FourSemi

Shanghai FourSemi Semiconductor Co., Ltd.
上海傅里葉半導體股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3625)

PROFIT WARNING

This announcement is made by Shanghai FourSemi Semiconductor Co., Ltd. (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company hereby informs the shareholders (the "**Shareholders**") and potential investors of the Company that, based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the six months ended June 30, 2026 (the "**Reporting Period**") and the information currently available to the Board, the Group is expected to record an unaudited net loss for the Reporting Period ranging from RMB64.5 million to RMB69.5 million, representing an increase in loss as compared to the unaudited net loss of approximately RMB30.9 million for the corresponding period of the previous year.

The increase in loss during the Reporting Period was primarily attributable to: (1) listing expenses incurred by the Company during the Reporting Period, including intermediary fees and expenses for listing promotion and other related matters; (2) exchange losses arising from exchange rate fluctuations during the conversion of the proceeds from the listing from Hong Kong dollars to Renminbi; (3) an increase in staff costs due to the recruitment of new research and development (R&D), sales and management personnel to meet the needs of business development. Meanwhile, due to the continued weak demand for smartphone terminals globally, downstream brands proactively scaled back on low-to-mid-range models and controlled volumes to reduce inventory during the Reporting Period. Compounded by the rising cost of complete devices due to increased memory storage prices, customers reduced their chip procurement and wafer start pace. Affected by the industry downturn, the Company's revenue from the low-power audio business recorded a year-on-year decline. Although gross profit and gross profit margin improved, this was insufficient to offset the aforementioned expenses.

During the Reporting Period, the Group actively promoted the diversified application and strategic presence of its audio products, building a more balanced and risk-resilient audio business portfolio. Among which, the year-on-year revenue growth rate of automotive audio products exceeded 30,000%, and the Group expanded its business with a number of industry-leading new energy vehicle manufacturers; revenue from haptic driver chip products grew by over 330% year-on-year, with mass shipments already achieved for smartwatches and smart glasses. These products are also adapted for applications such as dexterous hands of embodied robots and handheld gaming consoles/controllers, meeting the demand for intelligent and precise operations in AI terminals.

The Group has made phased progress in adjusting its business structure and improving its gross profit margin. However, due to a significant year-on-year increase in expenses during the Reporting Period caused by listing expenses, exchange losses, and team expansion, the Group recorded a significant increase in net loss.

FINANCIAL SOUNDNESS AND SUBSEQUENT OUTLOOK

Although the Group recorded a relatively large unaudited net loss during the Reporting Period, its current cash reserves are relatively sound, and its debt level is manageable. The Group has established various business divisions categorised by product features and application scenarios. It has increased its R&D investment in areas such as automotive products and intelligent sensing to further build a foundation for product diversification and create new growth points for the Group's business. In summary, the Group is actively and orderly advancing its business structure adjustment and continues to invest appropriate resources in new businesses. Its existing cash reserves are sufficient to support its going concern needs.

As the Company is still in the process of preparing the interim results of the Group for the six months ended June 30, 2026, the information contained in this announcement is only a preliminary assessment made by the Board based on the information currently available and the unaudited consolidated management accounts of the Group for the six months ended June 30, 2026, which have not been audited or reviewed by the Company's independent auditor and/or audit committee. The actual financial results of the Group for the six months ended June 30, 2026 may differ from the contents disclosed in this announcement.

Shareholders and potential investors of the Company are advised to read the interim results announcement of the Group for the six months ended June 30, 2026, which is expected to be published by the end of August 2026 in accordance with the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares and securities of the Company.

By order of the Board
Shanghai FourSemi Semiconductor Co., Ltd.
Xu Xiaolin
Chairman of the Board, Executive Director and President

Shanghai, the PRC, August 4, 2026

As at the date of this announcement, the board of directors of the Company comprises: Mr. Xu Xiaolin, Mr. Liu Baoliang, Mr. Qian Shun and Ms. Yu Bingbing as executive Directors, Mr. Chen Binglin and Mr. Lin Enfeng as non-executive Directors, and Mr. Liu Hongcan, Ms. Liu Liping and Mr. Dai Xueguang as independent non-executive Directors.