613.77**	(247,753.77)

Other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translation of foreign currency financial statements		**(750,923.51)**	335,209.38
Total comprehensive income		**218,802,896.86**	559,846,370.74
Including：			
Attributable to shareholders of the parent company		**249,472,255.30**	572,682,556.92
Attributable to minority interests		**(30,669,358.44)**	(12,836,186.18)
Earnings per share	12		
Basic earnings per share		**0.28**	0.70
Diluted earnings per share		**0.28**	0.70

1. Basis of preparation of the financial statements

These financial statements have been prepared in accordance with Accounting Standards for Business Enterprises - Basic Standard and specific accounting standards, implementation guidance, interpretations and other relevant provisions issued subsequently by the Ministry of Finance (collectively "Accounting Standards for Business Enterprises" or "ASBEs"). In addition, these financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The financial statements have been prepared on a going concern basis.

The financial statements have been prepared under the historical cost convention, except for certain financial instruments. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant requirements.

2. Significant accounting policies and estimates

The Group formulated specific accounting policies and accounting estimates according to the characteristics of its actual production and operation, which is mainly embodied in the impairment of financial instruments, depreciation of fixed assets, amortization of intangible assets, eligibility of the development costs for capitalisation and recognition and measurement of revenue.

1. Declaration Following ASBEs

The financial statements have been prepared in accordance with ASBEs, and presented truly and completely the Group's and the Company's financial position as at 31 December 2025 and the operating results for the year ended 31 December 2025.

2. Accounting Period

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

3. Functional Currency

The Company's functional currency is Renminbi and these financial statements are presented in Renminbi. The currency unit is Renminbi Yuan unless otherwise stated.

The subsidiaries and associates of the Group determine their functional currencies according to the main economic environment in which they operate. In preparation of the financial statements, their functional currencies are translated into RMB.

3. Products and services

Revenue from external transactions

	2025	2024
Security and Identification Chips	**854,861,718.82**	790,957,781.09
Non-Volatile Memory	**1,041,530,821.63**	1,135,832,442.81
Smart Meter Chips	**518,448,862.94**	396,694,720.15
FPGA and Other products	**1,420,475,745.69**	1,133,630,167.08
Integrated Circuit Test Services	**143,874,135.24**	130,163,015.77
Lease income	**3,069,817.20**	2,945,701.33
	3,982,261,101.52	3,590,223,828.23

Geographic information

Revenue from external transactions

	2025	2024
Mainland China	**3,797,884,188.58**	3,388,010,913.84
Others	**184,376,912.94**	202,212,914.39
	3,982,261,101.52	3,590,223,828.23

Segment Reporting

Operating segment

For management purposes, the Group is organised into business units based on their products and services and has two reporting segments as follows:

(1) The design and sales of integrated circuits segment ("Design segment") manufactures products including Security and Identification Chips, Non-Volatile Memory, Smart Meter Chips, FPGA and Other products;

(2) The integrated circuit testing services segment ("Testing segment") provides testing services for Integrated Circuit chips and products.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is measured consistently with the Group's total profit from continuing operation.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

2025

	Design segment	Testing segment	Offsets between segments	Consolidation
Sales to external customers	**3,836,022,020.63**	**146,239,080.89**	**-**	**3,982,261,101.52**
Inter-segment sales	**-**	**170,019,147.68**	**(170,019,147.68)**	**-**
Loss on investments by equity method	**5,564,320.89**	**-**	**-**	**5,564,320.89**
Assets impairment losses	**439,276,256.74**	**-**	**-**	**439,276,256.74**
Depreciation and amortisation	**223,444,763.15**	**172,811,018.15**	**(1,199,853.68)**	**395,055,927.62**
Total profit	**269,095,941.63**	**(61,410,783.66)**	**(5,337,935.68)**	**202,347,222.29**
Income tax	**6,100,281.85**	**(5,507,888.98)**	**86,622.82**	**679,015.69**
Total assets	**8,014,447,763.86**	**1,312,626,425.91**	**(121,938,369.89)**	**9,205,135,819.88**
Total liabilities	**2,280,782,978.58**	**268,563,195.20**	**(98,393,107.71)**	**2,450,953,066.07**
Long-term equity investments in joint ventures and associates	**46,892,929.09**	**-**	**-**	**46,892,929.09**
Capital expenditure (note)	**165,371,273.51**	**186,451,790.35**	**-**	**351,823,063.86**

2024

	Design segment	Testing segment	Offsets between segments	Consolidation
Sales to external customers	3,457,956,337.56	132,267,490.67	-	3,590,223,828.23
Inter-segment sales	-	144,008,061.33	(144,008,061.33)	-
Loss on investments by equity method	3,430,403.58	-	-	3,430,403.58
Assets impairment losses	168,768,031.87	-	-	168,768,031.87
Depreciation and amortisation	199,640,771.24	139,656,656.31	1,856,023.33	341,153,450.88
Total profit	587,465,062.23	(23,028,412.98)	(5,543,111.62)	558,893,537.63
Income tax	7,122,318.51	(8,045,183.99)	57,487.98	(865,377.50)
Total assets	7,766,982,774.09	1,317,390,545.48	(43,260,520.48)	9,041,112,799.09
Total liabilities	2,322,543,877.35	217,708,519.43	(43,260,520.48)	2,496,991,876.30
Long-term equity investments in joint ventures and associates	54,181,165.60	-	-	54,181,165.60
Capital expenditure (note)	311,184,331.49	195,153,297.17	-	506,337,628.66

Note: Capital expenditure includes fixed assets, construction in progress, right of use assets, intangible assets, development costs, long-term prepaid expenses and other non-current assets.

4. Notes to Major Items of the Consolidated Financial Statements

1. Notes receivable

	2025	2024
Bank acceptance bills	**38,929,339.96**	19,225,396.18
Commercial acceptance bills	**271,739,586.41**	286,740,412.59
	310,668,926.37	305,965,808.77
Less: Provision for bad debts	**13,674,425.00**	7,252,632.26
	296,994,501.37	298,713,176.51

The movements on the provision for bad debts in relation to the notes receivable are as follows:

	Opening balance	**Provision**	**Recovered or reversal**	**Closing balance**
2025	**7,252,632.26**	**6,421,792.74**	**-**	**13,674,425.00**
2024	7,590,502.77	-	337,870.51	7,252,632.26

2. Accounts receivable

The credit period of accounts receivable is generally 1 to 6 months. Accounts receivable are non-interest bearing.

An ageing analysis of accounts receivable based on the invoice date is as follows:

	2025	2024
Within 1 year	**1,128,104,025.31**	1,066,133,983.44
1 to 2 years	**689,808,867.73**	430,339,657.61
2 to 3 years	**134,313,233.01**	60,587,802.99
3 to 4 years	**15,811,595.91**	1,767,651.58
4 to 5 years	**1,345,931.88**	1,136,154.93
Over 5 years	**1,532,786.10**	1,224,109.80
	1,970,916,439.94	1,561,189,360.35
Less: Provision for bad debts	**94,017,259.05**	67,383,714.11
	1,876,899,180.89	1,493,805,646.24

	31 December 2025				
	Book balance		Provision for bad debts		Book value
	Amount	proportion (%)	Amount	proportion (%)	Amount
Accounts receivable for which bad debt allowance is provided by portfolio of credit risk characteristics					
Highly Reliable Product Sales Portfolio	**1,791,149,721.64**	**90.88**	**83,463,849.05**	**4.66**	**1,707,685,872.59**
Industrial Sales Portfolio	**139,008,517.43**	**7.05**	**9,334,745.06**	**6.72**	**129,673,772.37**
Testing Services Portfolio	**40,758,200.87**	**2.07**	**1,218,664.94**	**2.99**	**39,539,535.93**
	1,970,916,439.94	**100.00**	**94,017,259.05**	**4.77**	**1,876,899,180.89**

	31 December 2024				
	Book balance		Provision for bad debts		Book value
	Amount	proportion (%)	Amount	proportion (%)	Amount
Accounts receivable for which bad debt allowance is provided by portfolio of credit risk characteristics					
Highly Reliable Product Sales Portfolio	1,377,451,107.96	88.23	46,713,948.23	3.39	1,330,737,159.73
Industrial Sales Portfolio	136,176,470.73	8.72	19,209,800.93	14.11	116,966,669.80
Testing Services Portfolio	47,561,781.66	3.05	1,459,964.95	3.07	46,101,816.71
	1,561,189,360.35	100.00	67,383,714.11	4.32	1,493,805,646.24

The movements on the provision for bad debts in relation to the accounts receivable are as follows:

	Opening balance	Provision	Translation of foreign currency	Recovered or Reversal	Written-off	Closing balance
2025	**67,383,714.11**	**26,862,346.96**	**-**	**-**	**(228,802.02)**	**94,017,259.05**
2024	23,813,666.81	46,014,152.53	-	-	(2,444,105.23)	67,383,714.11

3. Accounts payable

Accounts payable are non-interest-bearing and are generally settled within 3 months.
An ageing analysis of accounts payable based on the invoice date is as follows:

	2025	2024
Within 1 year	**181,687,801.95**	205,214,678.96
1 to 2 years	**22,555,500.13**	11,596,707.46
Over 2 years	**28,961,192.70**	17,810,126.29
	233,204,494.78	234,621,512.71

As at 31 December 2025, the Group did not have significant accounts payable aged over 1 year (31 December 2024: Nil).

4. Share capital

2025

	Opening balance	Changes for the year			Closing balance
		Issue of new shares	Others	Total	
Ordinary shares in RMB	**53,709,730.00**	**228,595.00**	**-**	**228,595.00**	**53,938,325.00**
Foreign shares listed overseas	**28,433,000.00**	**-**	**-**	**-**	**28,433,000.00**
	82,142,730.00	**228,595.00**	**-**	**228,595.00**	**82,371,325.00**

On 30 December 2025, the Company issued ordinary shares of A shares to the eligible persons who satisfied the vesting conditions of the fourth vesting period of the first batch and the third vesting period of the reserved batch of the 2021 A Share Restricted Share Incentive Scheme, the share capital was increased by RMB 228,595.00.

2024

	Opening balance	Changes for the year			Closing balance
		Issue of new shares	Others	Total	
Ordinary shares in RMB	53,473,040.00	236,690.00	-	236,690.00	53,709,730.00
Foreign shares listed overseas	28,433,000.00	-	-	-	28,433,000.00
	81,906,040.00	236,690.00		236,690.00	82,142,730.00

5. Undistributed profits

	2025	2024
Balance at the beginning of the year	**3,871,837,648.79**	3,381,266,932.48
Net profit attributable to shareholders of the parent company	**232,337,565.04**	572,595,101.31
Less: Withdrawal of statutory surplus reserve	**(114,297.50)**	(118,345.00)
Dividends paid	**(65,714,184.00)**	(81,906,040.00)
Balance at end of the year	**4,038,346,732.33**	3,871,837,648.79

6. Dividend

On 27 March 2026, the Company held the 10th meeting of the 10th session of the Board for the purpose of considering and passing the "Resolution of the 2025 Distribution Plan of the Company". The Company intends to use the total share capital registered on the record date for the implementation of equity distribution as the base, every 10 shares will be distributed with a cash dividend of RMB0.58 (tax included) (2024 paid: RMB0.80 (tax included)) with total cash dividend amounted to RMB47,775,368.50 (2024 paid: RMB65,714,184), representing 20.56% of the net profits attributable to the shareholders of the parent company for the year 2025.

7. Revenue and Costs of Sales

	2025		2024	
	Revenue	**Cost of sales**	Revenue	Cost of sales
Principal businesses	**3,972,333,011.49**	**1,742,614,295.58**	3,584,932,102.66	1,580,427,287.15
Other businesses	**9,928,090.03**	**2,192,767.72**	5,291,725.57	1,173,652.82
	3,982,261,101.52	**1,744,807,063.30**	3,590,223,828.23	1,581,600,939.97

8. Taxes and surcharges

	2025	2024
Urban maintenance and construction tax	**19,282,783.41**	4,480,357.95
Stamp duties	**2,736,387.39**	2,612,420.49
Property tax	**2,590,542.79**	4,615,033.74
Land use tax	**61,249.68**	29,184.70
Education surcharge	**26,557.49**	23,975.94
Local education surcharge	**25,025.00**	15,983.96
Vehicle and vessel tax	**-**	6,720.00
	24,722,545.76	11,783,676.78

9. Research and development expenses

	2025	2024
Staff costs	**724,561,650.14**	579,160,860.11
Material costs	**223,355,115.39**	194,882,743.21
Depreciation and amortisation	**186,534,118.71**	154,116,239.84
Professional service fee	**49,987,749.58**	46,405,686.37
Equity incentive fees	**17,219,699.81**	40,256,370.09
Office and administrative expenses	**8,400,227.57**	7,851,863.42
Travelling expense	**3,060,967.84**	2,703,272.06
Others	**9,622,594.44**	5,274,486.62
	1,222,742,123.48	1,030,651,521.72

10. Assets impairment losses

	2025	2024
Loss for write-down of inventories	**(419,977,115.07)**	(168,590,656.26)
Impairment loss for intangible assets	**(18,022,968.46)**	(177,375.61)
Impairment loss on long-term equity investments	**(1,276,173.21)**	-
	(439,276,256.74)	(168,768,031.87)

11. Income tax expenses / (credit)

	2025	2024
Current income tax expenses	**6,071,135.42**	7,155,998.73
Deferred income tax expenses	**(5,392,119.73)**	(8,021,376.23)
	679,015.69	(865,377.50)

The reconciliation between income tax expenses and total profit is as follows:

	2025	2024
Total profit	**202,347,222.29**	558,893,537.63
Income tax expense at the applicable tax rate	**30,352,083.32**	83,834,030.64
Effect of different tax rates for some subsidiaries	**(159,029.62)**	(2,176,153.98)
Expenses not deductible for tax purposes	**3,655,690.71**	2,740,770.86
Deduction of research and development costs	**(142,050,068.36)**	(142,526,763.19)
Tax impact of utilisation of unrecognized deductible losses and deductible temporary differences in previous years	**(2,218,661.49)**	(309,012.29)
Tax impact of unrecognised deductible temporary differences and deductible losses in the year	**104,999,872.32**	50,421,460.17
Adjustments in respect of current tax of previous periods	**6,099,128.81**	7,150,290.29
Tax charge at the Group's effective tax rate	**679,015.69**	(865,377.50)

12. Earnings per Share

	2025 **RMB/Share**	2024 RMB/Share
Basic earnings per share		
Continuing operations	**0.28**	0.70
Diluted earnings per share		
Continuing operations	**0.28**	0.70

Basic earnings per share and diluted earnings per share are calculated as follows.

	2025	2024
Earnings		
Net profit for the year attributable to ordinary shareholders of the Company		
Continuing operations	**232,337,565.04**	572,595,101.31

	2025	2024
Shares		
Weighted average number of common shares in issued	**823,713,250.00**	819,202,673.00
Dilution effect - weighted average number of common shares		
Share options	**3,949.00**	3,415,660.00
Weighted average number of common shares of the Company issued and outstanding	**823,717,199.00**	822,618,333.00

MANAGEMENT DISCUSSION AND ANALYSIS

I. DISCUSSION AND ANALYSIS OF OPERATING

For the year ended 31 December 2025 (the "Reporting Period"), the global macroeconomy showed signs of recovery, the semiconductor industry experienced an upward trend, and the downstream demand became mixed. Whilst demand in certain segments of the chips market, particularly those serving the consumer and low-to-mid-range IoT sectors, has come under pressure, the Company has sought to expand its customer base in sectors such as automotive electronics, industrial control and smart home appliances actively, resulting in rapid growth in sales of related chips products. FPGAs and certain types of non-volatile memory used in high-reliability applications continue to lead the market in terms of technology, with new products being rolled out in increasing volumes and customer demand growing steadily. At the same time, the FPGA product series continue to expand into multiple sectors, with high-value products serving as the primary growth driver, resulting in revenue growth.

During the year 2025, the Group achieved revenue of approximately RMB3,982 million, representing an increase of 10.92% when compared with last year; comprehensive gross profit margin was 56.19%; net profit attributable to shareholders of the parent company of approximately RMB232 million. The report on the business situation in 2025 is as follows:

(1) Business situation for each product line

The Group is a domestic chips design enterprise with a wide range of products with four major product lines: field programmable gate array ("FPGA"), security and identification chips, non-volatile memory and smart meter chips. We also provide chip testing services to customers through a subsidiary, Sino IC Technology Co., Ltd. (上海華岭集成電路技術股份有限公司) ("Sino IC").

1. Product line of FPGA and other products

This product line comprises three sub-series: Field-Programmable Gate Array (FPGA) chips, Programmable Silicon on Chip (PSoC) chips, and Field-Programmable Artificial Intelligence (FPAI) chips, and includes dedicated EDA development tools. The Company is a leading domestic supplier of FPGA-related products, and FPGA and other products achieved revenue of approximately RMB1,420 million in 2025.

During the Reporting Period, the product line maintained high standards of product quality and service, and built an ecosystem comprising 'chips, software and solutions'. The product line series features 100-million-gate-level FPGAs and PSoC chips as its core products, which are widely used in industrial control, test and measurement, power and energy, consumer electronics, audio and video, artificial intelligence, satellite communications, and high-reliability applications. The FPGA product sub-series has maintained a growth trajectory, with sales growing steadily; the PSoC product sub-series has seen a significant increase in sales, driven by rising demand in downstream markets; and the FPAI product sub-series has successfully expanded its product portfolio, actively promoting and onboarding new customers in relevant sectors.

The FPGA product line is actively advancing the development and commercialisation of high-end, ultra-large-scale FPGA products based on 1x nm FinFET advanced processes and 2.5D advanced packaging. It aims to strengthen technological barriers, build a diversified product portfolio, and expand its range to include various product types such as FPGA, RF-FPGA, PSoC, RFSoC and FPAI, and has completed the development of a product portfolio ranging from 50K to 4,000K logic resources and 4TOPS to 128TOPS of computational power. The new product has been successfully introduced to customers, with rapid growth in both the scope of its applications and the size of the customer base. Widespread market recognition has driven a sharp rise in sales, and the product's penetration and influence in key sectors have increased significantly.

2. Product line of security and identification chips

The product line has several sub-products including radio frequency identification ("RFID") and sensor chips, smart card and security chips, and smart identification device chips, etc. In 2025, it achieved revenue of approximately RMB855 million.

Radio Frequency Identification ("RFID") and sensor chips, including high-frequency and ultra-high-frequency RFID ("UHF RFID") chips, as well as sensor chips. High-frequency RFID is widely used in various types of IoT devices. Our products continue to become increasingly competitive and maintain a high market share, with our NFC chips and tags in particular undergoing continuous innovation and leading the market in terms of shipment volumes across sectors such as consumer electronics, industry and automotive. UHF RFID is primarily used in sectors such as footwear and apparel management, supermarkets and retail outlets, and airline baggage tags. The Company has been actively expanding its market presence and has achieved significant success.

Smart cards and security chips: The smart card market as a whole has entered a mature phase, with market size remaining stable. Domestic competition is relatively intense, whilst the Company's market share remains stable. With the development of the Internet of Things, security requirements are gradually increasing, and demand for security chips continues to rise. The Company has actively expanded into various market segments and achieved commendable results. The Company is the first domestic security chip supplier to obtain WPC certification, and sales of our wireless charging security modules are steadily increasing, with widespread shipments across consumer, automotive and industrial sectors.

Smart identification device chips and NFC readers are widely used in areas such as mobile payments, public transport, smart access control and smart homes. With the continued development of the digital economy and the ongoing expansion of the Internet of Things, the scope of applications for NFC technology is set to broaden further. The Company's NFC products are widely used in markets such as financial POS systems, smart locks and access control systems. Whilst driving market share growth, our product series are actively expanding into high-value applications; our products are highly competitive and have earned strong recognition from customers.

3. Product line of non-volatile memory

The product line has products including EEPROM memory, NOR Flash memory and SLC NAND Flash memory in a variety of capacities, interfaces and packages. In 2025, it achieved revenue of approximately RMB1,042 million, of which, revenue from high-reliability memory amounted to approximately RMB681 million.

During the Reporting Period, sales of EEPROM products grew steadily in sectors such as electricity meters, mobile phone camera modules and household appliances, whilst automotive-grade EEPROM products have commenced volume shipments and have successfully been included on the AVL lists of several car manufacturers. Sales of NOR Flash products have declined in the three core sectors of displays, wafer-level packaging and security surveillance, whilst expansion into the industrial control, medical and PC markets has proceeded smoothly; new low-voltage product series are gradually being adopted by customers in the display and PC sectors. The storage capacity of NAND Flash chips in downstream devices continues to increase; the product series are being prioritised for deployment in the networking, security surveillance and wearable technology sectors, and the products are being adopted on a large scale by key customers. Sales of high-reliability memory have been growing steadily and form a key component of the Company's non-volatile memory product series.

4. Product line of smart meter chips

The Group's smart meter product line covers smart meter MCUs, general-purpose MCUs and automotive MCUs. The smart meter MCUs is the core component of a smart meter, enabling functions such as metering, automatic reading and data transmission for both industrial and

domestic electricity consumers. General-purpose MCUs are widely used in smart water, gas and heating meters, smart home appliances, and industrial applications. Automotive MCUs can be applied to vehicle body control and comfort systems. In 2025, it achieved revenue of approximately RMB518 million.

During the Reporting Period, revenue from this product line continued to grow rapidly. Due to the replacement cycle for smart meters, both State Grid and China Southern Power Grid saw a decline in meter tenders in 2025, however, sales of smart meter MCUs continued to grow steadily. This was primarily because the Company maintained its leading position in the single-phase smart meter MCU sector and actively collaborated with clients to complete the research, development and fine-tuning of new specification schemes for State Grid and China Southern Power Grid, and our market share remains at the forefront. In terms of general-purpose MCUs and automotive MCUs, the Company has achieved rapid growth in sales across sectors such as automotive electronics, smart home appliances and industrial control. Annual sales have exceeded 20 million units in the automotive electronics sector alone, representing a significant increase when compared with the previous year.

5. Other business

(1) Other products
Other products primarily consist of smart appliance chips, which are widely used in new energy sectors such as residual current devices, charging stations for new energy electric vehicles, photovoltaic systems and electrical fire prevention. During the Reporting Period, sales in the traditional residual current protection market declined due to the downturn in the property sector; however, the market for residual current protection in the new energy and electric vehicle charging station sectors continued to expand; furthermore, fault arc protection chips gained recognition from leading overseas clients, resulting in rapid growth in sales.

(2) Testing services business of Sino IC
The Company's subsidiary, Sino IC, is one of the earliest companies in China to be involved in the research and development of IC testing technology and professional services. It has accumulated a wealth of technical experience in high-end product testing solutions, mass production automation, testing information technology and other areas, and has achieved significant results in technological innovation. Sino IC has undertaken a number of major national science and technology projects and provincial and ministerial-level research projects, developed more than 1,000 high-end chip testing solutions independently, and achieved mass production breakthroughs in high-speed wafer KGD testing and ultra-high density wafer testing. In addition, Sino IC continues to carry out R&D and innovative applications in the areas of artificial intelligence chips, high-performance computing chips, automotive chip testing solutions and complete sets of engineering technologies.

(3) Business of Fuwei Xunjie
The business of Shanghai Fuwei Xunjie Digital Technology Co., Ltd.* (上海復微迅捷數字科技股份有限公司) ("Fuwei Xunjie") leverages NFC technology and cloud services as the cornerstones of its business, striving to develop distinctive services. During the Reporting Period, Fuwei Xunjie collaborated with major internet platforms to empower the public transport sector in enhancing the consumer experience; it also partnered with leading global IP providers to launch transport card products featuring cultural and creative elements, thereby actively participating in the Goods Economy / IP Merchandise Economy; Achieve mass production of automotive-grade IC card car keys for the automotive industry. At the same time, the Short-Range Communication Testing Laboratory provides professional testing services to automotive manufacturers, mobile phone manufacturers and chip manufacturers; it is also expanding the use cases for physical cards and continuing to promote mobile NFC applications in areas such as university campus cards and access control systems across PRC.

(2) Research and development and Talent team building

During the Reporting Period, the Group highly valued research and development ("R&D") and invested approximately RMB1,070 million in R&D for the year, representing 26.88% of revenue. The Group has 993 research and development staff. The Group is simultaneously pursuing projects including but not limited to the New Generation FPGA Platform Development and Industrialization Project, the Intelligent and Reconfigurable SoC Platform Development and Industrialization Project, the New Technical Platform Storage Development and Industrialization Project, the New High-end Security Controller Development and Industrialization Project, and the Passive IoT Basic Chip Development and Industrialization Projects.

(3) Core Technologies and Research and development Progress

1. FPGA and other products

The Company is a leading supplier of FPGA-related products in China. The Company's FPGA product line has successfully overcome key technical challenges, including ultra-large-scale FPGA architecture, programmable device compilers, multi-protocol ultra-high-speed serial transceivers, heterogeneous intelligent computing architectures, high-reliability programmable devices, and end-to-end EDA support for ultra-large-scale programmable devices. We have established a distinct technological cluster advantage in our FPGA and PSoC products, built core technological barriers, and consolidated our competitive edge. The Company currently offers 1xnm FPGA products, RF-FPGA products, PSoC products, RFSoC products and FPAI products, along with a full suite of EDA tools developed entirely in-house. We have established a comprehensive series of FPGA and PSoC products, which are widely used in the telecommunications, industrial control and high-reliability sectors. The Company offers the largest series of FPGA products currently available in China. Furthermore, the Company was the first to develop a monolithic RF-FPGA architecture and is currently the major supplier of such products in China.

The Company's FPAI heterogeneous converged architecture chip integrates an SoC, FPGA and NPU into a single unit, serving as a reconfigurable intelligent chip designed for customised edge and converged inference applications. We have established a chip design platform and application development software platform for this heterogeneous converged intelligent chip, and have mapped out a product portfolio ranging from 4 TOPS to 128 TOPS. The commercialisation of our first 32 TOPS chip is progressing well, the 8 TOPS and 128 TOPS chips have completed tape-out and testing respectively and are ready for commercialisation. The Company pioneered the FPAI architecture and is currently the sole supplier of such products in China.

During the Reporting Period, the Company successfully completed the tape-out, testing and reliability verification of a 1xnm FPGA, a 1xnm RF-FPGA and a 1xnm RFSoC chip, and is currently actively pursuing their implementation by customers. The Company has completed the tape-out and testing of two FPAI products and is currently conducting reliability verification, with a view to launching them on the market and implementing them with customers as soon as possible. In addition, the Company has developed new 1xnm RF-FPGA and 1xnm RFSoC chips, the design of which has been finalised and is now ready for tape-out. During the Reporting Period, the Company was awarded the title of 'Shanghai Manufacturing Single-Champion Enterprise 2025' in recognition of its leading technological achievements and market influence.

2. Security and identification chips

Following years of continuous research and development and the accumulation of technical expertise, the security and identification product line has established a distinct technical and R&D advantage in the two key technological fields of radio frequency and security. Building on years of experience in Radio Frequency chip design, we have conducted further research to develop a new generation of NFC technology capable of supporting a wider range of NFC devices. At the same time, the Company has achieved technological breakthroughs in UHF RFID tag chips and reader chips, building up technical expertise in areas such as high-sensitivity design, low-power design and high-reliability design.

During the Reporting Period, the Company successfully launched the UHF FM13UF series of tag chips, which feature high sensitivity, exceptional reliability, and rapid data writing and reading capabilities. It also introduced a UHF reader chip, these two products can effectively improve the success rate of tag inventory checks when used in conjunction and significantly extend the reading range. The NFC module and tag product range is widely used in electronic price tags, LED lighting, smart home systems, and 'tap-to-connect/pay' applications. Its excellent mobile phone compatibility and reliable performance have earned consistent praise from customers. The NFC reader chip series has been successfully deployed in automotive digital keys, in-car ignition systems, in-vehicle wireless charging and in-car fragrance systems, providing automotive OEMs and Tier 1 suppliers with cost-effective, automotive-grade solutions.

3. Non-volatile memory

The Company's non-volatile memory product portfolio boasts one of the most comprehensive ranges in the industry. We remain committed to enhancing performance and reliability, expanding applications and optimising costs, whilst pursuing breakthroughs in key technologies, the coordinated development of multi-device process platforms and product upgrades, and have made significant progress in core areas.

During the Reporting Period, EEPROM products overcame technical bottlenecks in automotive-grade wide-temperature, ultra-wide-voltage and low-power applications, achieving industry-leading performance in key characteristics such as data write/erase endurance, data retention time and product robustness, and completed the iteration of several small- and medium-capacity products. A range of medium- to high-capacity products have obtained AEC-Q100 Grade 1 certification and have been successfully integrated into the supply chains of several Tier 1 suppliers and vehicle manufacturers; SPD5 Hub products compatible with DDR5 are now in mass production. NOR products continue to advance towards finer process nodes, with R&D on the 4xnm platform progressing steadily. Mass production of the ETOX 5xnm low-voltage, high-performance, low-power series has commenced, and the automotive qualification testing for the same series is progressing smoothly. Product development on the NORD process platform is progressing on schedule. Mass production of products based on the new 2xnm SLC NAND process has been successfully achieved, and new products in the 2xnm platform series are currently undergoing validation and optimisation within the domestic supply chain to meet customers' supply chain security requirements.

4. Smart meter chips

During the Reporting Period, the Company's MCU product line actively expanded its domestic supply chain and completed the research and development of several products based on a domestically produced e-flash process platform. The target markets encompass the utilities, white goods, automotive electronics and industrial control sectors. The Company has established a comprehensive portfolio of 12-inch and 8-inch process platforms, further expanding its product range, and is actively pursuing customer onboarding and mass production. The product series build upon industry applications to establish ultra-low-power and highly reliable automotive-grade technology platforms, and actively expands the scope of its technologies and products by delving deeper into industry applications. Whilst continuously expanding its range of 32-bit MCUs, the Company has also launched a number of mid to high-performance MCU products, as well as a variety of specialised integrated MCU products tailored to specific application scenarios such as metering, touch control and fully integrated high-voltage automotive applications. In particular, low-power MCUs for utility applications continue to hold the leading market share in the industry, whilst shipments of MCUs for white goods and automotive applications have grown rapidly, with sales increasing by over 100% annually.

(4) Risk factors

1. Risk of a significant decline in performance

   The Group recorded a revenue growth in 2025, however, net profit attributable to owners of the parent company declined due to factors such as the recognition of an impairment loss on inventories and the write-off of certain capitalised R&D expenditure.

In 2026, in order to mitigate supply chain risks and enhance the competitiveness of its products, the Group will still need to invest in supply chain development and research and development. Should future market demand fall short of expectations or the competitive landscape in the industry deteriorate, and should there be a mismatch between the timing of changes in the Group's revenue and its capital expenditure, this may result in a decline in the Group's performance for that period.

2. Core competitiveness risks
   (1) New product research and development and technical repetitive computing risks
   The integrated circuit design industry in which the Group operated in is a typical technology intensive industry. Technology upgrades and product iterations at a high speed, while chip products have higher technical barriers and obvious advantages of first-mover. If the Group makes mistakes in its judgment of market demand or slow development progress in the follow-up R&D process, it will face the risk of being grabbed for market share by competitors. In addition, the R&D of high-end chips has the characteristics of long development cycle, large capital investment, and high R&D risk. During the research and development process, there is a risk that certain key technologies cannot be broken through or product performance, parameters, and yield rates cannot meet market needs, leading to R&D failure and falling behind the new generation of technology.

   (2) Risks of attracting talents and maintaining innovative capabilities
   At present, the domestic chip design industry is developing rapidly, and the competition among enterprises for R&D talents is very fierce. The Group needs to formulate effective staff incentive policies and continuously enhance its human resources management capabilities to meet the demands of rapid development, otherwise it will face the risk of core talent loss, and it may also fall into a situation where it is difficult to attract talents to join, resulting in the Group's failure to maintain continuous innovation ability.

3. Operational risks
   Risk of decrease in product selling price and gross profit margin. In the international market, compared with the leading enterprises in the industry, there are shortfalls in the richness of the Group's product layout, the advancement of technical indicators such as technological process and performance, and the scale of operation or market share of certain products of the Group. In the domestic market, there was increasing attention from the society, market and capital for the IC design industry. The Group is also facing an increasing number of competitors in each of its product lines and the competition is keen.

   In recent years, the supply and demand relationship for some products has changed, and the overall gross profit margin level of the industry has been significantly impacted. At the same time, the performance of the Group's existing high-reliability mature products are subject to certain downward risks due to factors such as market competition and lower gross profit margins in newly expanded areas.

   If the Group is unable to take effective measures to consolidate and enhance the competitiveness of its products in the future as a result of advancement in technology standards, increase in labour and raw material costs as well as decrease in the bargaining power of the Group's products, the Group's comprehensive gross profit margins will be subject to the risk of decline, which will put the Group in an unfavourable position in the keenly competitive marketplace and reduce its sustainable profitability.

4. Financial risks
   (1) Risk of impairment of inventories
   The inventories of the Group mainly include chips and wafers. To safeguard the supply chain, the Group has invested more resources in inventories. At the end of the Reporting Period, the carrying amount of the inventories of the Group was approximately RMB2,636.5943 million, accounting for 38.44% of the corresponding total current assets at the end of the period. The Group makes corresponding impairment provisions every

year according to the amount of the net realizable value of inventories lower than the cost. At the end of the Reporting Period, the balance of inventory impairment provisions of the Group was approximately RMB796.0269 million, and the proportion of inventory impairment provisions was 23.19%. If the market accelerates to go down in the future or the product replacement is accelerated due to technical repetitive computing, the risk of impairment of inventories may increase, which will have an adverse impact on the operating results of the Group.

(2) Financial risks associated with R&D investment

The Group attaches great importance to the independent research and development of core technologies. During the Reporting Period, the R&D investment was approximately RMB1,070 million, accounting for 26.88% of the revenue during the Reporting Period. The R&D investment intensity was relatively high. The amortization provided for the intangible assets formed by development expenditure or write-off of the development expenditure and impairment of the intangible assets may have a significant impact on the profits of the Group.

(3) Risks of policy changes such as government subsidies and tax incentives

The Group's integrated circuit design and integrated circuit testing related businesses are encouraged and supported by national industrial policies. The Group has strong scientific research capabilities and obtained more subsidies for scientific research projects during the Reporting Period, which can make up for the Group's R&D investment to a certain extent. As a high and new technology enterprise, the Group enjoys preferential tax policy support. If the national incentive policy changes, it may cause the risk of fluctuations in the profitability of the Group.

(4) Risk of collection of accounts receivable and notes receivable

At the end of the Reporting Period, the book balance of the accounts receivable of the Group was approximately RMB1,970.9164 million, and the book balance of notes receivable was approximately RMB310.6689 million. The total book balance of accounts receivable and notes receivable accounted for 57.29% of the revenue. If the macroeconomic situation, industry development prospects and other factors adversely change in the future, and the operating conditions of customers experience major difficulties, the Group may face the risk of increasing bad debt losses due to uncollectible accounts receivable and notes receivable.

5. Industry risks

(1) Risk of changes in industry conditions

During the Reporting Period, changes in the supply and demand of chips and intensified competition in the industry brought challenges to the Group's gross profit margin. Although the Group's product lines cover industrial grade products, consumer and high reliability applications and are more resilient to volatility, an industry-wide slowdown in growth or a prolonged economic downturn could adversely affect the Group's results.

(2) Risks of supply chain adjustments or changes

With trade controls and technological restrictions in the global semiconductor industry continuing to intensify, domestic chip design companies are facing external pressure to adapt to changes in overseas supply chains. There is uncertainty surrounding overseas supply channels for key raw materials, core design tools and manufacturing processes. Companies need to press ahead with diversifying and restructuring their supply chains, and in doing so will face operational challenges such as increased switching costs and longer lead times for adapting key processes. At the same time, due to external regulatory policies, some domestic and overseas clients may adjust their cooperation intentions or transfer orders for reasons of supply chain stability and compliance. This could expose the Group to market risks such as customer attrition and impeded market expansion, which in turn may have a certain adverse impact on the Group's operating performance, market share and competitive position within the industry.

6. Macro-environmental risks

In recent years, the uncertainty of the international trade environment has increased, and antiglobalization trade has further spread. Some countries have adopted trade protection measures and have repeatedly taken longarm jurisdictional measures, which have had an impact on China's integrated circuit industry. The integrated circuit industry has typical characteristics of global division of labor and cooperation. If there are major adverse changes in the international trade environment, the trade friction between countries and regions further escalates, and global trade protectionism continues to heat up, the production and operation of upstream and downstream companies in the integrated circuit industry chain may be adversely affected, resulting in an increase in upstream and downstream transaction costs in the industry chain or influence on the security of supply chain of the Group, which may adversely affect the operation of the Group.

II. PRINCIPAL BUSINESSES, PRODUCTS OR SERVICES DURING THE REPORTING PERIOD

1. Principal activities

The Group engaged in the design, development and testing of very large integrated circuits as well as provision of system solutions to customers. The Group has established and improved product lines such as FPGA chips, security and identification IC chips, non-volatile memory, smart meter chips, and testing services for IC products, and the products are widely used in numerous fields such as finance, social security, anti-counterfeiting and traceability, network communications, home appliances, automotive electronics, industrial control, signal processing, data centers, artificial intelligence, satellite communications and many other aspects.

2. Main products and services

2.1 FPGA chips

FPGA is a hardware reconfigurable integrated circuit chip. FPGA has the programmability and flexibility of software, which is an ideal solution in 5G communication, artificial intelligence and other fields with fast upgrading cycles and large technical uncertainty. The Company is one of the leading companies in the field of FPGA technology in China.

Description and application fields of FPGA chip product series of the Company are as follows:

Product type	**Product description**	**Application fields**
FPGA chips	The Company offers a diverse product portfolio of SRAM-based FPGA chips, ranging from 1xnm FinFET advanced processes to mature processes, with logic resources ranging from 50K to 4000K and high-speed serial interfaces capable of speeds up to 32Gbps.	Applicable to high-performance and intelligent applications across sectors such as 5G communications, artificial intelligence, data centres, computer vision, machine learning, high-speed digital processing, test and measurement, industrial control, and high-reliability systems, as well as in fields including smart cockpits, video surveillance, medical imaging, network communications and cybersecurity, delivering high-performance, high-bandwidth solutions.

RF-FPGA chips	The Company offers a product portfolio of RF programmable chips manufactured using 1xnm FinFET advanced process technology, with RFADCs capable of sampling rates up to 5 Gbps.	Applicable to sectors such as smart communications, test and measurement, and high-reliability applications, we provide high-performance, highly integrated, secure and reliable products.
PSoC chips	The Company offers a product portfolio of programmable mixed-signal chips, ranging from advanced 1xnm FinFET processes to mature processes, with each chip integrating a processing system based on a feature-rich quad-core processor alongside programmable logic.	Applicable to sectors such as audio-visual, industrial control, security and high-reliability applications, which provide high-performance, highly integrated, secure and reliable products.
RFSoC chips	The Company offers a product portfolio of RF programmable converged chips based on 1xnm FinFET advanced process technology, primarily comprising the FMZQ series of broadband reconfigurable software-defined radio integrated chips, which integrate a quad-core high-performance SoC, a programmable logic FPGA, and a broadband RF direct-to-converter high-speed ADC/DAC on a single chip.	Applicable to applications in test and measurement, industrial control, high-reliability systems, satellite communications and other sectors, which provide high-performance, highly integrated, secure and reliable products.
FPAI chips	The Company offers a product portfolio of programmable AI chips covering both advanced 1xnm FinFET processes and mature processes, primarily comprising the FMZQAI series. These single-chip solutions integrate a processing system based on a quad-core processor, programmable logic and AI acceleration modules. The AI acceleration engine supports accelerated forward inference for convolutional neural networks, incorporating MAC computing units and internal memory hard cores, and works in conjunction with AI acceleration soft cores to handle scheduling.	Designed for edge AI applications, it offers an FPGA+SoC+NPU architecture and a comprehensive suite of edge AI solutions.

2.2 Security and identification IC chips

The security and identification products rely on self-developed radio-frequency, memory chips and security anti-attack technologies, and has formed a number of product series, such as RFID and sensor chips, smart card and security chips, smart identification device chips, etc. The products include memory card, HF/UHF tag chips, NFC TAG, contact/contactless/dual interface smart card, security SE chips, security MCU chips, contactless reader equipment and mobile payment and dozens of other products. The Company is one of the suppliers with a complete series of domestic security and identification chip products.

Description and application fields of the security and identification chip product line of the Group are as follows:

Product type	**Product description**	**Application fields**
RFID and sensor chip series	It is mainly composed of FM11, FM13 and FM44 series products, including contactless logic encryption chips, NFC tag and access chips, high-frequency RFID chips, UHF RFID tag chips, reader chips, sensor chips, etc.	Identity identification, electronic shelf, smart household electrical appliances, logistics management, anti-counterfeiting and traceability, vehicle management, etc.
Smart card and security chip series	It is mainly composed of FM12, FM15 and other series products, including contactless CPU card chips, dual interface CPU card chips and security chips	Banking, social security, electronic documents, transportation, campus, health, telecommunications, anti-counterfeiting, etc.
Smart identification device chip series	It is mainly composed of FM17 series, and the product is of contactless reader chip type	Door lock, access control, contactless card reader, OBU, financial POS, subway gate, smart home appliances , e-bikes etc.

2.3 Non-volatile memory

The memory chip product line of the Group provides a variety of non-volatile memory products with multiple interfaces, packages, comprehensive capacity and cost-effectiveness. At present, the main products are EEPROM memory chips, NOR flash memory chips and SLC NAND Flash memory, with a variety of capacity, interfaces and packaging forms, which representing a leading market share in China.

Description and application fields of non-volatile memory products of the Group are as follows:

Product type	**Product description**	**Application fields**
EEPROM memory	It is mainly composed of FM24 / FM25 / FM93 / FMSPD5118 series, supporting I^2C, I^3C, SPI and MicroWire interfaces, with storage capacities ranging from 1 Kbit to 2 Mbit.	Mobile phone module, smart meter, communication, home appliances, display, LCD panel, automotive electronics, computer memory strip, medical instruments, industrial control instruments, password lock, etc.

NOR Flash memory	It is mainly composed of FM25 / FM29 series, supports SPI and general parallel interface with storage capacity of 1Mbit-2Gbit	Network communication, IoT module, computer and peripheral products, mobile phone module, display and screen module, smart meter, security monitoring, on-board box, Ukey, automotive electronic, medical instruments, industrial control instruments, wifi/ Bluetooth module, high reliability application, etc.
SLC NAND Flash memory	It is mainly composed of FM25 / FM29 series, supports SPI and ONFI parallel interfaces with storage capacity of 1Gbit-8Gbit	Network communication, security monitoring, wearable device, on-board box, automotive electronics, medical instruments, etc.

2.4 Smart meter chips

Smart meter MCU is the core component of smart meter, which can realize the functions, such as, power consumption information measurement, automatic reading, information transmission of industrial and household users; general low-power MCU products can be applied to many fields including smart meter, smart water, gas and heat meter, smart home appliances, industrial controls etc. Automotive MCUs are available for vehicle body control and comfort systems.

Description and application fields of MCU chip product series of the Group are as follows:

Product type	**Product description**	**Application fields**
Smart meter MCU	It is mainly composed of FM33A0xx series, comprising smart meter MCUs and SoC chips based on the 32-bit ARM Cortex-M0 \ ARM China-star cores.	State Grid single-phase / three-phase smart energy meter, Southern Power Grid single-phase / three-phase smart energy meter, overseas single-phase / three-phase smart energy meter, etc.
General low-power MCU	It is mainly composed of FM33LC0xx, FM33L0xxD, FM33LG0xx, FM33LE0xx, FM33FR0xx, FM33LF0xx, FM33LR0xx, FM33FH0xx, FM33LH0xx, FM33FK5xx, FM33LD5xx, FM33FC5xx and other series of MCU products, comprising low-power MCU chips based on the 32-bit ARM Cortex-M0 \ ARM China-star cores	Smart water, gas and heat meters, smart home appliances, industrial control etc.

Automotive MCU	It is mainly composed of automotive-grade MCUs from the FM33LG0xxA, FM33LE0xxA, FM33FT0xxA, FM33FG0xxA, FM33LF0xxA, FM33HT0xxA, FM33CT0xxA, FM33FG5xxA and other series of automotive-grade MCU products, with product types comprising 32-bit ARM Cortex-M0 \ ARM China-star core-based automotive-grade MCU chips	Vehicle body control and comfort systems

2.5 Testing services for IC products

The subsidiary of the Company, Sino IC, an independent and professional IC testing company, which is dedicated to provide high-quality, cost-effective and efficient testing solutions and a variety of value-added services for all kinds of IC enterprises. Its principal business includes testing of technology research, testing of hardware and software development, testing of equipment research and development, testing of verification and analysis, wafer testing, finished product testing, reliability testing, and leasing of equipment.

Sino IC provides customers with a total solution of IC testing services from chip verification and analysis, wafer testing to finished product testing. Its testing capabilities cover a wide range of products such as processors, 5G communications, artificial intelligence, wireless connectivity, memory, automotive MCUs, analogue chips etc.

III. ANALYSIS OF OPERATING RESULTS

During the Reporting Period, the Group achieved revenue of approximately RMB3,982 million, representing an increase of 10.92% when compared with last year; net profit attributable to shareholders of the parent company of approximately RMB232 million, representing a decrease of 59.42% when compared with last year; net profits attributable to the shareholders of the parent company after deducting non-recurring profit or loss of approximately RMB142 million, representing a decrease of 69.30% when compared with last year.

As at 31 December 2025, the total assets of the Group were approximately RMB9,205 million, representing an increase of 1.81% when compared with last year; and the net assets attributable to shareholders of the parent company were approximately RMB6,135 million, representing an increase of 4.08% when compared with last year.

The change of the above major accounting data and financial indicators is mainly due to the following:

(1) Effect of revenue and gross profit on net profit
In Year 2025, the semiconductor industry exhibited obvious structural divergence in market conditions, with significant variations in downstream application demand. FPGA products demonstrate strong applicability across wired and wireless communications, satellite communications, industrial control, artificial intelligence, and high-reliability sectors. The Company achieved revenue growth with the competitive strength of the Company's FPGA 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. The Company achieved overall revenue growth, maintained stable gross profit margins, and recorded an increase of gross profit of approximately RMB229 million when compared to last year;

(2) Effect of expenses on net profit

Increase in R&D expenses. 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. During the reporting period, R&D expenses amounted to approximately RMB1,223 million, representing an increase of approximately RMB192 million when compared to last year.

Increase in provision of asset impairment loss. 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 provision for inventory impairment losses increased during the current period. Concurrently, impairment losses were recognized for certain intangible assets due to failure to achieve expected returns. During the Reporting Period, provision of asset impairment loss amounted to approximately RMB439 million, representing an increase of approximately RMB271 million when compared to last year.

Decrease in other income. There are reductions of the VAT deduction for integrated circuit design enterprises and special government subsidies for R&D projects, resulting in a decrease in other income. During the reporting period, other income amounted to approximately RMB143 million, representing a decrease of approximately RMB91 million when compared to last year.

Reasons for changes in revenue:	Mainly attributable to the increase in the Company’s sales of security and identification chips, smart meter chips and FPGAs during the Reporting Period.
Reasons for changes in cost of sales:	Mainly attributable to the increase revenue during the Reporting Period, which led to a corresponding rise in costs of sales.
Reasons for changes in administrative expenses:	Mainly attributable to the increase in severance pay for the Company’s employees during the Reporting Period.
Reasons for changes in finance expenses:	Mainly attributable to the increase in foreign exchange losses resulting from fluctuations in the US dollar exchange rate during the Reporting Period.
Reasons for changes in research and development expenses:	Mainly attributable to certain R&D projects that were partially capitalised during the Reporting Period are unlikely to generate the expected economic benefits in the future and have therefore been written off and recognised as R&D expenses. At the same time, the Company has maintained a high level of R&D investment to facilitate product iteration and the expansion of its product portfolio, whilst also strengthening product development based on processes from a diverse range of suppliers.

Reasons for changes in other income:	Mainly attributable to the reductions of the VAT deduction for integrated circuit design enterprises and special government subsidies for R&D projects.
Reasons for changes in assets impairment losses:	Mainly attributable to the changes in the structure of downstream demand for certain products held in stock during the Reporting Period, with sales falling short of expectations, resulting in an increase in the provision for impairment of inventories for the period. At the same time, impairment losses on certain intangible assets increased as they failed to generate the expected returns.
Reasons for changes in net cash flow from operating activities:	Mainly attributable to the increase in cash received from the sale of goods by the Company.
Reasons for changes in net cash flow from investing activities:	Mainly attributable to the decrease in cash paid out by the Company for the acquisition and construction of fixed assets and intangible assets during the Reporting Period.
Reasons for changes in net cash flows from financing activities:	Mainly attributable to the decrease in cash received from loans obtained by the Company. At the same time, there was increase in cash paid out for the repayment of bank loans.
Reasons for changes in accounts receivable:	Mainly attributable to the longer payment settlement cycles for customers of high-reliability products, as well as an increase in trade receivables resulting from sales growth.
Reasons for changes in prepayments:	Mainly attributable to the needs of daily operations, resulting in an increase in prepayments to suppliers for the purchase of materials.
Reasons for changes in inventories:	Mainly attributable to the increase in sales of the Company's products, which led to a decrease in inventory balances. At the same time, there was increase in provisions for impairment of inventory resulted in a decrease in the carrying value of inventory.
Reasons for changes in intangible assets:	Mainly attributable to certain capitalised projects of the Company reaching their intended state of readiness for use and being reclassified as intangible assets.
Reasons for changes in development costs:	Mainly attributable to the transfer of certain projects within the Company that have reached their intended operational status. It is also attributable to the write-off of projects that are unlikely to achieve the expected economic benefits in the future.
Reasons for changes in short-term borrowings:	Mainly attributable to restructure of debt, reducing short-term loans and increasing long-term borrowings.
Reasons for changes in employee benefits payable:	Mainly attributable to a larger provision for year-end bonuses when compared with the previous period.
Reasons for changes in current portion of non-current liabilities:	Mainly attributable to the decrease in long-term loans due within one year.

Reasons for changes in long-term borrowings:	Mainly attributable to the restructure of debt reducing short-term loans and increasing long-term borrowings.

ANALYSIS OF PRODUCTION AND SALES

Products	Unit	Production volume	Sales volume	Inventory	Change in production volume compared with last year (%)	Change in sales volume compared with last year (%)	Change in inventory compared with last year (%)
Security and Identification Chips	'0,000	334,659.62	331,469.80	19,709.38	30.86	32.88	9.41
Non-Volatile Memory	'0,000	92,326.36	92,687.95	19,844.25	10.11	10.61	-6.04
Smart Meter Chips	'0,000	20,171.96	18,662.94	3,866.60	35.33	38.43	34.18
FPGA and Other products	'0,000	4,853.64	6,289.44	1,749.05	-46.16	-20.92	-45.06

Overview of Production and Sales

1. The increase in sales of security and identification chips was primarily driven by RFID and sensor chips. The Company remains strong product competitiveness in this sector, continues to launch new products, increases its market share, and achieved growth in both production and sales volume.
2. The increase in sales of smart meter chips was primarily attributable to the continuous expansion of the application areas for the Company's products, there was increase in market share, and rise in production volume and inventory levels.
3. Sales and production volume of FPGAs and other chips declined annually, primarily due to a fall in downstream demand for smart appliance chips, which led to lower sales volume. Furthermore, the Company reduced production to consume inventory, resulting in a decrease in inventory level.

MATERIAL INVESTMENTS AND ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no other material investments and acquisitions and disposals of subsidiaries, associates and joint ventures during the year (2024: Nil).

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2025, net assets of the Group amounted to RMB6,754,182,753.81 (2024: RMB6,544,120,922.79), representing an increase of approximately 3.21% over last year; of which current assets amounted to RMB6,859,496,080.33 (2024: RMB6,480,978,592.52), representing an increase of approximately 5.84% over last year; of which included cash at bank and on hand which were RMB1,298,621,710.02 (2024: RMB1,087,494,485.36), representing an increase of approximately 19.41% over last year.

The Group kept profiting for the past years, and thus profit, placement of shares, bank borrowings and cash flows generated internally have been used to meet the operations and business development needs. With the cautious treasury policy adopted by the Group, the current cashflow is sufficient to cope with daily operation and future development. The Group may also obtain appropriate credit facilities from financial institutions when there is additional funding requirement for its business development in the future, including but not limited to bank borrowings, acceptance bills, discounted bills, trade finance and letters of credit, depending on the scale and duration of the funding requirements. The Group does not use any financial instruments for hedging purposes and does not have foreign currency net investments hedged by currency borrowings and other hedging instruments.

The Group's exposure to currency exchange rate risk is relatively low as most of the Group's operations are carried out in the PRC and most of the transactions conducted are denominated and settled in Renminbi. The Group has not entered into any foreign exchange hedging arrangements. The Directors are of the opinion that the fluctuation of exchange rate has no material impact on the financial performance of the Group.

As at 31 December 2025, the Group had bank borrowings amounted to RMB1,475,521,935.85, which are repayable in 1 to 7 years with interest rate 2.10% to 2.66% per annual (2024: RMB1,665,513,184.63).

CHANGE OF SHARE CAPITAL

On 30 December 2025, the Company issued 2,291,950 ordinary shares of A shares to the eligible persons who satisfied the vesting conditions of the fourth vesting period of the first batch and the third vesting period of the reserved batch of the 2021 A Share Restricted Share Incentive Scheme, of which, 2,285,950 shares were admitted to trading in the market on 19 January 2026, the share capital was increased by RMB228,595.00. The total number of shares upon the completion of the issuance was 823,713,250 shares (including 539,383,250 A shares and 284,330,000 H shares). The remaining 6,000 shares are scheduled to be admitted to trading in the market in 2026.

PLEDGE OF ASSETS

As at 31 December 2025, the Group did not have any assets pledged as security (2024: Nil).

CAPITAL MANAGEMENT

The key objective of the Group's capital management is to ensure the Group's ability to operate on a going concern basis and maintain healthy capital ratios so as to support business growth and maximise shareholder value.

The Group manages its capital structure and makes adjustments in response to changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the distribution of profits to shareholders, return capital to shareholders or issue new shares. The Group is not constrained by any external mandatory requirements on capital. The capital structure of the Group consists of equity attributable to owners of the Company (comprising issued share capital and various reserves) and bank borrowings. There was no change in the Group's capital management objectives, policies or procedures in 2025 and 2024.

The Group manages its capital with the gearing ratio. The gearing ratio of the Group, which is the total liabilities divided by the total liabilities and owner's equity as at 31 December 2025 is approximately 26.63% (2024: 27.62%).

COMMITMENTS AND CONTINGENCIES

1. Major Commitments

	2025	2024
Contracted but not provided Capital commitment	**11,779,295.64**	9,619,477.16

2. Contingencies

As at the balance sheet date, the Group has no contingent that need to be disclosed.

EMPLOYEES

The Group provides employees with competitive compensation and benefits, including salary, bonus, social insurance, housing provident fund, health examination, supplementary commercial medical insurance and other welfare systems. The Group provides employees with various leave in accordance with the law, including personal leave, sick leave, marriage leave, work injury leave, bereavement leave, annual leave, maternity leave, paternity leave and others. The Group has established a complete performance appraisal system, and evaluates each employee according to the targeted appraisal objectives. At the end of each year, the Group formulates a salary adjustment plan based on the results of employee performance evaluation, and with reference to the market salary situation and the Group's current operating conditions. Besides, the Group optimizes the talent team through comprehensive talent evaluation mechanisms such as performance appraisal and talent promotion channels to achieve the development goal of building and developing a first-class talent team.

FUTURE OUTLOOK

In 2026, the Group will focus on its core business of integrated circuit design. With platform-based operations as its framework, cutting-edge technology as its foundation, and continuous innovation as its driving force, the Group will concentrate on the high-end general-purpose and specialised application-specific chip sectors, aiming to establish itself as a leading domestic chip design enterprise with a technological moat, market and industry influence. The Group will continue to consolidate and enhance its comprehensive competitive advantages in areas such as technology, service, quality and branding, drive forward institutional reforms, stimulate innovation, and achieve sustained, rapid and high-quality development.

Product technology

Research and development ("R&D") efforts of 2026 will define a clear path towards the domestic production of high-performance products, whilst upholding independent innovation and fully incorporating evolving market demands. The Group will continue to consolidate its technological edge, transforming the technical capabilities of 'reliability, low latency and high stability' that the Company has cultivated over many years into 'differentiated value' that the market can clearly recognise and urgently requires. The Company will simultaneously strengthen the development of its R&D system and collaborative mechanisms, with a focus on enhancing innovation efficiency and market responsiveness.

The Company will continue to safeguard strategic investment in R&D, steadily refine its technological portfolio, and systematically advance the commercialisation of its products. By deepening collaboration within the industry-academia-research ecosystem, the Company will attract and nurture high-calibre talent from the sector, forge a high-performing R&D team, and strengthen its in-house design capabilities continuously.

Marketing

The Company will deliver high-quality service to key clients, strengthen its strategic partnerships with them, and enhance its capabilities continuously in providing integrated solutions and end-to-end services. The Company will focus on strategic key markets, avoid homogeneous competition, and concentrate its resources on increasing the market share in key sectors.

The Company will advance market penetration and strategic positioning systematically; strengthen customer acquisition, retention and in-depth collaboration; upgrade cooperation models; and establish mutually beneficial partnerships. The Company built a strong reputation in the industry through precise product definition and high-quality delivery services, whilst deepening its collaboration with domestic upstream and downstream supply chains and local clients. At the same time, the Company will leverage agile market insight to drive the iteration of its products and solutions.

Internal management

The Company must strike a dynamic balance between ambition and prudence when facing with multiple challenges in the external environment. It will focus on specific tasks that will help improve operational efficiency.

The Company will strengthen end-to-end project management and accelerate the pace of research and development, and will optimise inventory structure to improve asset turnover efficiency and overall operational quality. The Company will also strengthen comprehensive supply chain management capabilities, enhance supply chain resilience, promote diversified platforms, coordinate planning, focus on processes and pool resources. We will promote collaboration with research institutions and universities actively, focus on tackling key platform-level technologies, and refine our innovation strategy.

The Company will strengthen the development of its compliance and risk management framework systematically, enabling the organisation to respond swiftly to market changes whilst maintaining the resilience required for long-term development, thereby providing a fundamental safeguard for the Company to secure a sustainable competitive advantage in a complex environment.

Grouping operation

We will harness collective strength through unified strategic decision-making and standardised governance, develop talent recruitment and development plans tailored to business needs, build a robust and efficient core team, and implement an incentive scheme to stimulate operational vitality and innovative drive across all units within the compliance framework. Through the systematic communication of our mission, vision and values, and by guiding our actions, we ensure that our corporate culture serves as the core engine driving collaboration, inspiring innovation and strengthening resilience.

FINAL DIVIDEND

The Board proposes to declare a final dividend of RMB 0.58 (tax inclusive) per 10 shares for the year ended 31 December 2025 (2024 paid: RMB0.80 (tax included)) with total cash dividend amounted to RMB47,775,368.50 (2024 paid: RMB65,714,184.00).

If there is any change in the Company's total share capital prior to the record date for the distribution of dividend, the Company intends to maintain the dividend per share at the same amount and adjust the total dividend amount accordingly. Details of such adjustments will be announced separately.

The above proposal is subject to consideration and approval at the upcoming annual general meeting (the "AGM") of the Company. Details of the Company's closure of register of shares and the declaration and payment of dividends will be announced in due course.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct on terms no less exacting than the model code for securities transactions by directors of listed issuers as set out in Appendix C3 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Having made specific enquiries to all directors, the directors have complied with such code of conduct and the required standard of dealings throughout the year ended 31 December 2025.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No director nor a connected entity of a director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of the Company's subsidiaries was a party during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the People's Republic of China.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

On 30 December 2025, the Company issued 2,2285,950 new A Shares ordinary shares pursuant to the 2021 A Shares Restricted Share Incentive Scheme, with issue price of RMB17.62 per share and increment of share capital RMB228,595.00 with a premium of RMB40,049,844.00. The closing price of the A Shares on 23 September 2021, being the date on which the Board approved the Incentive Scheme and the terms of issue were fixed, was RMB38.80 per A Share. Total fund raised and the actual net proceeds is RMB40,278,439.00, the net price to of each share is RMB17.62. According to the proposed use of proceeds under the 2021 A Shares Restricted Share Incentive Scheme, the proceeds of which were used as daily working capital in December 2025. At 31 December 2025, the Company's outstanding restricted shares under the 2021 A Shares Restricted Share Incentive Scheme were 6,000 (further details are set out in the circular dated 20 October 2021, and the Company's overseas regulatory announcements dated 5 November 2021, 6 December 2021, 28 October 2022, 7 December 2022, 15 December 2022, 19 December 2023, 26 December 2023, 11 December 2024, 30 December 2025 and 13 January 2026). According to the capital structure of the Company, if all the outstanding restricted shares are vested, 6,000 additional A Shares ordinary shares of the Company will be issued. Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year and up to the date of this announcement, none of the directors of the Company had an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the applicable public float requirement has been complied with, as more than 5% of the Company's total number of issued shares in the class to which the listed H shares belong (excluding treasury shares) was held by the public as at the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules.

Throughout the year ended 31 December 2025, the Company had complied with the CG Code with the exception from the deviation from the code provisions C.2.1 (relating to segregation of chairman role) as explained below:

Under the code provision C.2.1, the roles of chairman and Managing Director ("chief executive officer") should be separate and should not be performed by the same individual. However, the roles of the Company's chairman and Managing Director are both performed by Mr. Zhang Wei ("Mr. Zhang"). Although the responsibilities of the chairman and the Managing Director are vested in one person, the Company has established detailed rules of procedure for the Board of Directors and the Managing Director, which clearly define their respective powers. Any matters requiring a decision by the Board of Directors will be discussed with the directors and submitted to the Board for a decision. There are two executive Directors, four non-executive Director, four independent non-executive Directors and one employee Director in the Board. The Board considers that there is sufficient balance of power and the current management maintains a strong management position of the Company. The Board also considers that the current structure can promote efficient formulation and implementation of the Company's strategies and explore business opportunities efficiently and promptly.

EVENTS AFTER THE REPORTING PERIOD

The Group does not have any significant subsequent events.

AUDIT COMMITTEE

The Company has an audit committee which was established with written terms of reference in compliance with the Listing Rules which also available on the website of the Stock Exchange of Hong Kong Limited ("the Stock Exchange") and the Company respectively. The primary duties of the audit committee are to review and supervise the financial reporting process, internal control and risk management system of the Group. The audit committee comprises three independent non-executive Directors, Ms. Wang Meijuan (Chairman), Ms. Ms. Shi Yanling and Mr. Hu Xue.

The Group's audited financial statements for the year ended 31 December 2025 have been reviewed by the committee, who is of the opinion that these statements complied with the applicable accounting standards, the requirements as set out by the Stock Exchange and the relevant regulations, and that adequate disclosures had been made.

SCOPE OF WORK OF ERNST & YOUNG HUA MING LLP

The figures in respect of the Group's consolidated balance sheet and consolidated income statement and the related notes thereto for the year ended 31 December 2025 as set out in the results announcement have been agreed by the Company's auditor, Ernst & Young Hua Ming LLP, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young Hua Ming LLP in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young Hua Ming LLP on this results announcement.

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

Shanghai, the PRC, 27 March 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 purpose only*