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SG Micro Corp

聖邦微電子(北京)股份有限公司

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

(Stock Code: 3661)

ANNOUNCEMENT ON THE ALIGNMENT IN PREPARATION OF FINANCIAL REPORTS IN ACCORDANCE WITH THE CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

At the 19th meeting of the fifth session of the Board of Directors of SG Micro Corp (the “**Company**”) convened on August 14, 2026, the Resolution Regarding the Alignment in Preparation of Financial Reports in accordance with the China Accounting Standards for Business Enterprises was considered and approved, the specific details of which are set out below:

I. BASIC INFORMATION ON THE ALIGNMENT IN PREPARATION OF FINANCIAL REPORTS IN ACCORDANCE WITH THE CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The Company is listed on the Shenzhen Stock Exchange and The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), and adopts the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards for the preparation of its financial reports and disclosure of related financial information, respectively. Pursuant to Note 2.1 to Paragraph 2 and Paragraph 38 of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), an issuer which is incorporated in Chinese Mainland as a joint stock limited company and listed on the Hong Kong Stock Exchange (the “**PRC issuer**”) may adopt the China Accounting Standards for Business Enterprises for the preparation of financial statements. Pursuant to Rule 19A.31(4) of the Hong Kong Listing Rules, if the PRC issuer’s primary listing is on the Hong Kong Stock Exchange, its annual accounts may be audited by an eligible PRC firm of practising accountants which under the mutual recognition agreement, has been approved by the China Ministry of Finance and the China Securities Regulatory Commission (the “**CSRC**”) as being suitable to act as an auditor or a reporting accountant for a PRC incorporated company listed in Hong Kong and is a Recognized PIE Auditor (as defined under the Hong Kong Listing Rules) under section 20ZT of the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong) on the condition that the PRC issuer has adopted the China Accounting Standards for Business Enterprises for the preparation of its annual financial statements.

In view of the fact that the financial reports prepared under the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards have largely converged, the Company intends to adopt the China Accounting Standards for Business Enterprises for the preparation of financial reports and disclosure of related financial information on a uniform basis commencing from the 2026 interim financial report.

II. IMPACT OF THE ALIGNMENT IN PREPARATION OF FINANCIAL REPORTS IN ACCORDANCE WITH THE CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES ON THE COMPANY

The Company's adoption of the China Accounting Standards for Business Enterprises for the preparation of financial reports and disclosure of related financial information on a uniform basis will not have any material impact on the results or financial position of the Company. The financial information set out in the positive profit alert announcement of the Company dated August 13, 2026 would not differ materially from that prepared in accordance with the China Accounting Standards for Business Enterprises.

In order to satisfy the potential demand of certain shareholders and public investors for the Company's financial information prepared under the International Financial Reporting Standards, the Company will prepare a reconciliation table for inclusion in the forthcoming interim results announcement and interim report of the Company for the six months ended June 30, 2026 to illustrate the differences in the Company's 2026 interim financial statements when prepared under the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards.

III. DISCONTINUATION OF SEPARATE ENGAGEMENT OF AN OVERSEAS FINANCIAL REPORT AUDITING FIRM

Pursuant to the Resolution on the Appointment of an Auditor for the Issuance and Listing of H Shares of the Company considered and approved at the third extraordinary general meeting of 2025 of the Company held on September 19, 2025, the Company agreed to appoint Ernst & Young as the special auditor for the Company's public issuance of H Shares of the Company and listing on the Main Board of the Hong Kong Stock Exchange. Following the Company's successful listing on the Main Board of the Hong Kong Stock Exchange on June 26, 2026, Ernst & Young has completed all its engagements and its term of appointment has accordingly terminated.

Given that the Company will adopt the China Accounting Standards for Business Enterprises on a uniform basis in preparing financial reports, and that Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥)), the Company's domestic financial report auditing firm engaged by the Company for 2026, has obtained recognition from the China Ministry of Finance and the CSRC, and is qualified to provide audit services to issuers incorporated in Chinese Mainland and listed in Hong Kong, as well as that the Company will appoint financial report auditing firms that are recognized by the China Ministry of Finance and the CSRC and qualified to provide audit services to issuers incorporated in Chinese Mainland and listed in Hong Kong in the future, the Company will accordingly not separately engage an overseas financial report auditing firm.

IV. CONSIDERATION BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The audit committee of the Board of Directors of the Company has reviewed this matter and is of the view that the Company's adoption of the China Accounting Standards for Business Enterprises for the preparation of financial reports on a uniform basis is conducive to improving the efficiency of information disclosure and will not have any material adverse impact on the authenticity and accuracy of the financial reports or on investors' decision-making. It is unanimously agreed that the Company shall adopt the China Accounting Standards for Business Enterprises on a uniform basis in preparing financial reports and shall no longer separately engage an overseas financial report auditing firm.

V. CONSIDERATION BY THE BOARD OF DIRECTORS

The Board of Directors is of the view that the unified adoption and disclosure of financial reports prepared in accordance with the China Accounting Standards for Business Enterprises will not only ensure compliance with the relevant requirements, but also improve work efficiency, reduce compliance costs and audit expenses associated with the Company's A Share and H Share listings on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, respectively, and maintain consistency between the financial reports disclosed in both markets, which is in the interests of the Company and its shareholders as a whole.

By order of the Board
SG Micro Corp
Zhang Shilong
*Chairman of the Board, Executive
Director and General Manager*

Beijing, PRC, August 14, 2026

As of the date of this announcement, the Board of Directors comprises: (i) Dr. Zhang Shilong and Ms. Zhang Qin as executive Directors; (ii) Mr. Lin Lin and Ms. Liu Ming as non-executive Directors; and (iii) Dr. Du Meijie, Ms. Tang Chunlin and Mr. Chan Yik Pun as independent non-executive Directors.