Suzhou Novosense Microelectronics Co., Ltd.
蘇州納芯微電子股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2676)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

FINANCIAL HIGHLIGHTS OF THE GROUP

The consolidated annual results of the Group for the year ended December 31, 2025, together with comparative figures for the year ended December 31, 2024, are as follows:

	For the year ended December 31		
	2025	2024	**Change**
	RMB'000	*RMB'000*	
Revenue	**3,367,823**	1,960,274	71.8%
Gross profit	**1,078,233**	549,346	96.3%
Loss from operations	**(212,901)**	(381,397)	−44.2%
Loss for the year	**(228,874)**	(402,878)	−43.2%
Total comprehensive income for the year	**(228,108)**	(403,627)	−43.5%
Loss per share			
− Basic and diluted *(RMB per share)*	**(1.60)**	(2.86)	−44.1%

ANNUAL RESULTS

The Board of Directors (the "**Board**") of Suzhou Novosense Microelectronics Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") is pleased to announce the Group's consolidated annual results for the year ended December 31, 2025, together with the comparative figures for the year ended December 31, 2024.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets at fair value through other comprehensive income, financial assets and financial liabilities at fair value through profit or loss, and derivative financial instruments measured at fair value.

FINANCIAL INFORMATION

The financial information set forth in this announcement has been reviewed by the Audit Committee, approved by the Board of Directors, and agreed to by the overseas auditors of the Company, KPMG. The data in the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive imcome, and related notes for the year ended December 31, 2025, as set out in this announcement, are identical to the amounts presented in the Group's audited consolidated financial statements for the year ended December 31, 2025. The Company's 2025 consolidated financial statements prepared in accordance with International Financial Reporting Standards ("**IFRS**") Accounting Standards have also been audited by the overseas auditors of the Company with unqualified audit opinion being issued.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2025

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
Revenue	*4*	**3,367,823**	1,960,274
Cost of sales		**(2,289,590)**	(1,410,928)
Gross profit		**1,078,233**	549,346
Other net income		**77,074**	98,529
Selling and marketing expenses		**(260,896)**	(188,942)
Administrative expenses		**(305,712)**	(286,872)
Research and development expenses		**(794,603)**	(539,992)
Impairment loss on trade and other receivables		**(6,997)**	(13,466)
Loss from operations		**(212,901)**	(381,397)
Finance costs	*5*	**(22,671)**	(16,435)
Share of losses and provision for impairment of associates		**(5,623)**	(6,323)
Loss before taxation		**(241,195)**	(404,155)
Income tax	*6*	**12,321**	1,277
Loss for the year		**(228,874)**	(402,878)
Attributable to:			
Equity shareholders of the Company		**(228,874)**	(402,878)
Non-controlling interests		**–**	–
Loss for the year		**(228,874)**	(402,878)
Loss per share			
Basic and Diluted *(RMB)*	*7*	**(1.60)**	(2.86)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

	2025	2024
	RMB'000	*RMB'000*
Loss for the year	**(228,874)**	(402,878)
Other comprehensive income for the year		
Item that is or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
− financial statements of overseas subsidiaries	**766**	(749)
Total comprehensive income for the year	**(228,108)**	(403,627)
Attributable to:		
Equity shareholders of the Company	**(228,108)**	(403,627)
Non-controlling interests	**–**	–
Total comprehensive income for the year	**(228,108)**	(403,627)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	Notes	**December 31, 2025**	December 31, 2024
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**1,837,365**	1,523,589
Right-of-use assets		**21,892**	16,440
Intangible assets		**389,174**	390,732
Goodwill		**545,470**	504,142
Interests in associates		**111,052**	96,675
Financial assets measured at fair value through profit or loss ("**FVPL**")		**428,971**	290,129
Time deposits		**81,038**	–
Other non-current assets		**45,858**	137,840
Deferred tax assets		**43,102**	25,876
		3,503,922	2,985,423
Current assets			
Inventories and contract costs	*8*	**1,475,940**	832,556
Contract assets		**285**	285
Trade and other receivables	*9*	**995,907**	646,981
Financial assets measured at FVPL		**1,124,163**	2,080,083
Time deposits		**93,000**	94,334
Restricted bank deposits		**22,656**	20,835
Cash and cash equivalents		**2,465,627**	1,013,079
		6,177,578	4,688,153
Current liabilities			
Trade and other payables	*10*	**840,416**	627,878
Contract liabilities		**33,191**	16,136
Interest-bearing borrowings	*11*	**115,537**	62,382
Lease liabilities		**8,685**	7,822
Current taxation		**742**	3,666
Refund liabilities from right of return		**53,355**	39,178
		1,051,926	757,062
Net current assets		**5,125,652**	3,931,091
Total assets less current liabilities		**8,629,574**	6,916,514

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at December 31, 2025

	Notes	**December 31, 2025** ***RMB'000***	December 31, 2024 *RMB'000*
Non-current liabilities			
Interest-bearing borrowings		**851,512**	791,421
Lease liabilities		**10,891**	6,434
Payable for acquisition of subsidiaries		**17,489**	55,037
Deferred income		**40,081**	31,244
Deferred tax liabilities		**54,684**	48,516
Refund liabilities from right of return		**6,918**	4,393
Financial liability measured at FVPL		**33,236**	32,355
		1,014,811	969,400
NET ASSETS		**7,614,763**	5,947,114
CAPITAL AND RESERVES			
Share capital		**161,597**	142,529
Treasury shares		**(127,664)**	(14,907)
Reserves		**7,563,249**	5,814,722
Total equity attributable to equity shareholders of the Company		**7,597,182**	5,942,344
Non-controlling interests		**17,581**	4,770
TOTAL EQUITY		**7,614,763**	5,947,114

1. GENERAL INFORMATION

Suzhou Novosense Microelectronics Co., Ltd. (the "**Company**") was established in Suzhou City, Jiangsu Province, People's Republic of China on May 17, 2013 as a limited liability company under the PRC Company Law.

In March 2016, the Company was converted into a joint stock limited liability company. In April 2022, the Company's A shares were listed on the STAR Market of the Shanghai Stock Exchange under the stock code 688052. The Company's H shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on December 8, 2025.

The Company and its subsidiaries (together, "**the Group**") are principally engaged in design, research and development (R&D) of various types of chip products.

2. SUMMARY OF ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards, International Accounting Standards and Interpretations as issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below. The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group.

2.2 Basis of preparation of the financial statements

The consolidated financial statements for the year ended December 31, 2025 comprise the Company and its subsidiaries and the Group's interests in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis except the financial assets and liabilities measured at FVPL, the financial assets measured at FVOCI and contingent liabilities assumed in business combination are stated at their fair values.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.3 Summary of Material Accounting Policies

Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services.

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sales of goods and provision of services

(a) Sale of chip products

Revenue is recognised when the Group transfers the control over the chip products to customers (i.e. goods accepted by customers) or satisfies the performance obligation in the contract.

(b) Provision of services

Revenue of management services is recognised over time during the contract period beginning on the date that the service is made available to the customer. Revenue of other services is recognised when the customer passes the acceptance and the development results are submitted.

(ii) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(iii) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(iv) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants related to assets shall be recognised as deferred income in the balance sheet and recorded in other net income in a reasonable and systematic manner within the service life of the relevant assets. Government grants related to income, those to be used as compensation for future expenses or losses shall be recognised as deferred income and shall be recorded in other net income in the period in which the relevant expenses or losses are recognised; other government grants shall be recorded in other net income directly.

Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income ("**OCI**").

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

- temporary differences related to investment in subsidiaries, associates and joint venture(s) to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

- taxable temporary differences arising on the initial recognition of goodwill;

- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

Inventories and contract costs

Inventories are assets which are held for sale in the ordinary course of business, in process of production for such sale or in the form of material or supplies to be consumed in the production process or in the provision of services.

Inventories are carried at the lower of cost and net realizable value as follows:

Cost is calculated using the weighted average cost formula and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realizable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalized as inventory, property, plant and equipment or intangible assets.

Incremental costs of obtaining a contract, e.g. sales commissions, are capitalized if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalized if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalized as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalized contract costs are stated at cost less accumulated amortization and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price.

Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortized cost using the effective interest method.

Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

2.4 Material Accounting Judgements and Estimates

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The Group gives special consideration to estimate the selling price of those technically obsolete and/or slow-moving inventory items.

Management reassesses these estimations at the end of reporting period to ensure inventory is shown at the lower of cost and net realizable value.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. SEGMENT INFORMATION

The Company is an integrated circuit design enterprise focusing on analog chips, with three major product directions: signal chain products, power management products, and sensor products. The Company manages this business and evaluates its operating results as a whole. Therefore, the Company does not need to disclose segment information.

4. REVENUE

Disaggregation of revenue from contracts with customers by major products or service is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
− Sensor Products	**891,977**	273,981
− Signal Chain Chips	**1,287,693**	963,251
− Power Management Chips	**1,173,695**	703,171
− Others	**14,458**	19,871
	3,367,823	1,960,274

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	2025	2024
	RMB'000	*RMB'000*
Disaggregated by timing of revenue recognition		
Point in time	**3,361,855**	1,951,780
Over time	**5,968**	8,494
	3,367,823	1,960,274

5. EXPENSES BY NATURE

	2025	2024
	RMB'000	*RMB'000*
Finance costs		
Interest on		
− loans	**21,968**	15,588
− lease liabilities	**703**	847
	22,671	16,435

	2025	2024
	RMB'000	*RMB'000*
Staff costs		
Salaries, wages and other benefits	**916,897**	641,240
Contributions to defined contribution retirement plan	**60,643**	45,388
Equity-settled share-based transactions	**86,972**	70,895
	1,064,512	757,523

	2025	2024
	RMB'000	*RMB'000*
Other items		
Depreciation charge		
− owned property, plant and equipment	**176,842**	116,636
− right-of-use assets	**10,000**	16,377
	186,842	133,013
Amortisation cost of intangible assets	**58,532**	24,512
Research and development expense	**794,603**	539,992
Cost of inventories	**2,289,590**	1,410,928

6. INCOME TAX EXPENSES

Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025	2024
	RMB'000	*RMB'000*
Current tax		
Provision for the year	**3,027**	4,124
Deferred tax		
Origination and reversal of temporary differences	**(15,348)**	(5,401)
	(12,321)	(1,277)

7. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company RMB228,874,000 (2024: RMB402,878,000) and the weighted average of 143,205,000 ordinary shares (2024: 141,187,000 shares) in issue during the year.

The capital reserve was converted into share capital on the basis of four new shares for every 10 shares. Accordingly, the weighted average number of ordinary shares has been adjusted retrospectively.

Weighted average number of ordinary shares

	2025	2024
	'000	*'000*
Issued ordinary shares at January 1	**142,529**	142,529
Effect of ordinary shares issued	**1,254**	–
Effect of treasury shares held	**(578)**	(1,342)
Weighted average number of ordinary shares at December 31	**143,205**	141,187

(b) Diluted loss per share

For the year ended December 31, 2025 and 2024, the restricted shares were not included in the calculation of diluted loss per share, as their effect would have been anti-dilutive. Accordingly, diluted loss per share were the same as basic loss per share for both years.

8. INVENTORY

	2025	2024
	RMB'000	*RMB'000*
Inventories		
Chip products		
− Raw materials	**364,662**	202,684
− Work in progress	**553,605**	296,680
− Finished goods	**515,879**	313,571
− Goods in transit	**14,695**	4,314
− Goods delivered to customers	**9,632**	5,601
	1,458,473	822,850
Contract costs	**17,467**	9,706
	1,475,940	832,556

9. TRADE AND OTHER RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**636,738**	392,573
Bills receivables	**15,765**	30,094
Trade and bills receivables	**652,503**	422,667
Bills receivables measured at fair value through other comprehensive income ("**FVOCI**")	**31,991**	22,727
Other receivables	**30,694**	24,168
Capacity deposits	**110,750**	76,138
Value-added tax recoverable	**40,583**	22,606
Prepayment	**92,960**	51,855
Others	**36,426**	26,820
	995,907	646,981

As of the end of the Reporting Period, the ageing analysis of trade receivables and bills receivables, based on the due date and net of loss allowance, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**652,492**	420,527
Over 1 year but less than 2 years	**3**	2,120
Over 2 years but less than 3 years	**8**	20
	652,503	422,667

10. TRADE AND OTHER PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Trade payables	**461,838**	271,997
Bills payables	**5,000**	0
Accrual payroll	**317,039**	191,372
Other taxes and surcharges payables	**15,174**	32,971
Other payables	**3,817**	25,562
Payable for acquisition of subsidiaries	**37,548**	105,976
	840,416	627,878

As of the end of the Reporting Period, the aging analysis of trade payables is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**448,086**	268,297
Over 1 year but less than 2 years	**12,329**	2,797
Over 2 years but less than 3 years	**520**	655
Over 3 years	**903**	248
	461,838	271,997

11. INTEREST-BEARING BORROWINGS

The analysis of the carrying amount of interest-bearing borrowings is as follows:

	2025	2024
	RMB'000	*RMB'000*
Bank loans		
– secured *(i)*	**330,765**	353,172
– pledged *(ii)*	**486,909**	472,346
– unsecured	**141,369**	–
– guaranteed	**8,006**	–
	967,049	825,518
Other borrowings	**–**	28,285
	967,049	853,803
Less: amount included under "current liabilities"	**(115,537)**	(62,382)
	851,512	791,421

(i) As at December 31, 2025, the Group's property, plant and equipment with aggregate carrying amounts of RMB526,979,000 (2024: RMB545,121,000), were secured for bank loans granted to the Group.

(ii) As at December 31, 2025, the Group pledged the equity interests in MagnTek Group as collateral to trust financing companies.

The analysis of the repayment schedule of interest-bearing borrowings is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year or on demand	**115,537**	62,382
After 1 year but within 2 years	**128,148**	101,181
After 2 years but within 5 years	**615,785**	487,830
After 5 years	**107,579**	202,410
	851,512	791,421
	967,049	853,803

12. DIVIDENDS

The Board does not recommend the payment of any final dividend in respect of the year ended December 31, 2025. No dividend was paid or proposed during the year 2025 (2024: Nil).

CHAIRMAN'S STATEMENT

Dear shareholders, investors and those who are concerned about the development of the Company:

2025 marked a pivotal year for Novosense as we deepened our focus on analog and mixed-signal ICs, achieving leapfrog development. Against the backdrop of global semiconductor industry restructuring and the advancement of domestic substitution for analog chips in China, the Company steadily advanced its operations. In 2025, we achieved operating revenue of RMB3,367.8 million, representing a year-on-year increase of 71.8%, and accomplished phased objectives in product innovation, market expansion, and capital operations, achieving a significant milestone in our development journey.

In terms of product innovation, the Company continued to invest in R&D resources to enhance its product portfolio and upgrade product performance. In 2025, the Company has achieved significant milestones with several core products: vehicle video SerDes IC passed DV validation by leading customers; the 4-channel 75W Class D audio amplifier entered mass production, while the 150W variant completed design verification; functional safety-isolated gate driver chips began volume shipments; and the development and mass production rollout of various magnetic sensor and automotive-specific MCU product series proceeded in an orderly manner. These achievements further solidified the Company's product foundation in the fields of sensors, signal chains, and power management.

In terms of market expansion, the Company is focusing on three key sectors − automotive electronics, energy and industrial automation, and consumer electronics to deepen cooperation with core clients. In the automotive electronics sector, the Company is consolidating its business in motor and electronic control systems for new energy vehicles while simultaneously expanding into areas such as vehicle lighting, thermal management, smart cockpits, chassis safety, and intelligent driving. Annual chip shipments in the automotive electronics sector exceeded 750 million units, bringing the cumulative total to over 1,418 million units; In the energy and industrial automation sector, benefiting from the recovery of the manufacturing industry, growing demand for AI servers, and the rebound of the photovoltaic and energy storage industries, shipments of products such as isolation chips, driver chips, and sensors increased, and market coverage expanded; in the consumer electronics sector, the Company launched multiple sensor products tailored to new application scenarios and successfully onboarded clients in emerging application fields. In overseas markets, leveraging sales centers in Japan, South Korea, Germany, and other regions to expand the localized services and have begun supplying products in mass production to several leading global customers in the fields of braking and chassis control systems, as well as thermal management, the Company achieved significant milestones in its international business operations.

In terms of capital operations, on December 8, 2025, the Company completed its H share listing and began trading on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2676.HK), formally establishing an "A+H" dual capital platform. The Company has designated Hong Kong as a key platform for its overseas operations and capital activities. Leveraging its advantage as a hub connecting China with global capital and talent, the Company is continuously enhancing its overseas supply chain system and operational centers, while comprehensively accelerating its global expansion and technological innovation.

In 2026, the global semiconductor industry landscape continues to undergo restructuring, while domestic efforts to replace imported analog chips with domestically produced alternatives are advancing further. Leveraging its "A+H" dual capital platform, the Company will focus on its core businesses of analog chips and sensors, prioritizing five key initiatives: First, we will continue to drive technological innovation and cost optimization, upgrade our core technology platforms, and improve our R&D system; second, we will focus on product development and deepening market penetration, refine our full-scenario product portfolio, and expand into high-value sectors and emerging fields; third, we will deepen collaboration with key clients, improve our market and service systems, and accelerate our global market expansion; fourth, we will comprehensively strengthen supply chain management and resource coordination to enhance supply chain resilience, level of autonomy and control, and operational efficiency; Fifth, we will continue to optimize organizational mechanisms and business processes, strengthen talent incentives and leadership development, and enhance operational efficiency.

Moving forward, Novosense will remain steadfast to its founding principles, maintaining a customer-centric approach and driven by technological innovation. We will rigorously implement our business plans, steadily advance our business development, strive to achieve sustained growth in operating performance, create long-term value for our shareholders, and contribute to the development of the Analog ICs Industry!

Suzhou Novosense Microelectronics Co., Ltd.
Wang Shengyang
Chairman

FINANCIAL REVIEW

Revenue

The table below sets forth the absolute amounts and percentages of the Company's revenue by business for 2025 and 2024:

	For the year ended December 31				
	2025		2024		
	RMB'000	***% of Revenue***	*RMB'000*	*% of Revenue*	**Change**
Sensor Products	**891,977**	**26.5%**	273,981	14.0%	225.6%
Signal Chain Chips	**1,287,693**	**38.2%**	963,251	49.1%	33.7%
Power Management Chips	**1,173,695**	**34.9%**	703,171	35.9%	66.9%
Others[(1)]	**14,458**	**0.4%**	19,871	1.0%	−27.2%
Total	**3,367,823**	**100.0%**	1,960,274	100.0%	71.8%

Note:

(1) Primarily included our revenue from customization services and sales of ancillary components.

In 2025, the Company generated revenue of RMB3.37 billion, representing a year-on-year increase of 71.8%. Specifically, revenue from sensor products reached RMB892 million, representing a year-on-year increase of 225.6%; revenue from signal chain chips reached RMB1.29 billion, representing a year-on-year increase of 33.7%; revenue from power management chips reached RMB1.17 billion, representing a year-on-year increase of 66.9%; and revenue from other businesses reached RMB0.01 billion, representing a year-on-year decrease of 27.2%.

By business segment, Sensor Products achieved a revenue of RMB892 million, representing a year-on-year increase of 225.6%, mainly because the consolidation of MagnTek enriched the Company's product matrix, having a positive impact on the revenue growth of magnetic sensor products; signal chain chips achieved a revenue of RMB1.29 billion, representing a year-on-year increase of 33.7%, mainly due to the growth in demand in the downstream automotive electronics and energy and industrial automation sectors; power management chips achieved a revenue of RMB1.17 billion, representing a year-on-year increase of 66.9%, mainly due to the fact that the Company's power management products achieved large-scale mass production across multiple categories and expanded their market presence, resulting in a significant year-on-year increase in sales revenue.

Gross Profit and Gross Profit Margin

The table below sets forth the Company's absolute gross profit amounts and gross profit margins for 2025 and 2024 by business:

	For the year ended December 31				
	2025		2024		
	RMB'000		*RMB'000*		**Change**
Amount before impairment loss of inventories					
Sensor Products	**411,101**		119,994		242.6%
Signal Chain Chips	**457,269**		362,126		26.3%
Power Management Chips	**300,478**		157,636		90.6%
Others[(1)]	**8,346**		1,226		580.8%
Subtotal	**1,177,193**		640,982		83.7%
Impairment Loss of Inventories	**(98,961)**		(91,636)		
Gross profit and gross profit margin	**1,078,233**	**32.0%**	549,346	28.0%	96.3%

Note:

(1) Primarily included our revenue from customization services and sales of ancillary components.

In 2025, the Company's gross profit margin was 32.0%, representing a year-on-year increase of 4.0 percentage points, mainly because the product matrix was further enriched this year, the sales of high gross margin product portfolios were strengthened, and the product structure was further optimized; meanwhile, by deepening supply chain integration and operational management efficiency, the cost advantage was continuously strengthened.

Selling and Marketing Expenses

The table below sets forth the Company's selling and marketing expenses and percentages of revenue for 2025 and 2024:

	For the year ended December 31				
	2025		2024		
	RMB'000	***% of Revenue***	*RMB'000*	*% of Revenue*	**Change**
Selling and Marketing Expenses	**260,896**	**7.7%**	188,942	9.6%	38.1%

In 2025, the Company's selling and marketing expenses reached RMB260.9 million, representing a year-on-year increase of 38.1%. The selling and marketing expense ratio was 7.7%, representing a year-on-year decrease of 1.9 percentage points. This was primarily due to the accumulation of resource investments in market expansion, talent development, and other areas, which led to an increase in employee compensation within sales expenses compared to the same period last year. Consequently, while the overall selling expenses grew, the growth rate of sales expenses remained lower than that of revenue growth.

Administrative Expenses

The table below sets forth the Company's administrative expenses and percentages of revenue for 2025 and 2024:

	For the year ended December 31				
	2025		2024		
	RMB'000	***% of Revenue***	*RMB'000*	*% of Revenue*	**Change**
Administrative Expenses	**305,712**	**9.1%**	286,872	14.6%	6.6%

In 2025, the Company's administrative expenses amounted to RMB305.7 million , representing a year-on-year increase of 6.6%. The administrative expense ratio stood at 9.1%, representing a year-on-year decrease of 5.5 percentage points. This administrative expenses remained relatively stable during this period. The primary reason for the change was the expansion of the Company's scale, while the Company continued to strengthen its management team, the headcount of administrative personnel increased, leading to higher total remuneration costs. However, the growth rate of these expenses remained lower than that of total revenue.

Research and Development Expenses

The table below sets forth the Company's research and development expenses and percentages of revenue for 2025 and 2024:

	For the year ended December 31				
	2025		2024		
	RMB'000	***% of Revenue***	*RMB'000*	*% of Revenue*	**Change**
Research and Development Expenses	**794,603**	**23.6%**	539,992	27.5%	47.2%

In 2025, the Company's research and development expenses reached RMB794.6 million, representing a year-on-year increase of 47.2%. The research and development expenses ratio was 23.6%, representing a year-on-year decrease of 3.9 percentage points. This is primarily because the Company places a strong emphasis on expanding its product portfolio and deepening its core technologies. In order to capitalize on long-term growth opportunities, attract and retain key talent, continuously refine its product portfolio, and thereby lay a solid foundation for future revenue growth, the Company has consistently allocated resources to areas such as R&D investment and talent development, resulting in an increase in total R&D expenses.

Other Net Income

The Company's other income decreased from RMB98.5 million in 2024 to RMB77.1 million in 2025, primarily due to the continuous appreciation of the RMB and the depreciation of the U.S. dollar in 2025, which resulted in a significant increase in foreign exchange losses for the current period compared to the previous period.

Finance Costs

The Company's finance cost increased from RMB16.4 million in 2024 to RMB22.7 million in 2025. Specifically: (1) loan expenses increased from RMB15.6 million in 2024 to RMB22.0 million in 2025, primarily due to the Company's expanding business scale and increased working capital requirements. (2) interests on lease liabilities decreased from RMB0.8 million in 2024 to RMB0.7 million in 2025, primarily due to a reduction in the Company's overall rent payments for 2025.

Loss for the Year

The Company's loss for the year decreased from RMB402.9 million in 2024 to RMB228.9 million in 2025, representing a year-on-year decline of 43.2%. With steady growth in demand from the downstream automotive electronics sector, the automotive electronics-related products of the Company have continued to see rising sales volumes; the energy and industrial automation sector has shown signs of recovery, with most customers in the photovoltaic and energy storage and industrial automation sectors returning to normal demand levels, while demand from server power supply customers has grown rapidly driven by AI; the consolidation of MagnTek has enriched the Company's product portfolio, and its business contributions have had a positive impact on revenue growth for the current period. Therefore, the loss for 2025 decreased significantly.

Consolidated Statements of Financial Position

The following table sets out the absolute amount of the consolidated statements of financial position for the years ended December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
	RMB'000	*RMB'000*
Total non-current assets	**3,503,922**	2,985,423
Total current assets	**6,177,578**	4,688,153
Total assets	**9,681,500**	7,673,576
Total non-current liabilities	**1,014,811**	969,400
Total current liabilities	**1,051,926**	757,062
Total liabilities	**2,066,737**	1,726,462
Net current assets	**5,125,652**	3,931,091
Net assets	**7,614,763**	5,947,114

	December 31, 2025	December 31, 2024
	RMB'000	*RMB'000*
Share capital	**161,597**	142,529
Treasury shares	**(127,664)**	(14,907)
Reserves	**7,563,249**	5,814,722
Total equity attributable to equity shareholders of the Company	**7,597,182**	5,942,344
Non-controlling interests	**17,581**	4,770
Total equity	**7,614,763**	5,947,114

The Company's total non-current assets increased from RMB2,985.4 million as of December 31, 2024 to RMB3,503.9 million as of December 31, 2025, primarily due to an increase in property, plant, and equipment, as well as an increase in financial assets at fair value through profit or loss.

The Company's total current assets increased from RMB4,688.2 million as of December 31, 2024 to RMB6,177.6 million as of December 31, 2025, primarily due to the increase in cash and cash equivalents and inventory.

The Company's total non-current liabilities increased from RMB969.4 million as of December 31, 2024 to RMB1,014.8 million as of December 31, 2025, primarily due to the increase in interest-bearing borrowings.

The Company's total current liabilities increased from RMB757.1 million as of December 31, 2024 to RMB1,051.9 million as of December 31, 2025, primarily due to the increase in trade and other payables.

The Company's net assets increased from RMB5,947.1 million as of December 31, 2024 to RMB7,614.8 million as of December 31, 2025, primarily due to the Global Offering.

Consolidated Statements of Cash Flows

The following table sets forth selected information from our cash flows for 2025 and 2024:

	2025	2024
	RMB'000	*RMB'000*
Net cash (used in)/generated from operating activities	**(626,627)**	95,054
Net cash generated from/(used in) investing activities	**229,019**	(1,099,795)
Net cash generated from financing activities	**1,864,105**	266,812
Net increase/(decrease) in cash and cash equivalents	**1,466,497**	(737,929)
Cash and cash equivalents at the beginning of the year	**1,012,215**	1,751,191
Effect of foreign exchange rate changes	**(14,385)**	(1,047)
Cash and cash equivalents at the end of the year	**2,464,327**	1,012,215

In 2025, the Company's net cash used in operating activities was RMB626.6 million. The difference between net cash used in operating activities and loss before income tax of RMB241.2 million was primarily due to (1) depreciation and amortization of RMB245.4 million; (2) changes in working capital, primarily consisting of an increase of RMB657.8 million in inventory and contract costs, an increase of RMB440.2 million in trade and other receivables, and an increase of RMB224.0 million in trade and other payables.

In 2025, the Company's net cash generated from investing activities was RMB229.0 million, primarily consisting of net cash received from the purchase and disposal of financial assets totaling RMB849.9 million, a part of which was offset by payment for the purchase of property, plant, and equipment, as well as intangible assets, totaling RMB402.4 million and payment for the acquisition of subsidiaries totaling RMB153.9 million.

In 2025, the Company's net cash generated from financing activities was RMB1,864.1 million, primarily consisting of proceeds of RMB1,915.0 million from the Global Offering and payments of RMB112.8 million for share repurchases (including transaction commissions and other fees).

Liquidity and Financial Resources

The Company maintains sufficient cash and cash equivalents to ensure financial flexibility. The Company's cash and cash equivalents primarily consist of cash at bank and on hand, demand deposits held with banks, and other highly liquid short-term investments. The table below sets forth the absolute amounts of the Company's cash and cash equivalents as of December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
	RMB'000	*RMB'000*
Cash at bank and on hand	**2,378,379**	1,013,077
Deposits held with other financial institutions	**87,248**	2
Total	**2,465,627**	1,013,079

The Company's cash and cash equivalents increased from RMB1,013.1 million as of December 31, 2024, to RMB2,465.6 million as of December 31, 2025, primarily due to proceeds received from the Global Offering.

	December 31, 2025	December 31, 2024
	RMB'000	*RMB'000*
Bank loans	**967,049**	825,518
Other borrowings	**–**	28,285
Less: amount included under "current liabilities"	**115,537**	62,382
Total	**851,512**	791,421

The Company's current borrowings increased from RMB62.4 million as of December 31, 2024, to RMB115.5 million as of December 31, 2025, primarily due to the increase in bank borrowings caused by the growth of the Company's business and the rising demand for working capital and capital expenditures on property, plant, and equipment.

The Company's non-current borrowings increased from RMB791.4 million as of December 31, 2024, to RMB851.5 million as of December 31, 2025, primarily due to business expansion, increased liquidity requirements, and the corresponding increase in bank loans.

The Company does not expect any significant changes in the financing available to fund its operations in the future.

The Company maintains a sound capital ratio to support its business and manages its asset structure through the gearing ratio. The table below sets forth the absolute amounts of total assets and total liabilities, as well as the gearing ratio, as of December 31, 2025 and December 31, 2024:

	December 31, 2025	December 31, 2024
Total assets *(RMB'000)*	**9,681,500**	7,673,576
Total liabilities *(RMB'000)*	**2,066,737**	1,726,462
Gearing ratio	**21.3%**	22.5%

The Company's gearing ratio (defined as the ratio of total liabilities to total assets) decreased from 22.5% as of December 31, 2024 to 21.3% as of December 31, 2025, primarily due to an increase in monetary assets resulting from the Global Offering of the Company during the Reporting Period.

As of December 31, 2025, monetary assets accounted for more than 40% of the Company's total current assets. Taking into account the Company's available financial resources, including cash and cash equivalents, available bank financing, cash flows from operating activities, and net proceeds from the Global Offering, the Company has sufficient liquidity to sustain operations for at least 12 months.

Capital Commitments

The following table sets forth the absolute amounts of the Company's capital commitments as of December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
	RMB'000	*RMB'000*
Contracted for acquisition of property, plant and equipment	**201,878**	38,913

As of December 31, 2025, the Company's capital commitments amounted to RMB 201.9 million, primarily consisting of long-term asset purchase agreements entered into to ensure production capacity in response to the rapid growth of the Company's business scale.

Capital Expenses

The table below sets forth the absolute amounts of the Company's capital expenses for 2025 and 2024:

	2025	2024
	RMB'000	*RMB'000*
Payment for the purchase of property, plant, and equipment, and intangible assets	**402,390**	397,026
Net cash paid for the acquisition of subsidiaries	**153,945**	740,432
Payment for the purchase of associates	**20,000**	28,000
Total	**576,335**	1,165,458

The Company's capital expenditure includes payment for the purchase of property, plant and equipment and intangible assets, net cash paid for the acquisition of subsidiaries, and payment for the purchase of associates. The Company's capital expenditure decreased from RMB1,165.5 million in 2024 to RMB576.3 million in 2025, mainly due to the capital expenditure of RMB740.4 million for the acquisition of MagnTek in October 2024; excluding the impact of the purchase of equity interests in subsidiaries and associates, the Company's capital expenditure experienced less changes year-on-year, mainly because the demand for analog chips and sensors surged this year, bringing new development opportunities to the related industries, and the Company increased its investment to meet production demands; in addition, the Company consistently adhered to technological innovation and R&D investment, leading to an increase in investment in R&D projects.

The Company expects to fund its future capital expenses using its operating cash flow and internally generated or externally raised funds.

Contingent Liabilities

As of December 31, 2025, the Company had no material contingencies that need to be disclosed.

Foreign Exchange Risk

As at December 31, 2025, the Group's financial instruments bearing interest at floating rates were cash at bank (excluding time deposits). Due to the relatively short maturity of these balances, the cash flow interest rate risk arising from changes in market interest rates is considered not material. As at December 31, 2025 and 2024, the Group's financial instruments bearing interest at fixed rates included time deposits, bank loans and other borrowings, and lease liabilities measured at amortized cost; changes in market interest rates do not expose the Group to fair value interest rate risk. Overall, the Group's exposure to interest rate risk is not material.

Pledge of Assets

As of December 31, 2025, the net book value of collateral pledged or mortgaged by the Company to secure bank borrowings was RMB1,222.7 million, primarily consisting of buildings and equity.

Save as disclosed above, the Group had no other material asset pledges as of December 31, 2025.

Off-Balance Sheet Arrangements

As of December 31, 2025, the Company had not entered into and did not expect to enter into any off-balance sheet arrangements.

I. INDUSTRY CONDITIONS DURING THE REPORTING PERIOD

(I) Overview of the Analog IC Market

1. Global Market Overview

In 2025, the global semiconductor market continued its recovery momentum from 2024, achieving rapid growth and gradually entering an upward cycle. According to the statistical data released by the World Semiconductor Trade Statistics (collectively, the "**WSTS**") in March 2026, global semiconductor revenue grew by 26.2% year-on-year in 2025, reaching US$795.6 billion. The global analog IC market, after reaching a recent peak in 2022, showed a downward trend from 2023 to 2024, but the decline went slow in 2024. By 2025, the market is expected to gradually emerge from its inventory adjustment cycle and achieve a moderate recovery. Annual revenue grow by 8.7% year-on-year, reaching a market size of US$86.5 billion. This growth will be primarily driven by demand from downstream sectors such as automotive electronics, industrial automation, and AI data centers. Notably, the high computational density requirements of AI servers have significantly increased the usage and performance demands for analog chips like power management and signal chain components.

WSTS forecasts in its statistical data on March 2026 that the global semiconductor market will maintain rapid growth in 2026, reaching a market size of trillion US dollars. According to the WSTS Fall 2025 Forecast, the analog chip market will continue to grow steadily in 2026, with a stable increase of 7.5% and an expected market size of US$91.988 billion. In terms of growth drivers, beyond stable demand from traditional sectors like and industrial control, the continuous evolution of AI technology and the rapid development of autonomous driving and robot will further stimulate demand for analog chips. Particularly, scenarios such as AI servers and automotive electronics will see sustained demand for high-performance analog chips. Concurrently, industry inventory levels have declined to healthy levels, which is expected to drive steady growth in both volume and price for the analog IC market.

2. Domestic Market Overview

In 2025, China's semiconductor market maintained robust growth. According to statistic of iiMedia Research, China's integrated circuit market reached RMB1.69 trillion in 2025, representing a year-on-year increase of 16.6%. Data from the General Administration of Customs shows that China's integrated circuit exports reached US$201.9 billion in 2025, representing a year-on-year increase of 26.8%, surpassing the $200 billion threshold for the first time and setting a new historical high.

With the increasing intelligence of new energy vehicles, the large-scale construction of new energy infrastructure such as photovoltaic and energy storage systems, and advancements in industrial automation, China's analog IC market is expected to continue expanding in 2025. According to statistics from the China Business Industry Research Institute, the market size of China's analog chip sector is projected to reach RMB343.1 billion in 2025, representing a year-on-year increase of approximately 5.57%.

Driven by continuous improvements in product performance and reliability from domestic Analog chips, the domestic substitution process has rapidly shifted from consumer electronics to industrial and automotive markets requiring higher reliability. The rapid development of AI infrastructure, new energy vehicle, smart devices, 5G communications, and robot has significantly boosted demand for analog chips such as power management and signal chain solutions. Particularly, advancements in AI servers and new energy vehicles have further fueled demand growth for products like power management integrated circuits.

(II) Sensor Market Overview

According to the statistics from Future Business Insights, the global sensor market size was USD241.06 billion in 2025, and is expected to grow from USD258.47 billion in 2026 to USD527.94 billion in 2034, representing a compound annual growth rate of 9.30% during the forecast period. According to the statistics from China Business Industry Research Institute (中商產業研究院), the Chinese sensor market size was RMB406.12 billion in 2024, representing a year-on-year increase of 11.43%. The Chinese sensor market size will reach RMB452.53 billion in 2025, and the market size will reach RMB504.24 billion in 2026.

Downstream sectors such as new energy vehicles, industrial automation, smart homes, the low-altitude economy, and health monitoring and humanoid robot continue to expand, driving demand for sensors. In the field of vehicle intelligence, demand for magnetic sensors, pressure sensors, and LiDAR is growing rapidly as the penetration rate of Level 2 driver assistance increases and pilot programs for Level 3 autonomous driving advance.

(III) Major Downstream Market Overview

1. Automotive electronics

According to data from the China Association of Automobile Manufacturers, China's automobile production and sales reached 34.531 million units and 34.400 million units respectively in 2025, representing year-on-year growth of 10.4% and 9.4%. Both production and sales hit new historical highs, maintaining China's position as the world's largest automobile producer for 17 consecutive years. Automotive exports reached 7.098 million units in 2025, a 21.1% year-on-year increase, marking the second consecutive year China led global automotive exports. New energy vehicle production and sales reached 16.626 million and 16.490 million units respectively in 2025, growing 29.0% and 28.2% year-on-year. New energy vehicle exports reached 2.615 million units, doubling from the previous year. The large scale and sustained growth momentum of China's automotive industry have laid a solid foundation for the development of its domestic automotive analog chip sector, while also positioning domestic analog chip companies to engage more deeply in international market competition.

With the proportion of domestic brand vehicles in domestic auto sales increasing from 38.4% in 2020 to 69.5% in 2025, the demand of domestic brand vehicles for supply chain security has become increasingly prominent. Domestic supply of automotive analog chips is essential for establishing a stable supply chain ecosystem. In 2024, the domestic production rate for automotive analog chips in China remained low at just 5%, the lowest among all major downstream sectors. To break free from reliance on imported analog chips, domestic automotive brands are actively promoting the localization of analog chips to ensure supply chain autonomy and control, thereby effectively driving the development of China's domestic analog chip market. Domestic analog chip companies are expected to seize new opportunities, and their market share is projected to increase further.

Intelligent technology has become a core development trend in the automotive industry, with penetration accelerating under the dual drivers of policy and technology. Spurred by electrification and intelligent technology, the demand for analog chips in the automotive sector continues to grow, spanning multiple areas including powertrain systems, body control units, driver smart cockpits, autonomous driving, in-vehicle infotainment, body electronics, and lighting. According to statistics and forecasts of Frost & Sullivan, the per-vehicle value of analog chips in smart new energy vehicles reached RMB1,500−2,800 in 2024 and is projected to rise to RMB2,200−4,000 by 2029. According to data from the China Association of Automobile Manufacturers, the penetration rate of passenger vehicles with L2 assisted driving functions reached 64% in the first three quarters of 2025, and is expected to reach 66.1% by the end of 2025. The continuous iteration of intelligent cockpit and autonomous driving functions, along with multi-sensor fusion solutions compensating for the shortcomings of pure vision solutions, are driving the demand for signal chain and power management chips. In the field of intelligent driving, analog chips perform critical functions such as radar/camera signal conditioning, sensor fusion, and high-voltage system isolation, ensuring real-time processing of multimodal data. As the penetration rate of Level 2 driver assistance increases and pilot programs for Level 3 autonomous driving advance, demand for supporting chips for high-end sensors, such as LiDAR and 4D imaging millimeter-wave radar will continue to grow.

2. Photovoltaics and Energy Storage

In 2025, driven strongly by the green energy transition strategy, China's photovoltaic (PV) industry continued to maintain a rapid development momentum. According to official data released by the National Energy Administration, as of the end of 2025, the country's cumulative grid-connected installed capacity of wind and solar power reached 1.84 billion kilowatts, historically surpassing thermal power; among this, the cumulative installed capacity of national PV power generation historically exceeded 1.2 billion kilowatts, representing a year-on-year increase of 35%, and the national newly installed PV capacity reached 317 million kilowatts (317GW). In terms of the installed structure, newly installed centralized PV capacity was 164 million kilowatts, and newly installed distributed PV capacity was 153 million kilowatts. In the medium to long term, as the global energy transition continues to advance, coupled with the improved economic viability driven by cost reductions and efficiency gains in the PV industry, demand growth in the PV storage sector is expected to persist, providing sustained long-term demand support for related semiconductor devices.

Analog chips play a critical role in core renewable energy equipment such as photovoltaic inverters and power conversion system. Technological advancements and evolving market demands are driving multidimensional innovation trends within the industry. In 2025, as photovoltaic inverters and energy storage converters continue to evolve toward higher efficiency, greater integration, and smaller form factors, the performance requirements for analog chips will rise further. In terms of integrated design, analog chips have evolved significantly from single-function modules to multi-dimensional heterogeneous fusion architectures, relying primarily on System-in-Package (SiP) technology, these chips integrate drive circuits, signal conditioning, digital interfaces, and power management units onto a single chip, while also incorporating passive components. This significantly reduces the number of external components, not only shrinking the PCB footprint but also effectively shielding against electromagnetic interference, thereby enhancing the reliability of photovoltaic equipment systems. Furthermore, the integrated design can incorporate intelligent sensing capabilities by integrating over-temperature, over-current, and over-voltage detection modules within the chip, enabling real-time fault monitoring and rapid response, thereby further enhancing the safety and stability of photovoltaic energy conversion systems.

By 2025, the application scenarios for analog chips in the photovoltaic sector will continue to expand. Beyond traditional photovoltaic inverters and power conversion system, their use in distributed photovoltaic systems and integrated photovoltaic-storage projects will advance steadily, driving sustained growth in demand. As the global energy transition deepens and China's photovoltaic industry continues to develop, analog chips, as core supporting components for new energy photovoltaic equipment, are expected to see sustained market demand growth. This presents new development opportunities for domestic analog chip manufacturers and drives the industry toward high-end and specialized upgrades.

3. Industrial Automation

In 2025, under the dual effects of the rigid demand for manufacturing transformation and upgrading and the continuous intensification of policies, China's industrial automation market presented a structural growth trend amidst a "weak recovery". According to statistics from the China Research and Intelligence (CRI) Industry Research Institute, the global industrial automation market is expected to grow steadily at a CAGR of approximately 5.5%, and the market size is expected to exceed USD300 billion by 2030; promoted by the policies of the "15th Five-Year Plan", the CAGR of the Chinese market is expected to approach 8%, making it the world's largest single market with a scale exceeding USD100 billion by 2030. This growth is driven by the synergistic resonance between technological and industrial advancements: On one hand, the deep integration of artificial intelligence and robotics stands out as the most significant highlight. AI agents are extensively permeating quality inspection, process optimization, and other stages. Coupled with the large-scale adoption of collaborative robots, this has significantly enhanced production line flexibility and efficiency, even enabling "lights-out production" in some benchmark factories. On the other hand, domestic substitution is accelerating from localized breakthroughs to comprehensive expansion. Domestic brands are steadily eroding foreign market share in medium-and low-voltage frequency converters, servo systems, and other sectors, while achieving breakthroughs in certain high-end equipment. Concurrently, the localization rate of core products like industrial robots, servo systems, and PLCs continues to rise. Leveraging technological iteration and solution capabilities, local brands are further expanding their market presence.

Driven by the convergence of policy support, technological breakthroughs, and market demand, China's industrial automation market is poised for further recovery. Long-term core growth drivers will center on the following structural opportunities: First, the growth of "AI+" related industries will continue to drive demand for automation equipment in high-end sectors such as semiconductors and electronics manufacturing; second, pilot production lines for solid-state batteries and the expansion of lithium-ion battery production will usher in a new cycle of equipment investment; third, the development of new forms of productive capacity, exemplified by the low-altitude economy and embodied intelligence, will open up entirely new growth opportunities for the industry. Additionally, the global expansion of industrial control solutions will become a key long-term growth driver for enterprises, with leading domestic companies accelerating their global footprint to drive incremental revenue growth.

4. AI Servers

In 2025, the AI server market will continue its strong growth momentum. According to data from Fortune Business Insights, the global AI server market is projected to reach US$194.62 billion in 2025 and is expected to grow to US$262.22 billion by 2026, with a compound annual growth rate of 34.73% from 2024 to 2034. By 2034, the market size is projected to reach US$2,847.32 billion. China holds a dominant position in the Asia-Pacific region, accounting for approximately 14% of the global AI server market share.

As AI server performance improves and functionality expands, the application of analog chips in AI servers will become more widespread and in-depth, particularly in critical areas such as power management, signal conversion, communication interfaces, and thermal management. In the field of power management, AI servers require efficient power management systems to ensure a stable power supply and energy conservation, and analog chips play a crucial role in this regard. For example, power converters and voltage regulators convert the input voltage to the voltages required by various internal server components. Regarding signal conversion, the various sensors and interfaces in AI servers rely on analog chips for signal conversion and processing. Devices such as analog-to-digital converters (ADCs) and digital-to-analog converters (DACs) facilitate the conversion between analog and digital signals, enabling data acquisition and output. Furthermore, AI servers require high-speed, reliable communication interfaces to connect various devices and networks. Analog chips handle signal amplification, filtering, and transmission in these applications, such as Ethernet physical layer chips and fiber optic communication modules. In thermal management, as the power density of AI servers increases and liquid cooling technology rapidly gains traction, the demand for analog chips − including temperature sensors and fan drivers − continues to grow. In the future, as AI technology continues to advance and market demand rises, the AI server market will expand further, inevitably placing higher demands on the performance and reliability of analog chips.

5. Humanoid Robots

According to forecasts by the Gaogong Industry Institute (GGII), the global sales volume of humanoid robots is expected to reach 12.4 thousand units in 2025, with a market size of RMB6.339 billion. By 2030, sales volume will approach 340 thousand units, with a market size exceeding RMB64 billion, and by 2035, sales volume will surpass 5 million units, with a market size exceeding RMB400 billion. Among these, the Chinese market is expected to reach a sales volume of 7,300 units in 2025, with a market size approaching RMB2.4 billion; by 2030, sales volume will reach 162.5 thousand units, with a market size exceeding RMB25 billion. It is expected that by 2031, humanoid robots will enter a period of rapid volume growth, with sales volume expected to reach around 2 million units by 2035, at which time the Chinese humanoid robot market size is expected to approach RMB140 billion.

Analog chips play a critical role in humanoid robots, being widely applied across multiple core areas such as power management, signal conversion and processing, communication interfaces, sensor signal processing, as well as motor drive and control. In terms of sensor signal processing, signals generated by devices such as temperature sensors, pressure sensors, inertial measurement units, and magnetic sensors all require processing by analog chips to achieve data collection and conversion. With the continuous advancement of AI, 5G communications, and IoT technologies, the intelligence and automation levels of robots will further improve, and application scenarios will become increasingly broad. This will undoubtedly drive sustained growth in demand for analog chips, particularly in areas such as high-performance power management, high-speed signal conversion and processing, and high-precision sensor signal processing. In addition, the diversified development trend of the robot market will create more application opportunities for analog chips. Robot application scenarios in fields such as healthcare, education, and home services all provide a vast market space for analog chips.

II. MAIN BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

(I) Overview of Main Business

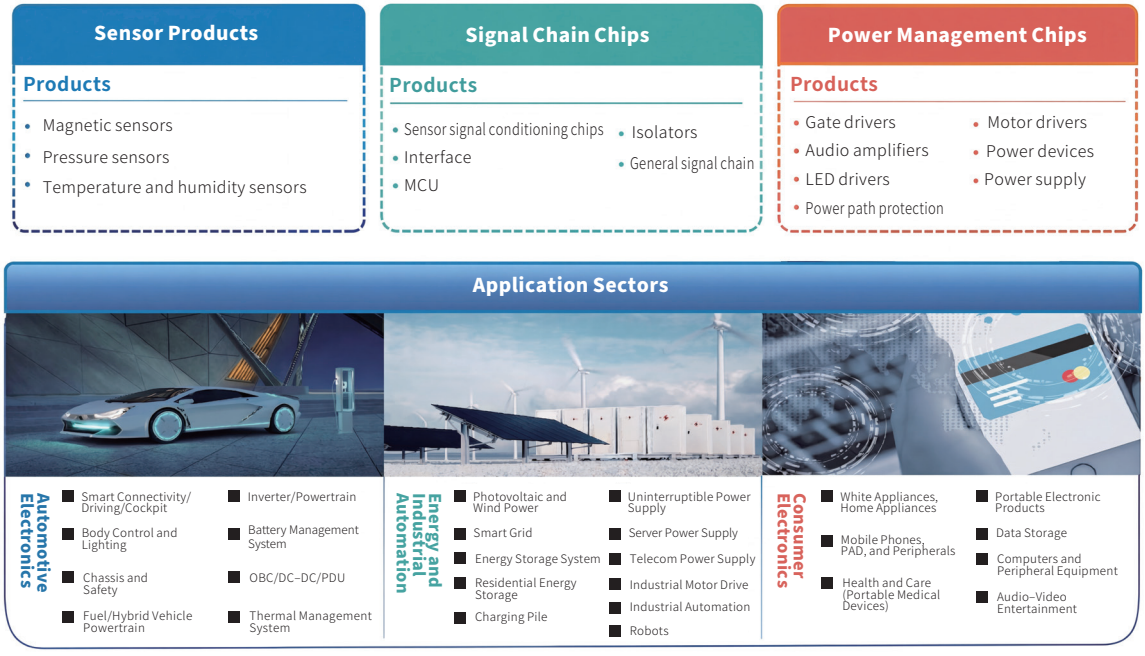
The Company is a high-performance, high-reliability analog and mixed-signal chip company. With the mission of "Sense & Drive the Future, Build a Green, Smart and Connected World with Semiconductors", the Company adheres to the corporate values of "Robust, Reliable, Keep Learning, Persist in Long-term Value", and is committed to providing chip-level solutions for the connection between the digital world and the physical world.

The Company focuses on organizing product development around downstream application scenarios, concentrating on three core product categories: sensor products, signal chain chips, and power management chips. We provide a comprehensive portfolio of semiconductor products and solutions, which are widely applied in the automotive electronics, energy and industrial automation, and consumer electronics sectors. Currently, we can provide over 3,900 product models available for sale.

During the Reporting Period, there were no material changes to the Company's main business.

(II) Overview of Main Products and Services

The Company's products cover three major product categories: sensor products, signal chain chips, and power management chips, which are widely applied in the automotive electronics, energy and industrial automation, and consumer electronics sectors. Among these, energy and industrial automation primarily refer to industrial applications related to energy systems, covering all stages from power generation, transmission, and distribution to end-use electricity consumption, including PV and energy storage, digital power supply, industrial control, and smart grid. The specific details of the Company's products are as follows:



(1) Sensor Products

The Company's sensor products primarily include magnetic sensors, pressure sensors, and temperature and humidity sensors. Details are as follows:

Product Category	Key Products	Characteristics
Magnetic sensors	Integrated current sensors, linear current sensors, wheel speed sensors, angle sensors, industrial encoders, switches and latches, and linear position sensors	Based on Hall, AMR, TMR, BFC, and VHS technologies, providing a comprehensive portfolio of high-precision magnetic sensor solutions for current sensing, angle detection, and position measurement. Widely used in automotive electronics, industrial control, medical electronics, home appliances, and consumer electronics markets.
Pressure sensors	Gauge pressure sensors, absolute pressure sensors, differential pressure sensors	Primarily operating on the piezoresistive effect of silicon and utilizing advanced MEMS micro-fabrication processes, capable of achieving micro-low pressure detection (-100kPa to 400kPa) across a wide temperature range. The pre-calibrated design significantly simplifies customer system integration. Widely used in automotive electronics, industrial control, medical electronics, and white goods.
Temperature and humidity sensors	Analog output temperature sensors, digital output temperature sensors, temperature and humidity sensors	Primarily utilizing the temperature effect of transistor PN junctions and integrating high-precision signal conditioning circuits. Their ultra-high output accuracy and extremely low power consumption allow for wide application in industrial, medical, portable devices, home appliances, wearable devices, as well as computers and servers. Versatile packaging options are broadly suitable for various environments and devices.

(2) Signal Chain Products

Signal chain chips are used throughout the signal path from input to output in a system, encompassing the entire process of signal collection, amplification, transmission, and processing, primarily including linear products, isolator products, converter products, interface products, etc. The Company's signal chain products cover sensor signal conditioning chips, isolators, interfaces, general signal chains, and MCUs within the signal chain sub-segments. Details are as follows:

Product Category	Key Products	Characteristics
Sensor signal conditioning chips	MEMS microphone ASICs, thermopile sensor ASICs, PIR sensor ASICs, pressure sensor ASICs, magnetic sensor ASICs	Integrating various self-designed circuit modules into a single chip, capable of achieving multiple functions such as sensor signal sampling, amplification, ADC conversion, sensor calibration, temperature compensation, and output signal adjustment. Performance and cost are significantly optimized. Serving as the core component of sensor systems, they are widely used in automotive electronics, industrial automation, smart homes, and TWS earphone consumer electronics scenarios.
Isolator products	Digital isolators, isolated interfaces, isolated power modules, isolated sampling products	Based on CMOS processes, utilizing capacitive coupling technology and changes in the internal electric field of capacitors to achieve digital signal transmission. Additionally, building on standard digital isolation chips, the Company has successively developed ultra-wide-body isolators and "isolation+" products. "Isolation+" products integrate multiple types of digital isolation chips such as power and interfaces, enabling simultaneous power, interface, and signal isolation. Featuring high integration, low cost, and compact size, they are widely used in automotive electronics, energy and industrial automation, and consumer electronics.

Product Category	Key Products	Characteristics
Interface	CAN/LIN interfaces, I²C interfaces, SerDes interfaces	Interface chips feature communication functions based on general and specific protocols, widely applied for signal transmission between electronic systems to enhance system performance and reliability.
General signal chain chips	Voltage references, amplifiers, data converters	Standard analog signal chain chips based on operational amplifiers (including general-purpose op-amps, precision op-amps, current amplifiers, etc.), general voltage references, general comparators, general analog switches, and discrete ADCs/DACs. Widely used as fundamental components of analog circuits in industrial and automotive applications.
MCU	Real-time control MCU/ DSP, general-purpose MCU, embedded processor MCU+	Real-time control MCUs/DSPs utilize high-frequency, high-performance ARM cores combined with proprietary math acceleration cores, along with dedicated peripherals optimized for real-time control, to enhance system control real-time performance; MCU+ products, on the other hand, emphasize the high integration of analog peripherals and application-specific optimization. A single small MCU core integrates power management, interfaces, and analog circuits for motor drive power and driver stages, or signal processing front-end circuits for sensors. These products are applicable in scenarios such as photovoltaic energy storage, power modules, servo drives, automotive electronics, and smart home systems.

(3) Power Management Products

Power management chips handle power conversion, distribution, detection, and other power management responsibilities within electronic equipment systems. They are critical components that evolve in tandem with electronic product technology and application upgrades, featuring a wide variety of types. The Company's power management products primarily include gate drivers, power supplies, LED drivers, motor drivers, audio amplifiers, and power path protection. Details are as follows:

Product Category	Key Products	Characteristics
Gate drivers	Isolated gate drivers, non-isolated gate drivers	Designed to drive power devices such as MOSFETs, IGBTs, SiC, and GaN, capable of amplifying logic signals from the control unit (MCU), including boosting voltage levels and enhancing current output capacity to achieve fast switching of power devices. Widely used in switching power supply and motor control designs across industrial, communication, and NEV sectors.
Motor drivers	BDC motor drivers, relay and solenoid drivers, stepper motor drivers	Designed to drive various motor loads such as BDC, Stepper, Relay, Valve, and BLDC. Under logic signal inputs from the MCU, they switch and activate outputs to drive various motor loads according to system requirements. Widely applied in motor control designs in industrial, automotive, and other fields.
Audio amplifiers	Audio power amplifiers	Designed to amplify weak pre-stage signals and drive speakers to produce sound. Primarily focusing on automotive-grade, high-power Class D audio amplifiers supporting comprehensive diagnostic and protection functions such as load short circuit, open circuit, and overcurrent protection.

Product Category	Key Products	Characteristics
Power devices	SiC diodes and MOSFETs	Core components for controlling and converting electric energy in electronic systems, playing a crucial role in medium and high-power applications. Silicon Carbide (SiC) material, due to its inherent wide bandgap characteristics and excellent thermal conductivity, enables devices based on this material to deliver superior performance in high-efficiency energy conversion, fast switching speeds, high voltage endurance, and low conduction loss. Widely suitable for NEVs, PV, and energy storage systems.
LED drivers	Linear LED drivers, switching LED drivers	Supporting complete diagnostic protection, high constant current accuracy, and strong thermal dissipation. Primarily used in applications such as automotive tail lights, headlights, and interior ambient lighting.
Power supply	DC-DC, LDOs, voltage monitors, SBC, PMIC	Designed specifically for automotive battery-powered applications, it supplies power to MCUs and CAN/LIN transceivers in standby systems, thereby reducing system power consumption and extending battery life.
Power path protection	High/low-side switches, electronic fuses	Suitable for driving various load types, including resistive, capacitive, and inductive loads, and supporting comprehensive diagnostic protection features. Primarily used in body control modules, vehicle control units, power distribution controllers, and BMS.

(III) Discussion and Analysis of Operations

The Company focuses on main business development, organizing product development around downstream application scenarios, concentrating on three core product directions: sensor products, signal chain chips, and power management chips. We provide an extensive range of semiconductor products and solutions widely applied in automotive electronics, energy and industrial automation, and consumer electronics, currently offering over 3,900 product models available for sale. The Company's operating status during the Reporting Period is as follows:

1. Operating Performance

In 2025, the Company achieved an operating revenue of RMB3,367.8 million, representing a year-on-year increase of 71.8%; the net loss attributable to shareholders of the listed company for the current period was RMB228.9 million, and the net loss attributable to shareholders of the listed company after deducting non-recurring profit or loss was RMB286.3 million. The Company's operating revenue grew from RMB717.1 million in the first quarter to RMB1,002.3 million in the fourth quarter, achieving consecutive quarter-on-quarter revenue growth for eleven quarters, and the overall operating results were in a trend of rapid growth. Specific details are as follows:

During the Reporting Period, with the steady growth in demand in the downstream automotive electronics sector, the volume of the Company's related products in such sector continued to ramp up; the energy and industrial automation sector showed an overall recovery trend, among which most customers in the PV and energy storage and industrial automation sectors resumed normal demand, and the demand from server power supply customers grew rapidly driven by AI; the consolidation of MagnTek enriched the Company's product matrix, and its business contribution had a positive impact on the revenue growth for the current period.

The main reasons for the improvement in the net loss attributable to shareholders of the listed company and the net loss attributable to shareholders of the listed company after deducting non-recurring profit or loss for the current period are: 1) On the revenue side, the recovery of downstream market demand, the volume increase of new products, and the consolidation of MagnTek drove a significant increase in the Company's shipment volume and operating revenue; 2) On the expense side, the Company continued to deepen lean management and organizational efficiency improvement, resulting in a decrease in the proportion of overall expenses to operating revenue, which promoted the improvement of profitability.

2. Research and Development

The Company consistently adhered to technological innovation and R&D investment. In 2025, R&D expenses were RMB794.6 million, representing a year-on-year increase of 47.2%, which was primarily due to the Company focuses on the accumulation of talent and technology, continuously investing resources in R&D, talent building, and other aspects; as the Company's scale expanded, the total amount of R&D investment increased overall, primarily due to the increase in R&D personnel and their average compensation. As of the end of December 2025, the number of the Company's R&D personnel was 655, representing a year-on-year increase of 17.0%; in 2025, the average remuneration of the Company's R&D personnel was RMB835,500 per person, representing a year-on-year increase of 23.83%. Specific details are as follows:

(1) Sensor Products. In the field of magnetic sensors, the Company's R&D for several core products within the magnetic sensor product line progressed smoothly according to plan during the Reporting Period. Specifically, the development of current sensors based on closed-loop locking technology is proceeding well. The R&D for ultra-low jitter wheel speed sensors is advancing steadily and is about to enter the mass production induction phase. Additionally, the project for second-generation inductive proximity switch dedicated chips is also making smooth progress. Furthermore, the Company is advancing the R&D of two high-precision vernier absolute encoder chips based on two different technical principles of Hall-effect magnetic sensing and eddy current induction. These products integrate the Company's long-standing proprietary non-linear self-calibration algorithms, which significantly optimize installation adaptability and user experience for customers. This has allowed the Company to establish a parallel technical layout consisting of both magnetic and inductive encoders. This portfolio covers diverse requirements ranging from general control to high-precision motion control, providing position feedback solutions for application scenarios such as servo motors, stepper motors, and robot joints. In the automotive sector, development is progressing smoothly for automotive 3D angle sensors that support micro-power modes and wake-up functions. Meanwhile, R&D for a new generation of differential Hall automotive-grade angle sensors − featuring optimized anti-external magnetic field harmonic performance and dual-channel synchronization is also moving forward steadily, further enriching the Company's automotive angle sensor product matrix.

In the pressure sensor direction, the absolute pressure sensor resistant to harsh media has been successfully introduced to mass production, meeting increasingly stringent environmental emission requirements. In the temperature and humidity sensor direction, the development of products integrating next-generation temperature control and calibration technology proceeded as expected, with relevant samples meeting all design and application performance requirements.

(2) Signal Chain Products. In the isolator product direction, during the Reporting Period, the Company's isolator product line continued to undergo iterative upgrades, launching several brand-new products. Among them, the next-generation digital isolators achieved significant cost optimization while reaching the highest automotive EMC levels for EMI performance, and have been deployed on a large scale in the NEV sector. The Company simultaneously launched "miniaturized + fine-pitch wide-body" three-channel digital isolators, next-generation isolated CAN chips, and wide-voltage isolated voltage sampling chips, comprehensively covering application needs from compact layouts to high-voltage sampling scenarios. During the Reporting Period, the Company's interface product line continued to expand its automotive-grade product portfolio, launching the first Mini SBC and a high-performance domestically produced CAN chip to meet automakers' application needs; in the high-speed interface direction, the automotive video SerDes interface chip completed DV validation at top-tier automotive customers. This chip utilizes a fully domestic supply chain, complies with the national standard HSMT protocol, supports interoperability, and features a transmission rate of up to 6.4 Gbps, making it widely applicable in automotive ADAS and intelligent cockpit systems.

In the general signal chain direction, since the third quarter of 2024, the Company successively launched two major categories of products: general-purpose operational amplifiers and current-sensing operational amplifiers. As of December 31, 2025, the Company has achieved large-scale mass production of over 20 products in this category, serving more than 200 customers cumulatively.

For automotive-specific MCU+ analog products, the Company's NovoGenius series completed its product layout across three major automotive intelligent terminal application nodes in 2025. These include the NSUC16xx series for automotive terminal node motors and actuators, the NSUC15xx series for automotive interior ambient lighting, and the NSUC18xx series for automotive terminal intelligent sensors (such as ultrasonic radars and rain/light sensors). The NSUC16xx and NSUC15xx series both achieved large-scale mass production and vehicle deployment in 2025; the NSUC18xx series completed client-side sample delivery and test introduction in the fourth quarter of 2025. These product series are expected to gradually become a new business growth driver for the Company in the coming years.

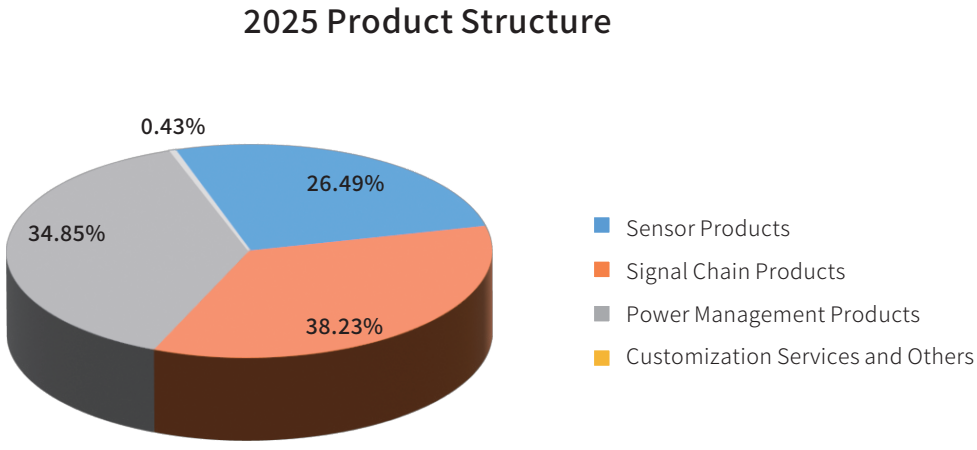
The Company's MEMS microphone ASIC product line business achieved steady growth, with full-year product shipments exceeding 1.6 billion units in 2025. The Company has gradually grown into a significant market participant within this sub-sector. Going forward, the Company will continue to increase R&D investment in higher signal-to-noise ratio and lower power consumption silicon microphone ASIC products to further consolidate and enhance market competitiveness.

(3) Power Management Products. During the Reporting Period, the Company's driver product line achieved multi-category large-scale deployment and market expansion. In the isolated gate driver field, since entering mass production in the first quarter of 2025, the shipment volume of the Company's second-generation smart isolated gate driver chips has achieved continuous and steady growth; the first-generation functional safety isolated gate driver chips continuously secured new vehicle model design wins from OEMs, with cumulative shipments reaching hundreds of thousands of units. The large-scale mass production of these two major product series further enhanced the Company's market share and industry competitiveness in the automotive main drive sector. In the non-isolated gate driver field, GaN driver chips for automotive LiDAR applications and high-voltage GaN driver chips for AI server power supply applications have both achieved bulk shipments; medium/low-voltage GaN co-packaged products have completed sample testing for target customers in the AI power supply sector.

In the motor driver product field, the market share of the Company's first-generation multi-channel integrated half-bridge driver chips and multi-channel BDC pre-driver chips continued to increase; low-side driver chips and multi-channel configurable high/low-side driver chips have entered the large-scale mass production stage. In the audio amplifier product field, the Company achieved breakthroughs in key technologies and products: its first 4-channel 75W Class D audio amplifier has entered the large-scale mass production phase and completed small-batch validation with several leading automotive customers; the 4-channel 150W Class D audio amplifier has completed client-side design validation and entered the small-batch validation phase.

In the LED driver direction, the market share of LED driver chips for automotive tail light applications continued to increase; Boost converter chips, constant current source step-down chips, and matrix control chips targeting automotive headlight lighting solutions have initiated client sample delivery. The R&D and deployment of these all-new LED driver products have significantly enhanced the Company's overall solution coverage capabilities in automotive lighting, further strengthening customer loyalty. In the power supply direction, the market share of the Company's automotive-grade general power supply 40V and 6V LDOs, as well as 40V and 6V step-down DC-DCs, continued to grow; the first SBC for supplying power to ECU systems and MCUs, as well as the first PMIC designed specifically for automotive cameras, have both initiated sample delivery, further achieving product coverage for core automotive power nodes. In the power path protection direction, the high-side switch series continued to expand, with relevant products achieving mass production and being introduced into the supply chains of several leading automakers.

During the Reporting Period, the revenue structure of the Company's products is as follows:



3. Market Applications

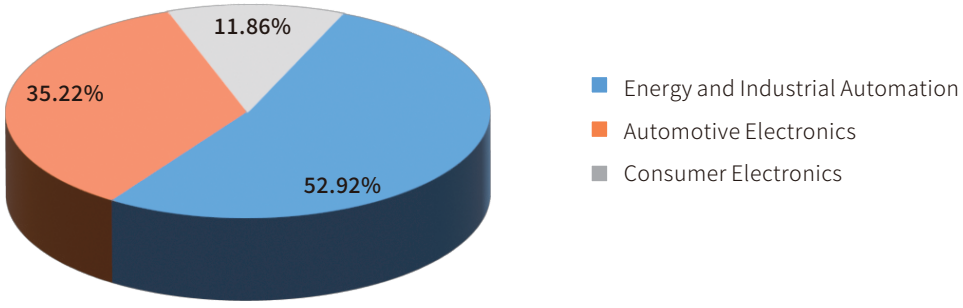
In 2025, the automotive electronics market maintained high prosperity throughout the year. The production and sales scale of the domestic NEV industry hit record highs. The trends of automotive electrification and intelligence transformation continued to deepen, with the penetration rate of L2 auxiliary driving exceeding 60%, and the accelerated popularization of 800V high-voltage platforms and 1000V architectures, driving high-speed growth in the automotive electronics business. Leveraging its deep cultivation in the automotive sector, the Company has established a comprehensive automotive chip product portfolio. We provide a complete range of chip products covering sensor products, signal chain chips, and power management chips across NEV battery, motor and electronic control systems, automotive lighting, electronic control, body domain control, fuel vehicle powertrains, thermal management, intelligent cockpits, and chassis safety. These include digital isolators, isolated drivers, isolated sampling, sensors, LED drivers, general interfaces, power path protection, wheel speed sensors, motor drivers, Class D audio amplifiers, real-time control MCUs, automotive SoC chips, SerDes interfaces, etc., supporting customer system innovation with one-stop solutions. During the Reporting Period, the Company's shipment volume in the automotive electronics sector reached 750 million units, with cumulative shipments exceeding 1.418 billion units. The Company will continue to drive product iteration through technological innovation, deepen collaborative cooperation with leading customers, and continuously enhance its market share and industry influence in the automotive electronics chip sector.

In the energy and industrial automation sector, the industrial control field experienced steady growth alongside the recovery of the manufacturing industry, presenting an overall trend of "low inventory + mild recovery", with continuous recovery in demand for industrial automation equipment and motor drives. The photovoltaic and new energy sector benefited from multiple dividends such as industry policy optimization, technological upgrades, and the release of end-user demand; annual demand showed a continuous recovery trend, and the industrial chain development ecosystem continued to optimize. The power module sector achieved significant growth, fundamentally benefiting from robust downstream demand such as AI servers. The Company provides drivers, isolation chips, MCUs, and other products for server power supply Stage 1 and Stage 2 PSUs; currently, some products have achieved mass production shipments among domestic and international server power supply customers. For humanoid robots, the Company's magnetic encoders enable fine motion control in dexterous hands; various sensors, power products, and interfaces facilitate perception and communication functions; and the power battery BMS system can also utilize the Company's power products, current sensors, temperature sensors, etc. Overall, the energy and industrial automation market demonstrated a clear recovery trend this year.

Simultaneously, the consumer electronics market continued to recover, with smart phones, wearable devices, and smart homes driving demand for MEMS sensors, while markets such as 3D printing, drones, and robot vacuums all demonstrated high prosperity.

From the perspective of revenue structure by downstream application, revenue from the automotive electronics sector accounted for 35.22%, a slight decrease compared to 36.88% in the same period last year. Revenue from the energy and industrial automation sector accounted for 52.92%, a slight increase compared to 49.49% in the same period last year. The Company's revenue share in the consumer electronics sector was 11.86%, a slight decrease compared to 13.63% in the same period last year.

Proportion of Downstream Application Sectors in 2025



4. Internal Management

In terms of strategic supply chain layout, the Company continued to deepen its dual-circulation supply chain layout and collaboration mechanisms, promoting diversified partnerships. On the wafer manufacturing end, we continuously strengthened process capability building and technological iteration, building a competitive moat in core technology areas. In the packaging and testing sector, by vertically integrating supply chain resources, we enhanced coordinated management over packaging and testing processes, driving foundry cost optimization and efficiency improvements. Concurrently, we actively expanded the domestic main materials supplier system, steadily increased the localization ratio of key materials, and enhanced the independent controllability of the supply chain. Guided by strategic foresight and operational resilience, and relying on close collaboration with core suppliers, we effectively supported the rapid ramp-up of business scale and market response speed through refined operations, proactive capacity planning, and dynamic inventory strategies.

Regarding operations and management, we continued to optimize the matrix organizational management model, strengthening cross-departmental collaboration and resource coordination. We improved management efficiency through AI point tools and procurement digitalization, effectively assisting in reducing procurement costs and optimizing resource allocation. The Company consistently focuses on the agility, security, and sustainability of the supply chain, deepening strategic mutual trust and technological co-advancement with partners to build a more resilient and highly collaborative global supply chain system, thereby solidifying the foundation for maintaining competitive advantages in a complex and volatile market environment.

In terms of system certification, the Company successfully passed the IATF16949 supporting site certification, marking the comprehensive alignment of our quality management with top-tier international automotive supply chain standards and institutionalizing our delivery capabilities for automotive-grade products. Furthermore, the functional safety management system passed the rigorous audit by TÜV Rheinland (Germany), officially obtaining the ISO 26262 ASIL D "Defined-Practiced" level certification. Some core chips achieved autonomous control of Level C or above, shaking off external reliance in key processes, and realizing a improvement in core supply chain autonomy, effectively mitigating the risk of supply chain volatility.

By elevating its system building capabilities in R&D management, quality assurance, and process construction, the Company has laid a solid foundation for the global delivery of safety-critical chips in automotive electronics and other fields.

5. Talent Development

The Company has consistently regarded organizational talent development and the construction of talent team as core strategies for sustainable growth, and is committed to building a learning organization and a global talent system to inject core momentum into the Company's long-term development.

During the Reporting Period, the Company continued to advance talent development project at all levels, including programs for new graduates, high-potential business backbone development, transition plans for newly promoted managers, and management leadership programs, among others, and hosted its first Leadership Summit. In addition, the Company launched its first round of technical expert nominations and certifications and continued to enhance its internal knowledge-sharing mechanisms. By the end of 2025, the number of internal training instructors had grown to over 200 with a total of 238 employee training sessions conducted, covering nearly 7,177 person-times and achieving 100% employee coverage.

During the Reporting Period, the Company successfully completed the integration of the MagnTek business and its personnel, ensuring a smooth transition and continuity in the relevant business operations. Meanwhile, to support the strategic expansion of its overseas business, the Company took proactive action to build a global talent system. During the Reporting Period, it conducted targeted recruitment and overseas assignments in countries such as Japan, South Korea, and Germany, bringing in professionals with cross-cultural backgrounds. Furthermore, the Company has established a comprehensive employee incentive mechanism. It continues to develop and optimize tiered and categorized incentive systems. By implementing short-, medium-, and long-term incentives and differentiated incentives across multiple business areas, the Company links employee performance-based compensation to corporate growth, thereby fully mobilizing employees' work enthusiasm and creativity.

6. Capital Operations

The Company was listed and commenced trading on the Main Board of the Hong Kong Stock Exchange on December 8, 2025. H Share's Chinese abbreviation is "納芯微" and its English abbreviation is "NOVOSENSE", with the stock code "2676". The total number of H Shares offered in the Global Offering was 20,095,000 shares (after the exercise of the over-allotment option on January 2, 2026), with an offer price of HK$116 per share. Through this H-share listing, the Company brought in multiple national-level, industry-specific, and financial cornerstone investors, including the National Integrated Circuit Industry Investment Fund Phase III, BYD's wholly-owned subsidiary Golden Link, Sanhua Holding's wholly-owned subsidiary Haoyide International, Perseverance Asset Management, 3W Fund, Xiaomi's wholly-owned subsidiary Green Better, and Dream'ee HK Fund. This further enhanced the Company's comprehensive competitiveness, deeply advanced its internationalization strategy, and enabled better utilization of the international capital market to enrich and diversify financing channels.

III. ANALYSIS OF CORE COMPETITIVE STRENGTHS

1. Core Technology and Research and Development Advantages

(1) Abundant Core Technology Reserves

As an integrated circuit design enterprise, the Company possesses specialized research and development capabilities in analog chip design and deep expertise in subsequent manufacturing processes, including packaging configuration and testing software development, allowing us to establish a comprehensive end-to-end system from chip definition to chip design and delivery. Through years of research and development accumulation, based on signal chain technology, the Company has carried out independent research and development in the analog and mixed-signal fields, forming multiple core technologies across five major areas: sensors, signal chains, power and drive, and third-generation power semiconductors. These are widely applied in various self-developed analog and mixed-signal chip products, with the core technical indicators of major products reaching or outperforming those of international competitors.

(2) Outstanding Non-standard Product Design Capabilities

To meet the application requirements of downstream customers, the Company can customize and develop corresponding products according to customers' parameters, such as developing sensor products such as wheel speed sensors and side airbag pressure sensors, and power management products such as low-side driver chips, satisfying the diverse product usage needs of downstream automotive customers. In addition, the Company can design chips, provide customized packaging and testing methods based on customer needs, and deeply participate in the design and setup of customers' product verification and testing processes, providing customers with multi-stage services from chip design and product adaptation to mass calibration. Leveraging our understanding of the industry and technical accumulation, the Company has helped multiple downstream customers successfully enter the qualified supply systems of target automotive manufacturers.

2. Quality Control Advantages

The Company attaches great importance to product reliability and consistently adheres to high standards of quality requirements. Guided by the "robust and reliable" quality policy, the Company insists on strict quality control from product research and development to production to provide customers with stable and reliable products. With customer satisfaction as the ultimate goal, the Company honors its commitments to customers, continuously improves products and services, and strives to become a trusted company. Adhering to the quality management philosophy of "quality is embedded from the design stage and extends throughout the entire product lifecycle", the Company has built a comprehensive quality management system, and ensured its implementation and execution through the construction of organizational capacity and IT-driven process systems to continuously pursue a "zero-defect" quality goal. In the field of automotive-grade products, the Company has established a comprehensive automotive-grade quality management system covering the entire product lifecycle. This system centers on cross-departmental synergy, automotive-grade quality frameworks, product design and development under automotive standards, production process control, and AEC-Q series reliability certification to meet the diverse requirements of automotive-grade customers.

3. Product Category Advantages

After years of continuous development, the Company can provide a comprehensive suite of products from signal collection to processing and transmission, possesses a product matrix from power supply, drive to power path protection, and covers a variety of sensor products such as magnetic, pressure, and temperature and humidity sensors. The Company has built an extensive product portfolio around downstream application scenarios, with product coverage capabilities ranging from consumer-grade and industrial-grade to automotive-grade. The Company continues its research and development efforts and developed or launched multiple new products across the three main product directions during the Reporting Period, including, in terms of sensors, high-precision vernier absolute encoder chips (Hall/eddy current dual tech paths), automotive 3D angle chips, ultra-low jitter wheel speed sensors, and harsh environment resistant absolute pressure sensor; and in terms of signal chain chips, next-generation digital isolators, isolated CAN chips, automotive SerDes interface chips, automotive-specific MCUs (NovoGenius series), and general signal chain; and in terms of power management chips, second-generation smart isolated gate driver chips, functional safety isolated gate driver chips, GaN driver chips (for LiDAR/AI servers), multi-channel integrated half-bridge driver chips, Class D audio amplifiers, and automotive-specific PMICs and SBCs.

4. Customer Resource Advantages

Leveraging solid technical research and development strength and excellent product reputation, the Company has gained the recognition of numerous industry-leading benchmark customers. In addition, the Company possesses extensive experience in the definition, development, and mass production of analog chips, sensors, and special MCUs for the automotive OEM market. Compared to companies in other sectors, automotive customers have longer certification cycles and stricter testing, with higher requirements for product technology and quality. The Company's automotive-grade chips have been deployed in large scale by a vast number of mainstream automotive OEMs and automotive Tier-1 suppliers. Gaining certification from industry benchmark customers also facilitates the Company's commercial expansion among customers in the same field, further widening its leading advantage.

5. Supply Chain Advantages

In terms of wafer manufacturing, the Company has maintained long-term and stable cooperative relationships with major suppliers. In terms of chip packaging and testing, the Company has cooperated deeply with major packaging and testing suppliers for many years, forming stable packaging and testing processes. The Company has purchased dedicated testing equipment and handed them over to certain testing suppliers for chip testing, securing exclusive production capacity. At the same time, with the rapid growth of the business scale, the Company has built its own packaging and testing factory to conduct in-house packaging and testing for pressure sensors and customized products. This ensures the Company's capacity needs and controls costs, reducing the impact of industry capacity fluctuations on product output and supply cycles of the Company.

IV. OUTLOOK FOR THE COMPANY'S FUTURE DEVELOPMENT

Development Strategies of the Company

The Company focuses on the technology field of analog and mixed-signal chips. In the future, the Company will continue to focus on the three major product categories of sensor products, signal chain chips and power management chips to continuously break through technical bottlenecks in product development, focus on targeted industries and leading customers for sustained application innovation, and enrich product categories to strive to become a leading provider of comprehensive chip solutions in the energy and industrial automation and automotive electronics sectors.

Key Operating Priorities in 2026

In 2026, the Company will consistently adhere to the operating philosophy of long-termism, anchor the goal of becoming a "leading provider of comprehensive chip solutions in the energy and industrial automation and automotive electronics sectors", and take "centered on customers and based on organizational capabilities" as its core thread. Focusing on five core directions, namely, sustained technological innovation, cost optimization, deepening layout in core downstream sectors, cultivating major customer cooperation, strengthening supply chain management and construction of organizational efficiency improvement, the Company will drive the upgrade of the product matrix from "domestic substitution" to "industry-leading", deepen its layout in high-value tracks, and optimize cost and product structure to achieve steady revenue growth and continuously improve profitability. The specific operating plans are as follows:

I. Sustained Technological Innovation and Cost Optimization

In 2026, the Company will focus on two key areas, technological innovation and cost optimization, to systematically advance preliminary research on new technologies and upgrade its R&D system, thereby continuously strengthening its competitive edge in products and providing solid support for product development and market expansion.

(i) Technological Innovation

The Company will continue to deepen innovation and iteration of its two core technology platforms, "Isolation+" and sensors, and increase investment in preliminary research for these platforms. We will advance the mass production of the next-generation isolation process platform, drive the iteration and expansion of Hall-effect devices, and develop next-generation magnetic sensor processes to build a competitive moat through core technologies. In the BCD process field, we will introduce the first-generation automotive-grade BCD process platform into mass production and promote the innovation and iteration of the second-generation automotive-grade BCD process platform, enhancing product competitiveness through the synergistic optimization of design and process; Deepen cooperation with wafer foundries, optimize high-side process platforms, and create highly reliable products.

Focusing on application innovation, the Company leverages differentiated solutions to develop customized products tailored to downstream customers' specific needs, while continuously iterating on core flagship products; advance the platform-based development of highly integrated SoCs and automotive-grade chips, focusing on core requirements such as functional safety, high-voltage isolation, and high-precision sensing to enhance product integration and reliability, shorten R&D cycles, and reduce R&D costs.

(ii) Cost Optimization

By focusing on cost control objectives, the Company has met its cost optimization target by implementing certain cost-reduction measures and realizing rapid reuse of technological achievements. Specifically, these efforts include: reducing the cost of related products through mass production on the next-generation isolation process platform; implementing cost-reduction optimizations in packaging processes and narrow scribe line technology based on isolation processes to increase technology reuse rates and lower R&D and production costs; and, during the iteration of the BCD process platform, creating a process platform that offers both performance and cost advantages through joint design-process optimization, thereby further optimizing the product cost structure.

In addition, the Company will continue to drive the upgrading of its R&D system and the development of technical capabilities to provide a robust framework for the efficient execution of product development. We will establish a technical management system centered on circuit design, engineering, and system application platforms to systematically advance the development of technical capabilities. We will continue to strengthen key technical capabilities such as functional safety, physical simulation, and the application of AI tools to solidify our technological foundation and enhance R&D efficiency and product development quality.

II. Focusing on Product R&D and Market Expansion to Continuously Optimize Business Layout

In 2026, the Company will continue to concentrate resources on new product R&D while continuously optimizing and upgrading products for mature markets.

Leveraging high-growth markets such as automotive electronics, photovoltaic storage, and smart grids, the Company will continue to advance product development, continuously refine its full-scenario product portfolio, seize opportunities to increase the localization rate of analog chips, and build a tiered market and business portfolio to lay a solid foundation for long-term sustainable development. In terms of core product R&D, the Company will concentrate resources to ensure the development progress of key new products, including functionally safe DC motor drivers, next-generation functionally safe gate drivers, real-time control MCUs, next-generation automotive motor control SoCs, next-generation automotive-grade high-side switches, automotive switching power supplies, AI power stage modules, magnetic-based position and angle sensors, next-generation CAN interfaces, and automotive SerDes interfaces.

The Company will continue to focus on the core markets of the broader energy sector and electrification scenarios for new energy vehicles, steadily expanding market share for its leading products such as isolators and current sensors, enhancing its capabilities in providing all-scenario solutions, comprehensively improving product competitiveness, and consolidating and expanding its competitive edge in core businesses. At the same time, we will continue to focus on the automotive lighting and thermal management markets, accelerating customer adoption and mass production. We will refine our product portfolio of automotive lighting chips and thermal management system chips to increase market penetration and customer coverage. We will also vigorously expand into the smart cockpit and ADAS markets, accelerating customer validation and mass production of products such as in-vehicle SerDes interface chips, cockpit domain chips, and ADAS sensor chips.

The Company will closely monitor industry technology and market trends, actively expand into emerging fields such as smart devices, AI server power supplies, humanoid robots, and industrial 48V systems, advance the R&D of related specialized chips and their adoption by customers, seize development opportunities in these new sectors, and continuously broaden the scope of product applications.

III. Deepening Customer Synergy and Cooperation, and Improving Market System Construction

The Company adheres to a strategy of industry-focused development, consistently placing the customer at the center of its operations, and continuously deepening collaborative partnerships with key domestic and international clients. We are constantly optimizing our market service system and vigorously enhancing market penetration and application promotion of our products in key sectors such as automotive electronics, the energy and industrial automation, and consumer electronics. We have established robust mechanisms for rapid response to customer needs and closed-loop problem resolution. By leveraging models such as joint innovation and customized development, we precisely meet customers' differentiated needs, thereby continuously strengthening customer trust and loyalty. We are deepening strategic partnerships with leading domestic automakers, international Tier 1 suppliers, and high-quality clients in the industrial and new energy sectors. This initiative drives the Company's transformation from a chip supplier to system-level solutions provider, steadily increasing our product's market share and value contribution within our core client ecosystems.

We will continue to optimize our sales management system, enhance the professional capabilities of our FAE technical team, strengthen end-to-end technical support for complex system-level products, and ensure the rapid rollout and promotion of new products; we will also refine our omnichannel sales strategy to achieve in-depth coverage of downstream customers across multiple scenarios and tiers. By ensuring the A+H dual capital platform, we will accelerate our global market expansion, improve our overseas operations and service systems, and actively expand cooperation with leading overseas automakers, industrial clients, and international Tier 1 suppliers to advance product certification and mass production adoption overseas. We will continue to strengthen our overseas bases in Japan, South Korea, Germany, and other regions, refine our regional layout based on demand, and establish localized sales, technical support, and customer service systems to comprehensively enhance our response efficiency and overall service capabilities in overseas markets.

IV. Strengthening End-to-End Supply Chain Management to Build a Secure and Resilient Supply Assurance System

Facing a complex and rapidly evolving market environment, the Company remains steadfast in strengthening its comprehensive supply chain management capabilities. Through close collaboration with key suppliers, as well as refined operations, proactive capacity planning, and dynamic inventory strategies, the Company has effectively supported the rapid expansion of its business scale and continued market growth.

In terms of strategic supply chain planning, the Company continues to deepen comprehensive cooperation with strategic suppliers. Through long-term supply-demand coordination, joint process innovation, and the establishment of dedicated production lines, the Company is continuously enhancing the overall competitiveness of its supply chain. In the wafer manufacturing segment, the Company is continuously strengthening process capabilities and advancing technological innovation to build competitive barriers in core technology areas. In the packaging and testing segment, the Company is vertically integrating supply chain resources, strengthening collaborative management in packaging and testing, and driving optimization of foundry costs and improvements in operational efficiency. At the same time, the Company continues to actively expand its network of domestic suppliers for key materials, steadily increasing the proportion of domestically sourced critical materials to enhance supply chain autonomy and control. Leveraging a dual-circulation supply chain strategy, the Company ensures the continuity of supply chain operations.

In terms of operational management, the Company continues to optimize its matrix organizational model, strengthen cross-departmental collaboration and resource coordination, and enhance management efficiency through AI-powered tools and the digital transformation of procurement, thereby supporting procurement cost optimization and the efficient allocation of resources.

The Company remains committed to prioritizing supply chain agility, security, and sustainability. We are deepening strategic trust and technical collaboration with our partners to build a highly resilient, globally integrated supply chain system characterized by efficient coordination. At the same time, we are continuously strengthening refined supply chain management, improving inventory control systems, and scientifically coordinating material planning and inventory levels to enhance operational efficiency and cost control capabilities, thereby providing a solid and reliable supply chain foundation for the Company's sustained and healthy business development.

V. Optimizing Organizational Mechanisms and Building Leadership

To promote the sustainable development of the Company's operations, in 2026, the Company will continue to optimize team structure to enhance the operational efficiency of the management team, and comprehensively advance organizational capability building to realize the transition from core team-driven to organization-driven and support the Company's long-term steady development with continuously improving organizational capabilities. The Company will establish and improve core manager systems and incentive and constraint management systems to strengthen the leadership and execution of the management team; optimize incentive mechanisms for sales, research and development, and general projects to fully stimulate employees' working enthusiasm and creativity; and simultaneously establish a sound long-term incentive mechanism for mid-to-senior level managers to attract and retain outstanding talents and build a solid talent foundation for the Company's development.

In terms of business process optimization and organizational efficiency enhancement, the Company will continuously optimize normalized reform operation mechanisms by establishing a process metrics system, and implementing a tiered process audit mechanism. By constantly mapping and optimizing business processes, the Company will promptly identify and resolve pain points and difficulties in business processes, lower operating costs, and improve operational efficiency. Furthermore, the Company will further perfect the operational mechanisms of process decision-making organizations at all levels, and optimize the operation and management processes of general projects to elevate the standardization level and execution efficiency of project management and ensure smooth and efficient advancement of all businesses of the Company.

Risk Factors

1. Risk of Significant Decline in Performance or Loss

The net loss attributable to shareholders of the listed company for the current period was RMB228.9 million, and the net loss attributable to shareholders of the listed company after deducting non-recurring profit or loss was RMB286.3 million; the main reasons for the improvement in the net loss attributable to shareholders of the listed company and the net loss attributable to shareholders of the listed company after deducting non-recurring profit or loss for the current period are: 1) On the revenue side, the recovery of downstream market demand, the volume increase of new products, and the consolidation of MagnTek drove a significant increase in the Company's shipment volume and operating revenue; 2) On the expense side, the Company continued to deepen lean management and organizational efficiency improvement, resulting in a decrease in the proportion of overall expenses to operating revenue, which promoted the improvement of profitability.

The Company's main business, core competitiveness, and key financial indicators have not experienced any material adverse changes, which is consistent with industry trends. If downstream terminal market demand continues to decline, market competition intensifies, macroeconomic prosperity goes in a downturn, national industrial policies change, or the Company's customer development fails to meet expectations in the later stage, the Company's performance may face the risk of continuous decline or loss.

2. Core Competitiveness Risks

(1) Risk of Insufficient Continuous Technological Innovation Capability

The Company is primarily engaged in the R&D, design, and sales of analog chips, and belongs to the IC design industry. The IC design industry is a typical technology-intensive industry, and continuous technological innovation is an important means for the Company to maintain its competitive advantage in the market. With the intensification of market competition and the continuous enrichment of terminal customers' product application scenarios, the Company needs to continuously optimize existing products and develop new technologies and products based on technological development trends and terminal customer needs to maintain technological innovation and product competitiveness.

If the Company cannot accurately judge future market development trends, maintain core technological advantages, and launch competitive new products, while new technologies and products launched by competitors meet market needs, the Company will gradually lose market competitiveness, adversely affecting its future continuous development and operations.

(2) Risk of Shortage and Loss of R&D Talent

IC design enterprises are characterized as being technology-intensive, and R&D personnel are the core elements for maintaining technological development and product advantages. With the continuous growth of industry scale, competition for core technical talent among IC design enterprises is becoming increasingly fierce. If the Company cannot effectively stabilize its core technical team, provide competitive remuneration, and maintain the introduction and cultivation of new talent, there may be risks of talent loss or shortage, which will adversely affect the Company's continuous R&D capabilities.

(3) Risk of Core Technology Leakage

Through years of accumulation by a professional R&D team, the Company has formed multiple core technologies across five major areas including sensors, signal chains, power and drive, and third-generation power semiconductors. The Company has signed confidentiality agreements with core technical personnel and applied for patents, computer software copyrights, and IC layout designs for the intellectual property formed by core technologies. Given that the Company still has multiple products and technologies in the R&D stage, and needs to provide relevant data and chip layouts to suppliers during the production process, if there is a loss of core technical personnel or improper custody by suppliers, there may be risks of core technology leakage or theft by others.

3. Operating Risks

(1) Risk of High Concentration in Outsourced Processing and Suppliers

During the Reporting Period, the Company mainly adopted the fabless model commonly used in the IC design industry, with wafer fabrication, chip packaging, and chip testing all completed by outsourced vendors. Constrained by technological level, capital scale, and other factors, there is a limited number of wafer and packaging and testing suppliers globally that meet the Company's requirements for technology, supply volume, and foundry costs. The Company's wafer manufacturing and packaging and testing foundry services are mainly entrusted to well-known vendors in the industry, resulting in high procurement concentration. If there are material changes in the business operations, capacity constraints, or cooperative relationship changes with the Company's major suppliers, it may result in suppliers being unable to ship sufficient quantities in a timely manner, or cause the Company's procurement costs to increase, which may adversely affect the Company's profitability and operating results.

(2) Management Risk Brought by the Expansion of Business Scale

With the continuous development of the Company's business and the implementation of projects funded by raised proceeds, the Company's revenue and asset scale will further expand, product categories will increase, and the number of employees will correspondingly increase. This will raise higher requirements for the Company's operation management, quality control, resource integration, market development, internal control, and financial standardization. If the Company cannot optimize and elevate its organizational model, management systems, and management level in a timely manner alongside the expansion of business scale, it will face management risks brought by the expansion of business scale to a certain extent, which will adversely affect profitability.

(3) Operating Risk under the Distribution Model

Sales of the Company's products are partly realized through distributor channels. Although agreements have been signed to regulate their marketing and sales behaviors, the Company has limited control over their daily operating activities and cannot fully guarantee their consistent compliance with agreement stipulations and relevant laws and regulations.

If a distributor engages in misconduct, such as making unauthorized false representations to end customers, infringing third-party intellectual property rights, or committing illegal or non-compliant acts like commercial bribery in business activities, it may lead to the Company facing claims and litigation from end customers or third parties. Regardless of whether such claims are reasonable, handling such disputes may consume substantial financial and managerial resources of the Company and adversely affect the Company's reputation and normal operations.

4. Financial Risks

(1) Risk of Inventory Impairment

With the continuous expansion of the Company's business scale, the inventory scale rises accordingly. If future market demand changes or differs significantly from the Company's forecast, or if the Company cannot optimize inventory management levels along with the increase in inventory, it may lead to sluggish product sales and inventory backlog, thus requiring an increase in inventory impairment provision, which will adversely affect the Company's operating results.

(2) Risk of Gross Margin Fluctuation

During the Reporting Period, the gross profit margin of the Company's various products and the overall gross profit margin exhibited a certain degree of fluctuation. The level of the Company's product gross margin is mainly affected by factors such as product selling price fluctuations and product mix changes. If future sales prices decline due to the Company's inability to maintain technological advantages or intensified market competition, or if costs rise due to increased procurement prices, it may lead to a decrease in gross margin, bringing a certain risk to the Company's profitability.

(3) Risk of Exchange Rate Fluctuation

With the advancement and implementation of the Company's global diversification strategy, the proportion of procurement and sales businesses settled in foreign currencies continues to rise. Exchange rate movements will affect the value of assets, liabilities, and overseas entities denominated in foreign currencies, and indirectly cause changes in the Company's earnings or cash flows during a certain period. With the deepening of the market-oriented exchange rate reform, the exchange rate between the RMB and other convertible currencies fluctuates significantly, posing exchange rate fluctuation risks in the foreign exchange settlement process.

(4) Goodwill Risk

A significant amount of goodwill was recognized in the Company's financial statements. As of December 31, 2025, the carrying amount of the Company's goodwill was RMB545.5 million, mainly due to the acquisition of equity interests in MagnTek and the investment in Rsentech.

According to accounting standards for business enterprises, goodwill must be tested for impairment at least annually, and its value assessment relies on the management's estimates and judgments of a series of key parameters such as future cash flows, growth rates, and discount rates. If major adverse changes occur in the future macroeconomic environment, market environment, industry competition, or the Company's own operating conditions, causing the actual profitability or forecasted data of the relevant asset groups to fall below the assumptions on which the aforementioned assessments are based, the Company may need to make large impairment provisions for such goodwill.

Once recognized, goodwill impairment losses shall not be reversed in subsequent accounting periods. This will directly reduce the current period's profit and have a material adverse impact on the Company's asset status, financial condition, and operating results.

5. Industry Risks

Competitors for the Company's main products are leading foreign enterprises established early, with large revenue scales and high brand influence, such as TI, ADI, Infineon, Allegro, Melexis and Renesas. The Company still has a certain gap with the aforementioned companies in revenue scale, product richness, and technological accumulation. If the Company cannot maintain its technological and cost-effectiveness advantages in niche product fields in the future, and cannot timely launch products that better match market demand in terms of function, performance, reliability, etc., it will face more intense competition during customer development, and there is a risk of its market share being squeezed by the aforementioned foreign manufacturers utilizing their first-mover advantages.

The semiconductor industry in which the Company operates exhibits cyclical fluctuation characteristics. Affected by multiple factors such as technological iteration, product lifecycles, and changes in supply and demand, the industry has historically experienced multiple cyclical downturns. Recessions are typically characterized by a sudden drop in demand, rapidly falling product selling prices, insufficient capacity utilization, and rising inventory levels and impairment risks. Such macroeconomic factors are beyond the Company's control and may make it difficult for the Company to quickly adjust inventory to adapt to demand changes, adversely affecting product pricing. If the Company fails to accurately forecast or effectively respond to industry fluctuations, the Company's operating and financial conditions may be negatively impacted.

6. Macroeconomic Environment Risks

(1) Macroeconomic Environment and Industry Risks

The application fields of the Company's chip products are extremely broad, covering numerous industries such as automotive electronics, industrial control, PV and energy storage, motor control, communication, home appliances, medical, and consumer electronics. Therefore, the Company's business development will inevitably be affected by macroeconomic fluctuations. If the macroeconomic situation fails to meet expectations or major adverse changes occur in the Company's downstream niche markets, it may adversely affect the Company's operating results.

(2) Risk of International Trade Friction

During the Reporting Period, the Company's end customers included many well-known domestic and overseas enterprises. If international trade friction further intensifies, it may lead to restrictions on procurement by the Company's major customers, thereby affecting the Company's sales of various products to them and exerting a certain adverse impact on the Company's operating results. Meanwhile, during the Reporting Period, the Company mainly procured wafer manufacturing and packaging and testing from domestic and overseas top-tier suppliers. These suppliers may be affected by international trade policies, which in turn could affect their supply of wafers and packaging and testing to the Company, thereby exerting a certain adverse impact on the Company's production and operations.

7. Other Major Risks

Risk of consistently large share-based payment amounts caused by equity incentives. During the Company's rapid development stage, to attract and retain outstanding talent and fully mobilize the enthusiasm of the Company's employees, the Company established multiple employee shareholding platforms and carried out multiple equity incentives, resulting in a substantial increase in the Company's share-based payment expenses. Although equity incentives help stabilize the personnel structure and retain core talent, the related share-based payment expenses will have a certain impact on the Company's operating results.

Repurchase, Redemption or Sale of Listed Securities of the Company

For the year ended December 31, 2025, the Company repurchased a total of 733,956 A Shares and held as treasury Shares (the "**Repurchased Shares**") on the Shanghai Stock Exchange for an aggregate consideration of RMB112,744,745 (excluding commissions and additional fees). The repurchase was conducted with the intention to be fully used for employee share ownership plans or equity incentives at an appropriate time in the future. Details of the Repurchased Shares are as follows:

		Price Per Share Paid		
Date of Repurchase	**Number of Shares Repurchased**	**Highest Price** *RMB*	**Lowest Price** *RMB*	**Aggregate Consideration** *RMB*
December 8, 2025	344,547	157.5	153.9	53,742,811
December 10, 2025	201,477	153.5	148.9	30,670,543
December 11, 2025	187,932	151.8	149.3	28,331,391
Total	**733,956**			**112,744,745**

On the Listing Date, the Company held 118,216 A Shares as treasury Shares. After repurchasing A Shares in December 2025, the Company held 852,172 A Shares as treasury Shares as at December 31, 2025.

Save as disclosed above, neither the Company nor any of its subsidiaries had repurchased, redeemed or sold any of the Company's listed securities (including the sale or transfer of any treasury Shares) during the Reporting Period.

Issuance of Shares

The Company issued 19,068,400 H Shares on December 8, 2025, which were listed on the Main Board of the Stock Exchange at an offer price of HK$116.00 per Share. Subsequently, the Company issued 1,026,600 H Shares pursuant to the over-allotment option on January 2, 2026, at an offer price of HK$116.00 per Share. The Company issued a total of 20,095,000 H Shares in this issuance. After deducting the listing expenses directly attributable to the issue of new shares, the net proceeds amounted to HK$2,210.8 million (equivalent to approximately RMB2,010.1 million, representing a net amount of approximately RMB100.0 per Share). As of the date of this announcement, there has been no change to the intended use of net proceeds as previously disclosed in the section headed "*Future Plans and Use of Proceeds*" in the Prospectus. For details of the breakdown of the use of proceeds, please refer to the 2025 annual report to be published in due course.

Save as disclosed above, the Company did not issue any other Shares during the Reporting Period.

Material Investments and Material Acquisitions or Disposals of Subsidiaries and Associates

During the Reporting Period, the Company had no material investments or material acquisitions or disposals of subsidiaries, associates and joint ventures.

Dividends

The Board does not recommend the payment of any final dividend in respect of the year ended December 31, 2025. For the year ended December 31, 2025, the Company has not paid or proposed to pay any dividends (2024: Nil).

Subsequent Events

In January 2026, the Company repurchased a total of 521,686 A Shares on the Shanghai Stock Exchange, which were held as treasury Shares.

Save as disclosed above and the section headed "*Issuance of Shares*" in this announcement, the Company has no other material subsequent events since the end of the Reporting Period.

Audit Committee

The Audit Committee consists of three independent non-executive Directors of the Company, namely Dr. Chen Xichan, Mr. Wang Ruwei and Ms. Du Linlin. Ms. Du Linlin is the chairlady of the Audit Committee. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed financial reporting matters, including the review of the consolidated annual financial statements of the Group for the year ended December 31, 2025, and discussed risk management and internal control matters, with no disagreements.

Scope of Work of Auditors

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG 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 KPMG on the preliminary announcement.

Corporate Governance Practices

The Company is committed to achieving high standards of corporate governance.

The Board believes that high standards of corporate governance are essential for providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency.

The Company has adopted the code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

As the H Shares of the Company were listed on the Stock Exchange on December 8, 2025, the Corporate Governance Code only applied to the Company from the Listing Date of the H Shares. The Board considers that, during the period from the Listing Date to December 31, 2025, the Company has complied with all applicable code provisions as set out in the Corporate Governance Code, save as disclosed below.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. We do not have a separate chairman and general manager, and Mr. Wang Shengyang currently performs these two roles. The Board believes that, in view of his experience, personal profile and understanding of our business operations, Mr. Wang Shengyang is the Director best suited to identify strategic opportunities and vesting the roles of both chairman and general manager in Mr. Wang Shengyang can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. The Board believes that vesting the roles of both chairman and general manager in the same person facilitates the execution of the Group's business strategies and maximizes effectiveness of its operation. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and independent non-executive Directors. The Board considers that the balance of power and authority under the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman and general manager of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors.

Specific enquiries have been made to all Directors, and the Directors have confirmed that they have complied with the Model Code throughout the period from the Listing Date to December 31, 2025.

The Company has also established the "Measures for the Administration of Information Disclosure" and the "Measures for the Compliance Management of Inside Information and Stock Trading" (collectively referred to as the "**Regulations on Information Disclosure**") for securities transactions by employees who are likely to be in possession of inside information of the Company or its securities due to their position or employment, on terms no less exacting than the Model Code. Since the H Shares of the Company were listed on the Stock Exchange on December 8, 2025, the Model Code became applicable to the Company from the Listing Date of the H Shares. To the best knowledge of the Directors, there was no incident of non-compliance with the Regulations on Information Disclosure by any employees from the Listing Date to December 31, 2025.

Publication of Annual Results and 2025 Annual Report of H Shares

This results announcement is published on the websites of the Company (www.novosns.com) and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk). The H Share annual report of the Company for the year ended December 31, 2025 will be available on the websites of the Company and the Hong Kong Stock Exchange in due course, and will be dispatched to Shareholders who have elected to receive printed copies in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set forth below:

"A Share(s)"	domestic share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in Renminbi
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China

"Company" or "we"	Suzhou Novosense Microelectronics Co., Ltd. (蘇州納芯微電子股份有限公司), a company established in the PRC on May 17, 2013, the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 688052), and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2676)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of the Company
"domestic"	mainland of PRC (for the purpose of this announcement only, excluding Hong Kong, Macao and Taiwan)
"Global Offering"	the offering of H Shares by the Company for subscription, details of which are set out in the Prospectus
"Group"	the Company and its consolidated subsidiaries
"H Share(s)"	overseas listed foreign ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	International Financial Reporting Standards, including standards, amendments and interpretations issued by the International Accounting Standards Board and International Accounting Standards and interpretations issued by the International Accounting Standards Committee

"Listing Date"	December 8, 2025, the date on which the H Shares of the Company were listed and commenced trading on the Main Board of the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法)
"Prospectus"	the prospectus of the Company dated November 28, 2025 in connection with the Global Offering
"Reporting Period", "this year", or "this period"	January 1, 2025 to December 31, 2025
"Renminbi" or "RMB"	Renminbi, the lawful currency of China
"PRC Securities Law"	the Securities Law of the PRC (中華人民共和國證券法)
"Share(s)"	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"year-on-year"	compared with the same period of the previous year
"%"	percent

GLOSSARY OF TECHNICAL TERMS

In this announcement, unless the context requires, explanations and definitions of certain terms used in this document in connection with the Company and our business shall have the meanings set out below. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

"ADC"	analog-to-digital converter, a device used to convert continuous analog signals into discrete digital signals
"AEC-Q"	standards established by the Automotive Electronics Council
"Analog"	an analog signal is a voltage, current or physical quantity that continuously and infinitely varies in accordance with some time-varying parameter
"Automotive-grade"	an automotive-grade chip refers to a chip that is specifically designed, manufactured and qualified to meet the stringent requirements and standards of the automotive industry
"BMS"	battery management system
"CAGR"	compound annual growth rate
"CAN"	controller area network, a communication protocol
"CMOS"	complementary metal-oxide semiconductor
"DAC"	digital-to-analog converter, a device used to convert digital signals into analog signals
"DC"	direct current
"Digital"	a signal that represents data as a sequence of discrete values

"fabless"	a business model where the entity focuses on R&D and design of ICs and outsources manufacturing to third parties
"GaN"	gallium nitride, a binary III/V direct bandgap semiconductor well-suited for high-power transistors capable of operating at high temperatures
"Hall effect"	refers to the generation of a voltage difference across an electrical conductor when a magnetic field is applied perpendicular to the current, the foundation of many magnetic sensing technologies
"IC" or "Integrated circuit"	a set of electronic circuits on one small plate of semiconductor material (a chip)
"I²C"	a synchronous, multi-master/multi-slave, single-ended, serial communication protocol
"IGBT"	insulated gate bipolar transistor, a three-terminal power semiconductor device primarily forming an electronic switch
"LDO"	low dropout regulator, a type of voltage regulator that can operate with a very small input-output differential voltage
"LED"	light-emitting diode, a semiconductor diode that emits light when conducting current and is used in electronic equipment
"LIN"	network protocol used for communication between components in modern vehicles
"MCU"	micro controller unit, a type of chip that contains a general-purpose processor core, input/output interfaces and other modules for a variety of applications
"MEMS"	micro-electro-mechanical-system, the technology of microscopic devices that are made up of components between 1 and 100 micrometres in size
"MOSFET"	metal-oxide-semiconductor field-effect transistor, a type of transistor used to amplify or switch electronic signals
"op-amp"	an analog circuit block that takes a differential voltage input and produces a single-ended voltage output

"PV"	photovoltaics
"R&D"	research and development
"Sensor"	a device that measures or detects physical world conditions, such as motion, heat or light, and converts the conditions into analog or digital representations
"SiC"	silicon carbide, a semiconductor material used in various electronic applications
"V"	volt, a unit for voltage
"VHS"	vertical Hall sensor, a Hall sensor structure optimized for detecting vertical magnetic fields

By order of the Board
Suzhou Novosense Microelectronics Co., Ltd.
Mr. Wang Shengyang
Chairman of the Board and Executive Director

Hong Kong, March 30, 2026

As of the date of this announcement, the Directors are: (i) Mr. Wang Shengyang, Mr. Sheng Yun, Mr. Wang Yifeng and Mr. Jiang Chaoshang as executive Directors; (ii) Mr. Wu Jie as non-executive Director; and (iii) Dr. Hong Zhiliang, Dr. Chen Xichan, Mr. Wang Ruwei and Ms. Du Linlin as independent non-executive Directors.