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OmniVision Integrated Circuits Group, Inc.
豪威集成電路(集團)股份有限公司

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

(Stock code: 0501)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board of directors (the "**Board**") of OmniVision Integrated Circuits Group, Inc. (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited consolidated results of the Group for the six months ended June 30, 2026. This announcement, containing the full text of the 2026 interim report of the Company, is prepared with reference to the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of interim results. The Company's 2026 interim report has been published on the HKEXnews website (www.hkexnews.hk) and the Company's website (https://www.omnivision-group.com) on the same date as this announcement, and will be sent to the Company's shareholders (if requested).

By order of the Board
OmniVision Integrated Circuits Group, Inc.
Mr. YU Renrong
Chairman of the Board and Executive Director

Hong Kong, August 24, 2026

As of the date of this announcement, the Board comprises: (i) Mr. YU Renrong, Dr. GAO Wenbao, Mr. WU Xiaodong and Ms. QIU Huanping as executive Directors; (ii) Mr. LYU Dalong and Ms. CHEN Yu as non-executive Directors; and (iii) Mr. ZHU Liting, Ms. FAN Mingxi and Mr. MOU Lei as independent non-executive Directors.

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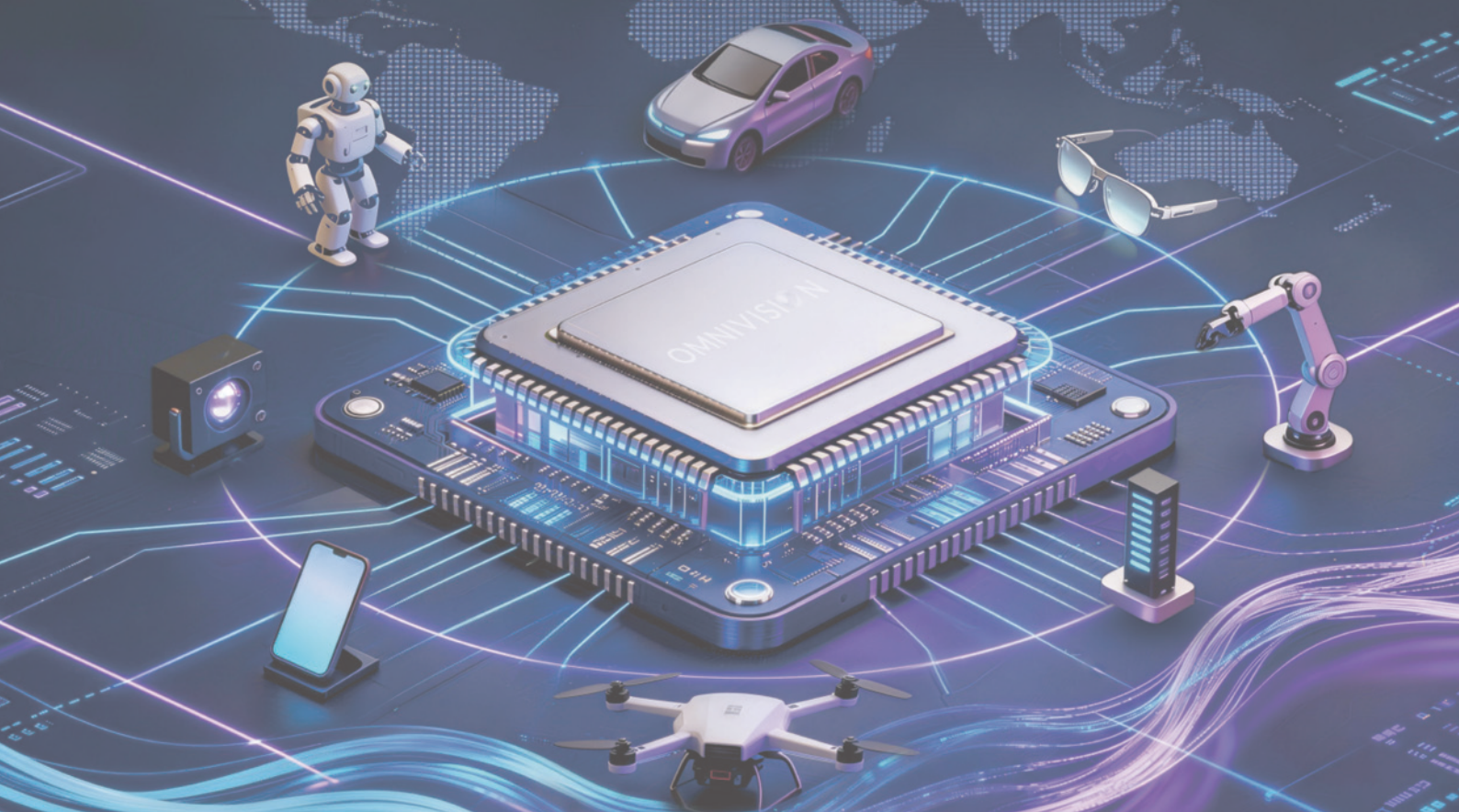

DEFINITIONS

"A Share(s)"	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in Renminbi
"A Shareholder(s)"	holder(s) of A Share(s)
"AGM"	annual general meeting of the Company
"Articles of Association"	articles of association of the Company
"Associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board of the Company
"Board" or "Board of Directors"	the Company's board of Directors
"CG Code"	Corporate Governance Code in Appendix C1 of the Listing Rules
"Companies Ordinance"	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
"Company"	OmniVision Integrated Circuits Group, Inc. (豪威集成電路(集團)股份有限公司)
"Director(s)"	director(s) of the Company
"Executive Director(s)"	executive director(s) of the Company
"Global Offering"	as defined in the Prospectus
"Group" or "OMNIVISION Group" or "We"	the Company and its subsidiaries
"H Share Listing"	the listing of the Company's H Shares on the Hong Kong Stock Exchange on January 12, 2026
"H Share(s)"	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and are listed on Hong Kong Stock Exchange
"H Shareholder(s)"	holder(s) of H Share(s)
"HKD" or "HK$"	Hong Kong dollars, the official currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Non-executive Director(s)"	independent non-executive directors of the Company
"Latest Practicable Date"	August 14, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this interim report prior to its publication
"Non-executive Director(s)"	non-executive directors of the Company
"Nomination Committee"	the nomination committee of the Board of the Company
"Over-allotment Option"	as defined in the Prospectus
"PRC" or "China"	the People's Republic of China
"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 December 31, 2025
"Qingdao Qingen"	Qingdao Qingen Asset Management Co., Ltd.* (青島清恩資產管理有限公司), a company established on February 22, 2018 in the PRC, one of the Controlling Shareholders of the Company
"R&D"	research and development
"Remuneration and Evaluation Committee"	the remuneration and evaluation committee of the Board of the Company
"Reporting Period"	January 1, 2026 to June 30, 2026
"RMB"	Renminbi
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
"Shanghai Qingen"	Shanghai Qingen Asset Management Partnership (Limited Partnership)* (上海清恩資產管理合夥企業(有限合夥)), a partnership established on January 27, 2016 in the PRC, one of the Controlling Shareholders of the Company

DEFINITIONS

"Shanghai Stock Exchange" or "SSE"	The Shanghai Stock Exchange
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising H Shares and A Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Shaoxing Weihao"	Shaoxing Weihao Equity Investment Funds Partnership (Limited Partnership)* (紹興市韋豪股權投資基金合夥企業(有限合夥)), a partnership established on December 12, 2017 in the PRC, one of our Controlling Shareholders
"Strategy and ESG Committee"	the strategy and ESG Committee of the Board of the Company
"U.S." or "United States"	the United States of America
"USD" or "US$"	United States dollars
"%"	per cent

** For identification purposes only*

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. YU Renrong (虞仁榮先生) (*Chairperson)*
Dr. GAO Wenbao(高文寶博士) (*Appointed with effect from May 7, 2026*)
Mr. WU Xiaodong (吳曉東先生)
Mr. JIA Yuan (賈淵先生) (*Resigned with effect from May 7, 2026*)
Ms. QIU Huanping (仇歡萍女士)

NON-EXECUTIVE DIRECTORS

Mr. LYU Dalong (呂大龍先生)
Ms. CHEN Yu (陳瑜女士)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. ZHU Liting (朱黎庭先生)
Ms. FAN Mingxi (范明曦女士)
Mr. MOU Lei (牟磊先生)

AUDIT COMMITTEE

Mr. MOU Lei (牟磊先生) *(Chairperson)*
Mr. ZHU Liting (朱黎庭先生)
Ms. FAN Mingxi (范明曦女士)

NOMINATION COMMITTEE

Ms. FAN Mingxi (范明曦女士) *(Chairperson)*
Ms. QIU Huanping (仇歡萍女士)
Mr. MOU Lei (牟磊先生)

REMUNERATION AND EVALUATION COMMITTEE

Mr. ZHU Liting (朱黎庭先生) (*Chairperson*)
Mr. MOU Lei (牟磊先生)
Ms. FAN Mingxi (范明曦女士)

STRATEGY AND ESG COMMITTEE

Mr. YU Renrong (虞仁榮先生) *(Chairperson)*
Mr. ZHU Liting (朱黎庭先生)
Ms. FAN Mingxi (范明曦女士)

JOINT COMPANY SECRETARIES

Ms. REN Bing (任冰女士)
Ms. LAU Yee Wa (劉綺華女士)

AUTHORIZED REPRESENTATIVES

Dr. GAO Wenbao (高文寶博士)
Ms. REN Bing (任冰女士)

REGISTERED ADDRESS

7/F, Building C, Block 1
No. 3000 Longdong Avenue
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PRC

PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Pilot Free Trade Zone
Shanghai
PRC

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

LEGAL ADVISER

Jones Day (as to Hong Kong law)

AUDITOR

BDO China Shu Lun Pan Certified Public Accountants LLP

COMPLIANCE ADVISER

Guotai Junan Capital Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

LISTING

H Shares on the Hong Kong Stock Exchange
(Stock code: 0501)

A Shares on the Shanghai Stock Exchange
(Stock code: 603501)

COMPANY'S WEBSITE

https://www.omnivision-group.com/

BUSINESS OVERVIEW

The OMNIVISION Group is a fabless semiconductor company focusing on chip design. According to the data from TrendForce, the Group is ranked among the world's top 10 fabless semiconductor companies. Leveraging its core proprietary intellectual property, flexible fabless operating model, diversified product and solution portfolio, global customer resources, and well-established supply chain ecosystem, the Group has built industry-leading brand influence and market recognition.

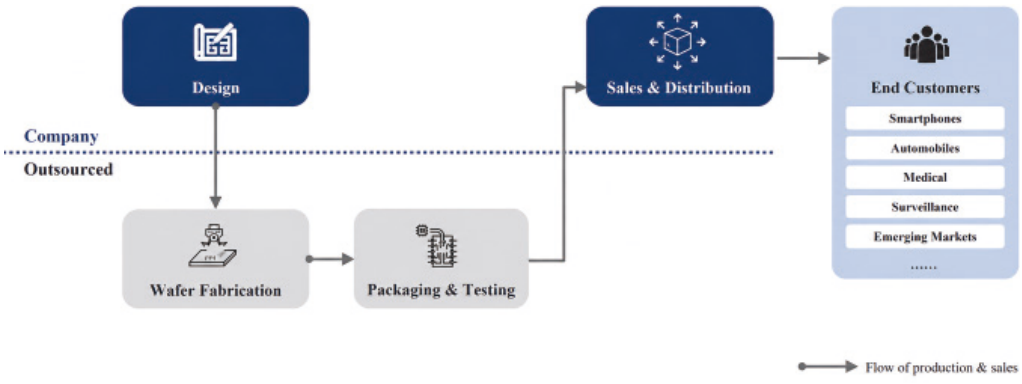
The Group's semiconductor design and sales business focuses on three core segments: advanced digital imaging solutions, display solutions and analog solutions. As the world's third-largest advanced digital imaging solutions provider, the Group's products extensively cover automobile, smartphones, professional imaging machine vision and embodied intelligence, edge AI, medical industry, surveillance, optical communication and AI computing power, and other sectors. The Group continuously pursues technological advancement and breakthroughs and steadily enhances the performance of high-end image sensor products. Riding the momentum of automotive intelligence and supported by its No. 1 global market share, the Group delivers high-safety visual perception capabilities for advanced autonomous driving applications. In response to the growing global demand for medical advancement, the Group's micro-lens module solutions satisfy the most stringent application requirements in scenarios including minimally invasive surgery and surgical robotics. Meanwhile, the Group is proactively capitalizing on the AI revolution, vigorously advancing emerging applications like edge AI and machine vision, while consistently embedding intelligence and core competitiveness into its products.

As one of the few domestic companies with capabilities in both semiconductor design and distribution, the Group leverages cross-segment synergies and resource integration to drive more balanced and sustainable market growth.

BUSINESS MODEL

Fabless Business Model

The Group operates its semiconductor design and sales business under a classic fabless model and is committed to the design, and sales of integrated circuits (IC), while collaborating with world-leading suppliers and service providers for wafer fabrication, packaging and testing. The flowchart below outlines the respective responsibilities of the Group and its suppliers/service providers across all segments of its operational process:



BUSINESS OVERVIEW

The Group serves a wide array of markets and industrial sectors and distributes its products through direct sales and distributors. The Group adjusts its sales model based on the characteristics of different industries and customer preferences. Customers under direct sales primarily include module manufacturers, ODMs, OEMs, and end customers, which allows the Group to ensure responsive service and quickly adapt to customer requirements and feedback. In parallel, the Group also collaborate with reputable large-scale international distributors for distribution. By adopting the distribution model, the Group can effectively reduce the cost of new customer acquisition while controlling the accounts receivable collection risk from small and medium-sized customers, and at the same time lower the human resources and cost expenditures associated with sales management for such customers.

Product Portfolio under Semiconductor Design and Sales Business

The product categories under semiconductor design and sales business comprise three major business segments: advanced digital imaging solutions, display solutions and analog solutions.

Product Portfolio under Semiconductor Distribution Business

As a technology-driven authorized semiconductor distributor, the Group maintains close ties with world-renowned semiconductor companies. With an experienced field application engineer (FAE) team and in alignment with the geographic distribution of the PRC's semiconductor industry, the Group has established subsidiaries across multiple domestic and overseas locations to support its distribution network. These operations form a comprehensive operation framework encompassing procurement, sales network, technical support, after-sales services, and logistics.

The product categories under semiconductor distribution business are extensive, primarily encompassing electronic components, structural parts, electromechanical systems, integrated circuits, and radio frequency (RF) components. These products cater to a wide variety of sectors, including mobile communications, home appliances, surveillance, smart wearables, industrial equipment, power equipment, motor control, instrumentation, automotive components, fire protection, and data center infrastructure. The Group dynamically manages its product portfolio under semiconductor distribution business based on market conditions and ongoing evaluations. The semiconductor distribution business is an important source of market intelligence for the Group. While maintaining the existing scale of its semiconductor distribution business. The Group will continue to foster close conversation with downstream module manufacturers and end-device manufacturers, enabling timely insight into market trands and product requirements. This supports targeted technology R & D and preparation, ensuring that the Group's new technologies can adapt to market changes, reducing the negative impact of fluctuations in downstream industries, and accelerating the growth of the Group's semiconductor design and sales business.

With "Empower the Sensing by Technology (賦能科技, 感知無限)" as its mission, OMNIVISION Group was founded on the belief that the accelerating digitalization of people's daily lives is one of the most powerful driving forces of technological advancement. The Group is committed to leading this transformation by seamlessly integrating humans and the digital world to build a brighter future. OMNIVISION Group is focused on understanding the diverse needs of customers and industries across various application scenarios. Its goal has been to evolve into a high-growth, self-innovating hightech enterprise that not only represents the forefront of the industry but also creates meaningful impact across diverse stakeholder groups.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW FOR THE REPORTING PERIOD

1. The Global Semiconductor Industry

The rapid evolution of large language models, generative AI, and edge AI applications is driving technology integration and application innovation, accelerating growth in intelligent vehicles, AIoT, spatial computing, and industrial robotics. With strong demand for computing infrastructure and AI terminals, the global semiconductor industry is experiencing significant structural growth. According to statistics and estimates released by the World Semiconductor Trade Statistics (WSTS) in August 2026, the global semiconductor market reached an actual size of US$702 billion in the first half of 2026, representing a period-over-period increase of 102%. Based on actual industry performance in the first half of 2026, it is projected that the global semiconductor market will reach US$1.655 trillion in 2026, representing a period-over-period increase of 108%. Going forward to 2027, the global semiconductor market is forecast to reach US$2.1 trillion, representing a period-over-period increase of 29%.

2. The PRC Semiconductor Industry

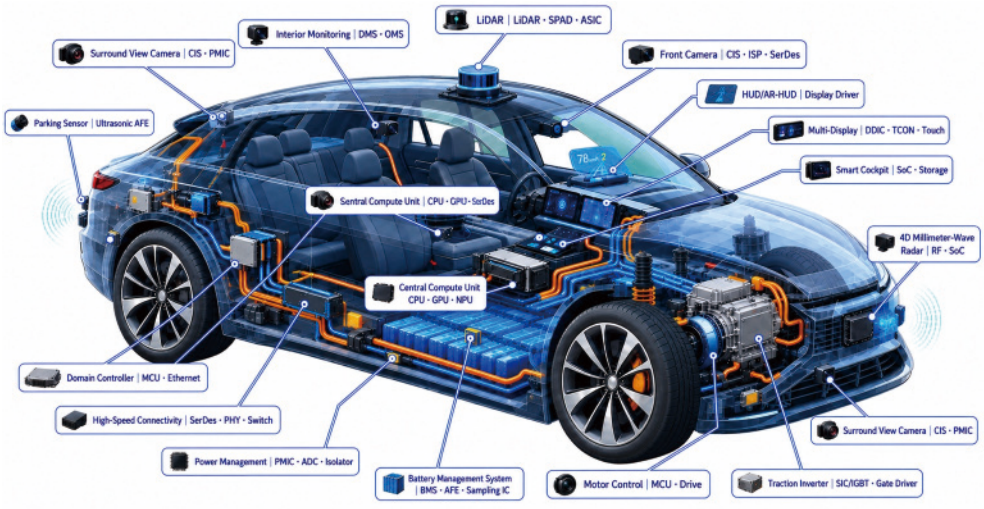
As the world's largest manufacturing hub for consumer electronics and industrial products, China's vast end-market demand provides broad development opportunities for domestic semiconductor companies. In the Chinese market, the semiconductor industry is currently in a phase driven by both "supply chain self-reliance and high-end technology cluster upgrades." According to Frost & Sullivan, China's semiconductor market is expected to grow at a compound annual growth rate of 11.8% from 2025, reaching US$374 billion by 2029. According to interim import and export data released by the General Administration of Customs of China in July 2026, integrated circuit exports reached US$38.21 billion in June 2026, accounting for 9.3% of the total export value and ranking as the top export category of June 2026. For the first half of 2026, cumulative integrated circuit exports reached US$177.28 billion, up 96.1% period-over-period, with export volume reaching 179.44 billion units; while the cumulative imports amounted to approximately RMB2.06 trillion, with import volume reaching 304.7 billion units.

PRINCIPAL APPLICATIONS OF THE COMPANY'S PRODUCTS

As a globally leading supplier of CMOS image sensors (CIS), the Group leverages its deep technical expertise and market leadership in image sensor solutions to drive the coordinated expansion of its analog solutions and display solutions. In response to the critical demands of downstream AI-enabled devices across sensing, transmission, processing, and display, the Group is building a comprehensive solution that covers the entire value chain, from environmental perception and signal transmission to data processing and display interaction. The Group's products are currently deployed across a broad spectrum of applications, including automotive electronics, smartphones, professional imaging, machine vision and embodied intelligence, edge AI, medical devices, security and surveillance, as well as optical communication and AI computing power.

1. Automotive Industry

Amid the intelligent transformation and upgrading of the automotive industry, the Group has actively expanded its presence in the automotive sector in both depth and breadth. Leveraging its proven deployment experience in automotive visual perception solutions, the Group is steadily expanding outward, further, integrating into multiple smart-vehicle domains centered on intelligent driving, including signal transmission, in-vehicle power management, and automotive display drivers. In doing so, the Group has progressively built a full-chain business layout that connects environmental perception, data transmission, and human-machine interaction, establishing a comprehensive supply system of automotive-grade core components that spans the entire value chain from perception and signal transmission to terminal display. This comprehensive approach reinforces the Group's competitiveness as a key supplier in the intelligent vehicle hardware supply chain.



At the perception level, the Group's image sensor solutions serve a wide array of application scenarios, from advanced driver assistance systems (ADAS) and autonomous driving (AD) to driver/occupant monitoring system (DMS/OMS), electronic rearview mirrors, dashboard cameras, and rearview and surround-view systems. To ensure reliable imaging under diverse lighting conditions and all-weather operation, the Group has developed a suite of advanced technologies: split-pixel technology for effective LED flicker suppression, the HALE combination algorithm that delivers both high dynamic range and flicker mitigation, and the DCG+LOFIC solution built on the TheiaCel® platform. For low-light interior applications, the Group's Nyxel® near-infrared technology significantly increases quantum efficiency at 940nm, boosting the recognition capabilities of DMS and OMS in dark environments.

At the display level, the Group's Liquid Crystal on Silicon (LCOS) products utilize reflective projection technology, delivering better light transmittance and heat resistance compared to the DLP solutions currently prevalent in the market. These products have already realized mass production and delivery for automotive augmented reality head-up displays (AR-HUD) applications. As in-vehicle display systems evolve from traditional center consoles and instrument clusters to passenger entertainment, head-up displays (HUD), rear-seat large screens, and streaming media mirrors, the Group has stepped up its development of automotive display driver ICs, which have now entered the customer validation and design-in stage.

At the analog level, automotive electronic and electrical architectures (EEA) are rapidly evolving from distributed to domain-centralized frameworks, with a growing number of electronic control units (ECU) being consolidated into domain controllers. This shift imposes stricter requirements on chip performance, functional safety, cybersecurity and reliability. Drawing on its long-standing brand reputation, customer relationships, and automotive-grade validation systems in the in-vehicle market, the Group has strategically expanded its automotive analog portfolio to include SerDes, power management ICs (PMIC), microcontroller units (MCU), and system basis chips (SBC) solutions. SerDes products support high-speed video transmission for surround-view, rearview, and in-cabin monitoring applications. PMIC products regulate, convert, distribute, and protect power within domain controllers and camera modules. MCUs address a broad spectrum of use cases, including smart cockpits, body domain controllers, door controllers, thermal management, and battery management. SBCs deliver high-integration solutions for body control functions such as seat adjustment, window control, thermal management, and lighting. These products are required to comply with AEC-Q100 certification, maintain stable operation across wide temperature ranges, and meet ASIL-B/D functional safety standards. As intelligent driving levels rise and cockpit interaction features expand, the number of cameras, displays, and analog components per vehicle continues to increase, further strengthening the Group's cross-product synergies in automotive electronics.

2. Emerging Markets

(1) Professional imaging devices

Professional imaging devices such as action cameras, panoramic cameras, and consumer aerial drones are undergoing continuous performance upgrades. To tackle key industry challenges such as insufficient resolution for long-range imaging, exposure imbalance under backlit or intense lighting, motion blur in high-speed scenes, high power draw in high-quality modes, and battery limitations for extended recording, the Group holds core technological advantages in large-pixel, high-resolution sensors, ultra-high dynamic range, and low-power consumption. Based on its underlying hardware capabilities, the Group empowers customers with superior resolution for long-range aerial photography, lossless image quality for high-speed burst capture, and consistent imaging performance across high dynamic range conditions. Even in complex scenarios involving backlighting, strong light, rapid motion, or long-range aerial distances, the resulting imagery maintains high stability, low noise, and comprehensive tonal gradation. In addition, the Group's superior power efficiency ensures that imaging performance is optimized while also accommodating extended high-definition recording needs. The Group is now a core image sensor supplier to leading industry brands, providing the essential support for end devices to realize advanced imaging capabilities including full-focal-length professional video recording and high-frame-rate image capture.

(2) Machine vision and robotics

Machine vision, by leveraging optical devices to simulate human visual perception, provides recognition capabilities for automated production line and humanoid robots. It enables robots to achieve a complete closed loop, from information acquisition to analytical decision-making to precision execution. The downstream applications spans three high-growth domains: industrial machine vision, embodied intelligence data acquisition, and robotic vision. Industrial machine vision addresses the demands of on-site workpiece inspection, precise positioning, and robotic arm operation in manufacturing environments. Embodied intelligence training data acquisition devices require simultaneous visual capture across multiple parts of a robot, including the head, hands, and torso, demanding stringent multi-device synchronized triggering capabilities. The humanoid robotics industry has moved from prototype testing to the fast track of engineering mass production. A single humanoid robot typically carries multiple image sensors, including binocular vision, depth vision, and close-up micro-vision for the hands. With the significant increase in both the number of sensors per unit and the overall penetration scale, the robotics market presents vast future opportunities. The Group's sensing products are deployed in scenarios such as industrial quality inspection, automated production lines, and unmanned warehouse logistics, facilitating intelligent upgrades in manufacturing. At the same time, they are well-suited to the autonomous navigation, obstacle avoidance, and fine-operation grasping and perception needs of industrial and service robots. Closely aligned with the expansion of the embodied intelligence industry, the Group stands to benefit significantly from this growth trajectory.

The diverse applications outlined above place common and stringent performance demands on image sensors, including global shutter, high-frame-rate capture, high-resolution imaging, wide dynamic range, and low power consumption. The Group's core technology suite is highly responsive to these needs. Global Shutter technology is a cornerstone for machine vision and robotics, effectively preventing the rolling-shutter effect in motion capture and delivering distortion-free, instantaneous imaging of fast-moving objects. When integrated with Nyxel® near-infrared imaging and back-side Illuminated (BSI), the Group's solutions can handle dynamic inspection on high-speed production lines, stable environmental perception during fast robot movement, and precise synchronized multi-device trigger imaging. This makes them ideal for challenging robotics applications including high-speed motion recognition, high-precision positioning and grasping, and all-weather low-light perception. To seize the opportunities, the Group has created a specialized machine vision department that offers tailored vision sensing solutions for industrial automation, diverse robotics platforms, logistics barcode recognition, and intelligent transportation systems (ITS). The Group has already realized mass production and delivery to leading robotics customers nationwide and globally.

(3) Edge AI

AI technology is accelerating from cloud to edge, driving rapid growth in edge AI such as AR/AI smart glasses, smart wearables, portable AI devices, lightweight robots, and spatial perception hardware. These devices serve as key platforms for blending virtual and real-world interaction and enabling scenario-based intelligent perception, representing a major industry upgrade. Edge AI are evolving beyond basic audio/video capture to advanced capabilities including spatial positioning, dynamic interaction, intelligent recognition, and real-scene driven empowerment. Major tech companies are pushing large model capabilities to edge devices, enabling applications such as SLAM spatial mapping, gesture interaction, eye tracking, dynamic perception, real-scene AI scene recognition, and lightweight inspection. This is driving growing demand for edge perception, interaction, and display components, with strong growth prospects ahead.

These devices are typically compact, wearable, low-power, real-time responsive, and capable of localized processing. They incorporate multiple vision sensors for comprehensive environmental perception and intelligent interaction, in face of design constraints such as size, weight, battery life, responsiveness, and data security — that place high demands on image sensor hardware. Leveraging its deep expertise in visual perception, edge AI integration, and display technologies, the Group precisely addresses the core needs of the edge AI market while building distinct competitive moats. In terms of perception, the Group's Global Shutter technology eliminates motion artifacts and distortion in high-speed applications, making it ideal for real-time sensing, precise positioning, and dynamic interaction in edge devices. Combined with proprietary low-light, high-sensitivity imaging solutions, it delivers stable, high-quality visual capture under challenging conditions. In terms of computing power, the Group has introduced a chip-level architecture that integrates NPU with CIS, enabling integrated image sensing and AI processing. This supports edge-based data collection and localized computation, significantly cutting latency, power consumption, and module footprint. Moreover, the Group's CameraCubeChip® wafer-level camera modules are designed to meet the stringent miniaturization needs of edge devices. In displays, the Group's proprietary LCOS single-chip solutions offer high resolution, small form factor, low power consumption, and strong cost performance, aligning with the growing need for high-quality display and interaction in edge terminals. With its end-to-end capabilities across sensing, compute integration, miniaturized packaging, and high-definition display, the Group has established a strong foothold in the premium edge AI space, consistently enabling intelligent upgrades for downstream devices. The Group has already achieved volume production and customer qualification with leading global and domestic customers.

3. Consumer Electronics Market

In the traditional consumer electronics sector, the Group serves mainstream consumer end-market including smartphones, laptops, and tablets. With full-stack capabilities in image sensors, display driver ICs, and analog chips, the Group provides integrated hardware solutions that enhance imaging performance, improve human-machine interaction, and optimize power management. This has enabled the Group to secure stable product adoption and customer relationships in the mature consumer electronics market.

(1) Smartphone

The Group's image sensor solutions empower smartphone manufacturers to offer consumers professional-grade imaging capabilities. Through smartphone camera functionality, consumers capture and share everyday moments. As smartphones increasingly replace standalone cameras as the device of choice for consumers, the demands on imaging technology have risen significantly.

The Group's advanced image capture technology delivers high-quality still and video images with consistent performance. The Group has established a full range of core technologies, including pixel architecture, image capture, and CameraCubeChip® for the world's smallest wafer-level camera modules. The Group has realized mass production and sales of high-resolution image sensors for flagship smartphones and continues to strengthen its competitive edge in pixel miniaturization and resolution.

Meanwhile, the Group remains committed to delivering industry-leading display solutions and analog solutions, with sustained R&D investments driving continuous technological advancement in these fields. The Group's TDDI technology has been widely adopted by smartphone customers. Its newly developed OLED DDIC products have been tested and qualified by leading panel suppliers in China. In recent years, the smartphone market has seen rapidly growing demand for battery capacity and charging speed, and the Group's analog products have effectively helped customers address their demand for power density and power management.

(2) Laptop and IoT applications

The Group offers industry-leading image system solutions for application scenarios such as laptops and smart IoT devices, with use cases extending beyond traditional video calling and video conferencing. Emerging features including eye tracking, facial recognition, and iris recognition are continuously enhancing the interactive experience and security authentication capabilities of terminal devices, while also driving the rapid adoption and growing demand for next-generation technologies such as infrared global shutter sensors and RGB-IR fusion imaging. On the other hand, consumer electronics terminals are generally subject to requirements for miniaturization, extended battery life, and high energy efficiency. The Group's analog solutions provide these terminals with supporting components including power management, battery charge/discharge management, and interface protection, complementing its imaging and display products to form a synergistic supply portfolio.

4. Medical Market

Propelled by an aging population, the growing prevalence of minimally invasive diagnosis and treatment, and the rapid rise of remote medical services, demand for image sensor solutions in the medical market is on a steep upward trajectory. As the industry continues to advance, CMOS image sensors — offering smaller form factors, superior image quality, and lower cost — have become the standard, driving a broader shift in medical devices toward higher resolution, lighter designs, and improved power efficiency. The Group's CameraCubeChip® technology, which enables the world's smallest wafer-level camera module, is playing a pivotal role in accelerating the transition of the endoscopy market toward single-use disposable solutions. These disposable endoscopes and diagnostic catheters, by significantly reducing the risk of cross-infection and improving clinical safety, are rapidly replacing traditional reusable devices and opening up new application scenarios for medical CIS. Drawing on its deep imaging expertise, medical-grade R&D capabilities, and comprehensive medical-grade quality management systems, the Group continues to enhance its medical imaging offerings to meet the industry's stringent demands for high-definition imaging, stable performance, and uncompromising safety. Well-aligned with the key growth drivers of minimally invasive surgery, disposable medical consumables, and the domestic substitution trend in medical imaging, the Group is steadily strengthening its competitiveness in the high-end medical imaging component segment.

5. Surveillance Market

The surveillance market is currently at a pivotal moment, transitioning toward intelligent and high-definition systems. The Group addresses this market with a product portfolio that spans both imaging and power protection. Surveillance cameras are not only widely deployed in large public and commercial environment, such as transit systems and office buildings, but have also become a cornerstone of the smart home. The Group's Nyxel® near-infrared technology, underpinned by the PureCel® Plus pixel architecture, allows surveillance cameras to capture clearer, more distant images in low-light settings while keeping power consumption low. The Group's high-resolution, low-power, and high-sensitivity image sensors have earned strong market acceptance. At the same time, the Group continues to set industry benchmarks in energy-efficient power management and interface protection solutions for home surveillance applications.

6. Optical Communications and AI Computing Infrastructure

In response to the demand for high-speed, low-power, and highly reliable optical transmission in AI computing infrastructure, the Group is increasing R&D investment and expanding its product portfolio across high-speed interconnect chip, high-speed analog electrical chips for optical modules, and core optical communication components. In the high-speed interconnect domain, the Group is advancing the development of high-speed SerDes/interface chips and signal conditioning chips. In the field of analog electrical chips for optical modules, the Group is prioritizing the development of core transceiver-side components, including transimpedance amplifiers (TIAs) and laser drivers (LD Drivers). In the optical communication device segment, the Group continues to enhance its LCOS spatial light modulators and supporting driver/control solutions, reinforcing their position in wavelength-selective switches (WSS) and expanding into long-haul backbone networks, metropolitan area network(MAN), data center and Optical Circuit Switch (OCS) markets. Concurrently, in response to the trend toward inter-board/short-reach of AI servers, parallel, and low-power optical interconnect within rack and board-level applications, considering that Micro-LED is expected to become one of the future interconnection solutions the Group is conducting forward-looking R&D on silicon-based PD photodetector chips compatible with communication-band Micro-LED transmitter arrays. Key areas of focus include improving responsivity, bandwidth, dark current, and array uniformity, while enhancing co-design with low-power analog front-ends (TIA/discriminator circuits) on the receiver side.

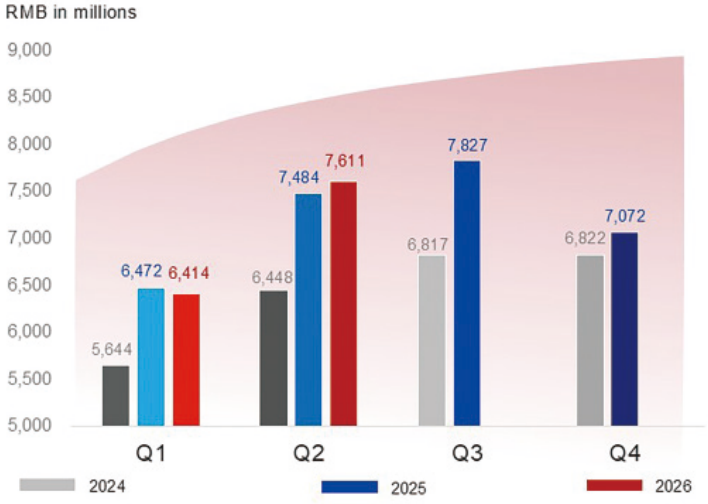
BUSINESS SCOPE IN THE REPORTING PERIOD

1. Upgrades in Perception Demand Driven by AI Further Facilitates Structural Optimization of the Semiconductor Design Business

During the Reporting Period, driven by the rapid advancement of artificial intelligence, the global semiconductor industry is undergoing a structural upgrade cycle. As the focal point of AI applications progressively shifts from cloud-based large-model training to terminal-side inference and real-world physical interaction, computing power continues to migrate toward the edge, while multi-modal perception capabilities have become foundational to next-generation intelligent devices. This transformation is clearly reflected across key downstream segments: in the automotive sector, the accelerated roll-out of high-level autonomous driving and edge intelligence models is propelling sensing systems from single-function configurations toward multi-channel, full-domain collaborative architectures; concurrently, emerging applications such as embodied intelligence, spatial computing, and advanced intelligent imaging are rapidly expanding, driving significant iterative upgrades in terminal hardware design and perceptual performance. As the essential sensing interface between intelligent systems and the physical environment, image sensors are benefiting from rising unit deployment and increasing value per device, collectively unlocking substantial long-term growth opportunities for the Group's core business.

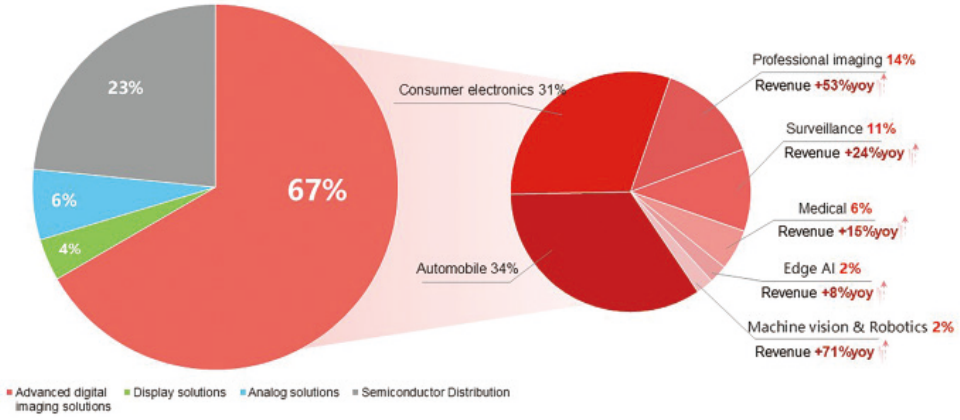
The Group is closely capitalizing on the industry-wide opportunity presented by AI-driven upgrades in visual perception demand, by deepening technological innovation and accelerating the translation of advanced research into commercial applications, while steadily enriching its product portfolio across high-end application scenarios. In the automotive electronics segment, supported by the growing adoption of multi-sensor fusion architectures and the rising penetration of high-level advanced driver-assistance systems, the Group has continued to consolidate its market share in both automotive-grade image sensors and in-vehicle analog products. In the intelligent imaging segment, the Group's image sensors — featuring key differentiators such as high dynamic range and superior low-light sensitivity, have achieved notable share in professional imaging market including panoramic cameras and action cameras. Meanwhile, in emerging fields such as smart glasses, machine vision, and edge AI, the Group has steadily advanced its product development and technology deployment, with application scenarios expanding progressively and laying a solid foundation for future growth.

QUARTERLY OPERATING INCOME FROM 2024 TO 2026 H1



In the first half of 2026, the Group recorded total revenue of RMB14.025 billion, representing an increase of 0.49% compared to the same period in 2025, including (i) revenue generated from semiconductor design and sales business of RMB10.671 billion, accounting for 76.17% of total revenue of main business for the same period, representing a decrease of 7.79% compared to the same period in 2025, and (ii) revenue generated from semiconductor distribution business of RMB3.263 billion, accounting for 23.29% of total revenue of main business for the same period, representing an increase of 41.01% compared to the same period in 2025.

MAIN BUSINESS REVENUE COMPOSITION IN 2026 H1



In the first half of 2026, the Group's revenue generated from semiconductor design and sales business included (i) revenue generated from advanced digital imaging solutions of RMB9.254 billion, accounting for 66.05% of total revenue of main business for the same period, representing a decrease of 10.55% compared to the same period in 2025, (ii) revenue generated from analog solutions of RMB898 million, accounting for 6.41% of total revenue of main business for the same period, representing an increase of 17.09% compared to the same period in 2025, and (iii) revenue generated from display solutions of RMB519 million, accounting for 3.70% of total revenue of main business for the same period, representing an increase of 12.94% compared to the same period in 2025.

(1) Advanced Digital Imaging Solutions

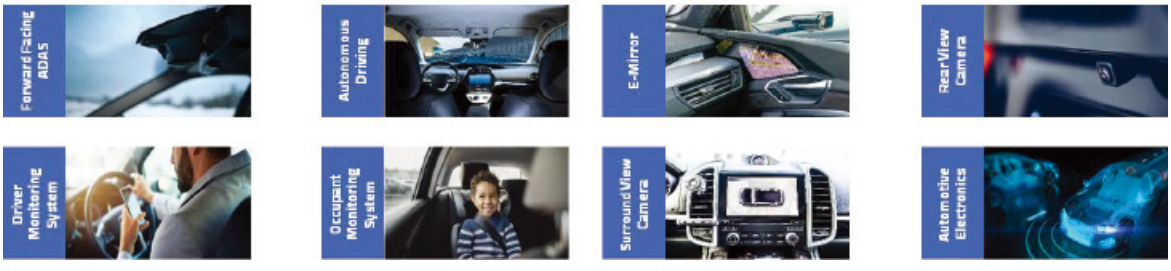
In the first half of 2026, the Group recorded revenue of RMB9.254 billion from advanced digital imaging solutions, accounting for 66.05% of total revenue of main business for the same period, representing a decrease of 10.55% compared to the same period in 2025.

The deepening advancement of automotive intelligence has brought short-term fluctuations to the automotive CIS business, though the long-term market trend remains unaffected

During the Reporting Period, the global automotive industry continues to deepen its electrification and intelligence trends, with automotive manufacturers increasingly ramping up investments in autonomous driving, connected vehicle technologies, and new energy solutions. These industrial transformations and technological innovations have not only created new development opportunities for the automotive sector but have also driven sustained growth in the Group's sales footprint within the automotive electronics market. The growth in automotive industry is driven by two primary engines: the increase in camera units deployed per vehicle and the rise in value per unit.

First, the number of cameras installed per vehicle continues to climb, with the accelerating adoption of advanced driver-assistance systems serving as the direct catalyst for this growth. Sensing architectures have consequently evolved from early front-view-centric configurations toward a more comprehensive, full-domain perception framework that integrates front-view, surround-view, side-view, and in-cabin monitoring in a multi-channel collaborative manner. According to Yole, the global average number of cameras per vehicle is expected to further increase from approximately 2.2 units in 2020, with L2+/L3 high-level autonomous driving models featuring significantly higher camera configurations than the industry average, and premium models already reaching 7 to 12 cameras per vehicle. As the penetration rate of high-level autonomous driving continues to rise, there remains significant headroom for further increases in camera content per vehicle.

Meanwhile, the value per camera unit is also rising concurrently. To satisfy the demands of higher-level autonomous driving functionalities, automotive cameras are evolving toward higher definition, greater multi-functionality, enhanced intelligence, and deeper integration. In terms of resolution, according to Yole's "Automotive ADAS" report, mainstream automotive CIS specifications have already upgraded from sub-3-megapixel levels prior to 2021 to current 3-megapixel (for surround-view) and 8-megapixel (for front-view ADAS) configurations. The industry expects that high-resolution solutions will evolve toward 12-megapixel and above around 2029, to meet the perception range and accuracy requirements of high-level ADAS. In terms of performance, capabilities such as high dynamic range (HDR), LED flicker mitigation (LFM), near-infrared (NIR) enhancement, and compliance with ISO 26262 functional safety standards are progressively becoming baseline entry requirements for high-level autonomous driving platforms. Furthermore, to ensure reliable perception system operation under complex conditions such as rain, fog, dirt, and low temperatures, camera modules for L3 and above vehicles are beginning to incorporate self-cleaning and active heating functionalities, further increasing the hardware value per camera unit. The dual momentum of volume and value growth jointly underpins the sustained and rapid expansion of the automotive CIS market.



The Group is a globally leading supplier of automotive image sensor solutions, leveraging over two decades of industry expertise, a comprehensive automotive-grade validation framework, and cutting-edge pixel and image processing technologies. Its product portfolio comprehensively covers application scenarios including ADAS, in-cabin monitoring, electronic rearview mirrors, dashboard cameras, and rear-view and surround-view imaging. During the Reporting Period, the resolution structure of the Group's automobile product portfolio continued to upgrade, with 8-megapixel products accelerating their market penetration, providing critical technological support for object recognition and environmental perception in autonomous driving and advanced driver-assistance scenarios. Concurrently, the Group launched new automotive-grade sensors featuring Nyxel® near-infrared technology, further enriching its driver monitoring system product matrix. The latest generation of automotive image sensors, built on the TheiaCel® technology platform, maintained industry-leading performance across key metrics and received broad recognition from customers.

In the first half of 2026, the global automotive market experienced overall pressure, with pronounced regional and structural divergence. According to LMC Automotive, global light vehicle sales reached approximately 42.7 million units, representing a period-over-period decline of about 3.9%, with weakening demand in the Chinese market exerting a notable impact on global volumes. Data from the China Association of Automobile Manufacturers indicates that China's automotive sales in the first half of 2026 totaled 15.017 million units, down 4.1% period-over-period; within this, domestic sales stood at 9.921 million units, declining 21.1% period-over-period, while exports reached 5.096 million units, growing 65.3% period-over-period. Amidst the phased downturn in domestic automotive demand and divergent sales performance across brands and models, certain customers adjusted their procurement and inventory build-up schedules on a temporary basis, taking into account end-market sales trends, inventory levels, and model project timelines. During the Reporting Period, revenue from the automobile market within the Group's image sensor business amounted to approximately RMB3.159 billion, representing a period-over-period decrease of 16.64%.

Despite the near-term pressure on the automotive market, the structural upgrade trend within the automotive industry continues to unfold. The aforementioned short-term market fluctuations have not altered the Group's conviction in the long-term development trajectory of automotive intelligence. The Group will continue to closely monitor downstream demand dynamics and customer project progress, persistently optimize the imaging performance, reliability, and power consumption of its automotive image sensors, advance new product R&D and customer project introductions, and further enhance its product competitiveness and customer service capabilities in the field of intelligent driving visual perception.

AI Accelerates the Expansion of Emerging Market Applications AI

Artificial intelligence technology is rapidly permeating the terminal side, fundamentally redefining the application boundaries of image sensors. Image sensors have evolved from traditional image-capturing components into core interface devices that enable intelligent terminals to perceive the external world. Their application scenarios are expanding swiftly from smartphones and automobiles to emerging fields such as intelligent imaging devices, machine vision, smart glasses, and embodied intelligence. The Group has been continuously increasing its product development and technology investments in alignment with these trends, and emerging markets have become a significant growth driver for the Group's image sensor business. During the Reporting Period, revenue from emerging markets within the Group's image sensor business amounted to approximately RMB1.726 billion, representing a period-over-period increase of 47.12%.

(i) *Professional imaging devices*

Action cameras, panoramic cameras, and wearable imaging devices constitute the primary product categories within the professional imaging device segment. According to Fortune Business Insights, the global action camera market is projected to further grow to USD8.18 billion in 2026. The industry's growth drivers have gradually shifted from a singular focus on hardware specifications toward the iterative advancement of AI-powered imaging algorithms and the sustained demand driven by the short-form video content ecosystem. In terms of product form factors, in addition to traditional action cameras, new product categories — including lightweight wearable imaging devices and multi-camera collaborative shooting systems — have been successively introduced, consequently increasing the number of image sensors deployed per unit.

As a core component for image capture, the Group's image sensors — leveraging advantages such as high pixel count, high resolution, wide dynamic range, superior low-light performance, and low power consumption — deliver clear, stable, and smooth imagery even in high-speed motion scenarios, providing critical support for the imaging quality and stability of panoramic and action cameras. During the Reporting Period, the Group fully benefited from the rapid development of the downstream action and panoramic camera markets, with related business sales achieving substantial growth. During the Reporting Period, revenue generated from professional imaging terminals under the Group's image sensor business amounted to RMB1.287 billion, representing a period-to-period increase of 53.36%.

(ii) *Machine vision and robotics*

Machine vision serves as the core perception enabler for the implementation of artificial intelligence technologies in physical industries, with downstream applications primarily encompassing industrial machine vision, embodied intelligence data acquisition, and robotic vision. Industrial machine vision is predominantly deployed in manufacturing scenarios for inspection, positioning, and guidance applications. Data acquisition equipment provides multi-modal data support for embodied intelligence model training, representing an emerging segment derived from the AI industry chain. Robotic vision, in turn, is entering a phase of rapid development as the humanoid robotics industry transitions from prototype validation to engineering-scale production. These application domains share common performance requirements for image sensors — including high-resolution imaging, global shutter functionality, high-frame-rate capture, wide dynamic range, and low power consumption — which are highly aligned with the Group's existing technological capabilities and product portfolio. Leveraging its deep expertise in pixel design, advanced imaging algorithms, and system-level optimization, the Group is well-positioned to address the distinct needs of these diverse machine vision segments. During the Reporting Period, the Group intensified its engagement with customers across industrial automation, AI data services, and robotics development, laying a solid foundation for future revenue growth as these markets scale.

In the field of machine vision, according to an industry research report published by Interact Analysis in 2026, the global machine vision market is projected to grow from USD5.9 billion to USD8.3 billion between 2025 and 2030, representing a compound annual growth rate of 7.2%. Industry growth is primarily driven by the technological upgrade to 3D vision and the iterative advancement of software algorithms. Vision systems are accelerating their transition from single-function 2D cameras to multi-functional integrated 3D cameras, with industrial automated inspection, autonomous driving environment perception, and robotic random bin-picking serving as the primary application scenarios. This transition places greater demands on image sensor performance — including higher resolution, global shutter operation, high dynamic range, and low latency — all of which are areas where the Group possesses strong technological capabilities. The Group continues to align its product development with these evolving market requirements, positioning itself to capture growth opportunities across the industrial automation value chain.

In the field of intelligent data acquisition, the training of large-scale embodied intelligence models requires large-scale, high-quality multi-modal data as a foundational support, giving rise to the gradual formation of a dedicated data acquisition equipment industry. The industry is currently transitioning from the phase of isolated single-object capture toward heterogeneous integrated acquisition and full-domain multi-modal integrated capture, imposing higher demands on synchronized visual perception capabilities across multiple body parts — including head, hands, and torso. As a result, the number of image sensors deployed per data acquisition unit is significantly higher than that in conventional consumer electronics terminals. According to IDC, data acquisition has become one of the primary deployment scenarios for humanoid robots in 2025. Global humanoid robot shipments are expected to reach nearly 18,000 units in 2025, and are projected to exceed 510,000 units by 2030.

In the field of humanoid robotic vision, the humanoid robotics industry is accelerating its transition from the prototype validation phase toward engineering-scale mass production. Visual sensors serve as the core hardware components enabling humanoid robots to achieve environmental perception, navigation and obstacle avoidance, and fine manipulation. A single humanoid robot typically requires multiple types of image sensors — including binocular vision, depth vision, and hand-level micro-vision — with both unit volume and value per sensor significantly exceeding those found in traditional consumer electronics terminals, thereby creating new incremental market opportunities for the image sensor industry.

Leveraging its technological expertise in areas such as Nyxel® near-infrared imaging, BSI backside-illumination process technology, and global shutter, the Group has developed visual solutions covering high-resolution imaging, industrial 3D perception, and barcode recognition to address the demanding operating conditions of industrial scenarios. These solutions are designed to deliver exceptional performance in terms of sensitivity, dynamic range, and frame rate, ensuring reliable operation across diverse industrial environments. Concurrently, the Group continues to advance technical engagement with customers in the embodied intelligence and humanoid robotics sectors, proactively executing its product and technology roadmap in these fields to capture development opportunities in emerging domains. By maintaining close collaboration with ecosystem partners and aligning its R&D investments with the evolving requirements of next-generation intelligent systems, the Group is well-positioned to translate its technological leadership into sustained commercial success across industrial, robotic, and AI-driven applications. During the Reporting Period, revenue from machine vision and robotics under the Group’s image sensor business amounted to RMB210 million, representing a period-to-period increase of 71.15%.

(iii) Edge AI

According to data from IDC and Frost & Sullivan, driven by the accelerating deployment of on-device AI large models, the continued maturation of lightweight hardware technologies, and favorable policy measures such as consumer subsidies, global smart glasses shipments are projected to increase from 12 million units in 2024 to 145 million units in 2029, representing a compound annual growth rate of 61.4% from 2025 to 2029. Product form factors are evolving from functional eyewear centered on audio and capture capabilities toward AR-enabled forms with display and interaction capabilities, making human-machine interaction and application ecosystems the next battleground for industry competition.

In addition, leading AI large-model developers are accelerating their deployment of on-device intelligent hardware, bringing large-model capabilities to terminals such as smart glasses and driving sustained growth in demand for perception, display, and interaction components. Currently, mainstream smart glasses typically incorporate multiple image sensors to support functions including gesture recognition, depth and motion sensing, and eye tracking, with the value of image sensors per device continuing to rise. Beyond smart glasses, other wearable devices such as smartwatches and smart bands are also gradually introducing visual perception capabilities — including imaging and biometric recognition — generating additional market demand for image sensors.

The Group provides vision-sensing solutions to the global market. Leveraging its leading global shutter technology and compact-sensor low-light sensitivity solutions, it enables smart glasses to support high-precision eye tracking, SLAM positioning, and gesture detection functionalities. In addition to CMOS image sensors, the Group's CameraCubeChip® and LCOS products are also applicable to the smart glasses segment, with the total value of products that can be supplied per device continuing to increase. During the Reporting Period, revenue generated from edge AI terminals under the Group's image sensor business amounted to RMB230 million, representing a period-to-period increase of 8.46%.

AI Fuels New Product Cycles Amid Consumer Electronics Slowdown

In the first half of 2026, the global smartphone market experienced overall pressure, impacted by factors including tightening supply and rising prices of memory components such as DRAM and NAND, as well as weak end-market demand. According to preliminary statistics released by Counterpoint Research, global smartphone shipments declined by 6% and 11% period-over-period in the first and second quarters of 2026, respectively, with second-quarter shipments falling to their lowest level for that period in nearly thirteen years. In its latest market analysis published in July 2026, Counterpoint Research projected a full-year shipment decline of approximately 14%.

Against the above market backdrop, smartphone OEMs faced certain cost pressures on both components and finished devices. Some downstream customers, taking into account end-market sales performance, inventory levels, and product planning, made phased adjustments to model mix, production schedules, and procurement cadence, thereby putting pressure on the Group's shipment cadence and revenue generated from the consumer electronics market, particularly in smartphones and laptops. During the Reporting Period, revenue from the consumer electronics market within the Group's image sensor business amounted to RMB2.836 billion, representing a period-over-period decline of 30.98%.

In the medium to long run, mobile imaging remains a key direction for functional upgrades and differentiated competition among smartphone products. As consumer demand for high-quality image and video capture experiences continues to rise, and as certain high-end imaging technologies gradually penetrate into a broader range of price points and terminal products, the application demand for image sensors featuring high pixel counts, large optical formats, wide dynamic range, and low power consumption is expected to further expand. The application scope of 200-megapixel image sensors is also progressively widening. In terms of still imaging, certain flagship models continue to introduce features such as variable aperture, fast autofocus, and multi-spectral recognition. In video capture, terminal manufacturers are further enhancing capabilities in high dynamic range, low noise, and image stabilization. In multi-camera systems, smartphone imaging solutions are progressively evolving from a single primary camera toward coordinated multi-camera configurations integrating primary, ultra-wide, and telephoto lenses. The adoption of large-format telephoto and telephoto macro solutions helps to enhance imaging experience across different focal lengths. The above technological advancements impose higher demands on image sensors in terms of pixel specifications, light sensitivity, dynamic range, readout speed, and power consumption, thereby creating opportunities for product upgrades and market expansion of high-performance image sensors.

Driven by the AI PC trend, laptop cameras are undergoing a high-end transformation, evolving from auxiliary components to essential sensory gateways for multi-modal interaction in AI PC ecosystems. The Group's image sensors, co-optimized with host systems, support intelligent interactive features such as human presence detection, AI-assisted framing and tracking, and facial recognition-based security authentication. Furthermore, an Always-On ultra-low-power sensing capability has been incorporated, addressing the competing requirements of lightweight form-factor design and robust privacy protection.

Steady Growth in Medical Imaging

Medical CIS is one of the fastest-growing segments among all CIS application markets. According to Frost & Sullivan, the global medical CIS market is projected to expand at a compound annual growth rate of 24.0% from 2025 onward, reaching USD1.24 billion by 2029.

This high growth is primarily driven by three factors: first, the increasing penetration rate of minimally invasive diagnosis and treatment, with the number of surgical procedures continuing to rise and growing preference among both physicians and patients for minimally invasive techniques, driving demand for endoscopy, minimally invasive interventional devices, and catheter-based imaging equipment; second, the accelerated replacement by disposable endoscopes, driven by considerations of cross-infection prevention and control, cleaning and disinfection costs of reusable instruments, and compliance pressures, with disposable endoscopes demonstrating increasingly clear advantages over reusable devices. According to Grand View Research, the global disposable endoscope market is projected to grow from USD3.0 billion in 2025 to USD3.4 billion in 2026, and reach USD8.0 billion by 2033, representing a compound annual growth rate of 12.9% from 2026 to 2033, making it the fastest-growing sub-segment within the overall endoscope market; third, technological substitution of imaging devices, as equipment continues to upgrade toward miniaturization, portability, and higher definition, traditional CCD image sensors are being progressively replaced by high-performance CMOS image sensors, creating significant opportunities for rapid market expansion in the medical-dedicated CIS segment.

The Group has been deeply engaged in the medical imaging field for over a decade. Addressing the miniaturized imaging requirements of disposable endoscopes and minimally invasive instruments, the Group provides one-stop solutions to downstream manufacturers, enabling customers to focus on differentiated R&D and design of core components such as endoscopes and interventional catheters, while effectively shortening product time-to-market and reducing overall development costs, thereby building a close-knit industrial cooperation ecosystem. With stringent medical-grade quality control, superior miniaturized imaging performance, and stable supply capabilities, the Group's medical CIS products are widely applicable to scenarios including minimally invasive surgery, surgical robotics, and precision diagnosis and treatment, with its core competitiveness continuing to strengthen. During the Reporting Period, revenue from image sensor under the medical market amounted to approximately RMB509 million, representing a period-to-period increase of 14.73%.

The Surveillance Market is Recovering with Premiumization Becoming the Dominant Trend

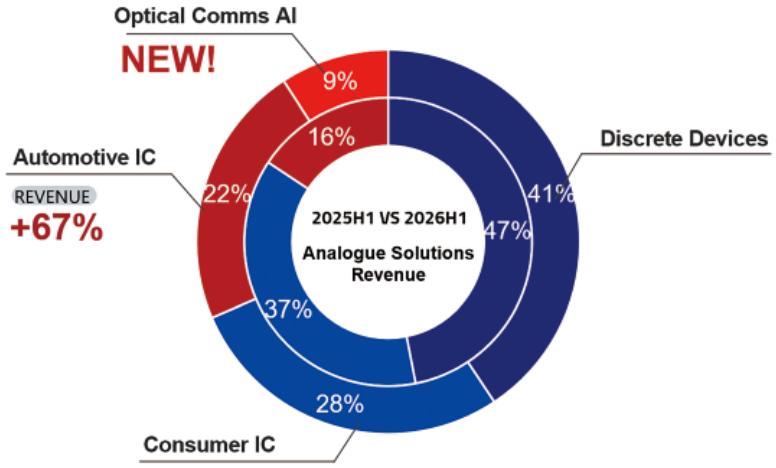
The global surveillance market is entering a critical phase of intelligent and high-definition iterative upgrades, with the industry as a whole demonstrating a steady recovery. From the upstream component perspective, demand for surveillance CIS is also recovering in tandem. According to Sigmaintell's "In-Depth Research Report on Global Surveillance Image Sensor Industry Development Trends," the proliferation of consumer-grade IP cameras and the increasing penetration of multi-camera IP camera systems constitute the two core drivers of surveillance CIS demand growth. Over the medium to long term, according to Frost & Sullivan, the global surveillance CIS market is projected to grow at a compound annual growth rate of 6.9% from 2025 onward, reaching USD1.468 billion by 2029.

The surveillance sector's continuously increasing requirements for low-light night vision, all-weather surveillance, and precise identification are driving accelerated technological iteration across the industry chain, with premiumization and high-performance imaging becoming the mainstream direction of industry development. In recent years, the Group has focused on the premiumization upgrade needs of the surveillance sector, continuously increasing its R&D investment and technological efforts in core products. Leveraging its proprietary Nyxel® near-infrared enhancement technology, the Group has deeply empowered its surveillance imaging products to deliver superior low-light imaging performance. During the Reporting Period, the Group's revenue from surveillance amounted to RMB1.024 billion, representing an increase of 23.78% compared to the same period in 2025.

(2) Analog Solutions

The Group's analog solutions business is built upon two major product categories — analog ICs and discrete devices — covering core areas including power management, signal conditioning, and power drivers. The business focus is continuously expanding along the path from consumer electronics to industrial, automotive, optical communication and AI computing power, with the product mix upgrading toward higher-value-added automotive-grade, industrial-grade, and high-speed signal chain products. This evolution not only aligns with the changing downstream application demands for high-performance, high-integration, and high-reliability analog devices, but also creates synergies with the Group's long-established customer relationships in the automotive and communications sectors.

ANALOG SOLUTIONS REVENUE COMPOSITION



During the Reporting Period, the Group continued to strengthen its cooperative relationships with downstream customers, with market share steadily increasing. The analog solutions business achieved operating revenue of RMB898 million, representing a 17.09% increase period-over-period. Among this, automotive analog ICs generated operating revenue of RMB200 million, accounting for 22.27% of the Analog Solutions business revenue and increasing by 66.51% period-over-period, emerging as the core growth driver for the Group's analog solutions.

From an industry-wide perspective, driven by the rapid growth of emerging applications such as the Internet of Things (IoT), artificial intelligence (AI), new energy vehicles, cloud computing, and 5G, the global analog integrated circuit (IC) industry has maintained a steady and robust growth trajectory over the medium to long term. According to Frost & Sullivan, the global analog IC market grew from USD55.7 billion in 2020 to USD79.4 billion in 2024, representing a compound annual growth rate (CAGR) of 9.3%, and is expected to further expand at a CAGR of 7.9% from 2025 to 2029, reaching USD112.8 billion by 2029. From a regional perspective, based on data from WSTS and Frost & Sullivan, China is the world's largest analog IC market, accounting for approximately 35% of the global market in 2024, with this share projected to rise to 42% by 2029, indicating significant room for local supply chain substitution. From a downstream demand perspective, the push toward automotive intelligence and electrification, along with industrial energy efficiency requirements, is driving analog chips toward higher performance and greater integration. In the consumer electronics sector, compact and low-power designs remain key to enhancing user experience. Industrial applications, meanwhile, demand reliability, wide temperature range operation, high voltage tolerance, and strong anti-interference capabilities to meet the requirements of high-precision acquisition and functional safety in applications such as industrial control, energy storage, and power grids. The Group has closely aligned its efforts with the above application scenarios, continuously expanding its product portfolio and customer coverage.

In the automotive sector, driven by the continued advancement of vehicle intelligence and electrification, the automotive analog chip market has experienced rapid growth, emerging as a key growth driver for the Group's analog business. Compared with consumer-grade products, automotive-grade analog chips must meet stringent requirements including AEC-Q100 certification, stable operation across wide temperature ranges, high functional safety levels (ASIL-B/D), and long-term reliability, entailing lengthy

certification cycles and high entry barriers. As autonomous driving evolves from L2 to higher levels, intelligent driving and smart cockpit systems are generating rapidly growing demand for high-speed transmission, low-latency, and high-precision automotive analog chips, with the analog chip content per vehicle increasing significantly compared to traditional fuel-powered vehicles. Leveraging its brand advantages and customer relationships in the automotive market, the Group has strategically deployed a diverse portfolio of automotive analog chips spanning power management, signal transmission, sensor interfaces, and other categories, with its automotive-grade product matrix continuously improving. During the Reporting Period, the Group launched multiple new automotive-grade analog products tailored to high-speed signal transmission and power management requirements in autonomous driving and cockpit scenarios, and these products have passed preliminary testing and validation by multiple automakers and tier 1 suppliers. Looking ahead, the Group will continue to increase R&D investment in automotive analog chips, refine its high-end product portfolio, and accelerate the customer validation and volume production ramp-up of its key automotive analog products, thereby further unlocking incremental growth opportunities in the automotive market.

In the optical communications and AI computing infrastructure sector,the build-out of AI compute clusters has driven rapid growth in demand for high-speed optical modules. According to LightCounting's Optics for AI Clusters report, sales of Ethernet optical transceivers and CPO for AI clusters are projected to reach approximately $26 billion in 2026 (around $16.5 billion in 2025). Within optical modules, analog signal-chain devices such as TIAs and laser drivers are critical in determining link speed and power efficiency—a segment long dominated by overseas players like MACOM and Semtech. As Chinese optical module manufacturers continue to gain global market share, the need for domestic high-speed analog electrical chips upstream has grown correspondingly. During the Reporting Period, leveraging its expertise in high-speed analog design, the Group has conducted technology R&D and product development in optical communication analog electrical chips, and has successfully achieved mass production deliveries to downstream customers.

(3) Display Solutions

The global display driver IC industry is currently characterized by steady market expansion and an upward shift in value proposition, with high-performance, highly integrated, and customized products accounting for an increasing share of value and serving as the core engine of industry growth. According to Omdia and Frost & Sullivan, the global TDDI market is expected to grow from USD2.018 billion in 2025 to USD2.463 billion in 2029, representing a CAGR of 5.1%; while the OLED DDIC market expanded from USD2.225 billion in 2020 to USD4.941 billion in 2024, representing a CAGR of 22.1%, and is projected to further grow at a CAGR of 5.9% to reach USD6.585 billion by 2029, outpacing the growth rate of the overall display driver IC market.

The Group has established a strong presence in the display driver IC sector, building a diversified, full-scenario display solution portfolio. Its core products include LCD-TDDI, OLED DDIC, and tcon embedded driver (TED), covering a comprehensive range of applications spanning small-to-medium-sized consumer electronics, medium-sized IT terminals, and automotive electronics. In response to intensifying industry competition and gross margin pressure, the Group has continued to drive end-to-end supply chain optimization, with a strategic focus on high-value product iteration. In particular, the Group has prioritized expanding customer coverage and increasing the shipment mix of high-margin products such as high-refresh-rate TDDI and TDDI with scaling functionality, thereby mitigating pricing pressure on standard products through an ongoing product mix upgrade.

Medium-sized terminal devices such as laptops and tablets are evolving toward thinner, lighter, lower-power, and lower-carbon designs, placing higher demands on the integration level and cost-effectiveness of display driver ICs. The Group's TED chips, with their four core advantages — low power consumption, narrow display bezel, low carbon emissions, and high cost-effectiveness — perfectly align with the upgrade needs of end products. Combined with the global laptop market's ongoing replacement cycles and lightweight upgrade demand, the mid-sized display driver IC market is being driven by both replacement and incremental demand, with market opportunities continuing to expand.

The smart automotive industry is undergoing rapid development, driving a transformation in automotive displays characterized by multi-screen configurations, larger screen sizes, higher resolution, and enhanced interactivity. Application scenarios have rapidly expanded from traditional center consoles and instrument clusters to encompass co-driver entertainment, head-up displays (HUDs), rear-seat large screens, and streaming media rearview mirrors. Automotive-grade chips are subject to stringent reliability and stability requirements for AEC-Q qualification, with high entry barriers. The Group has continuously invested in R&D for automotive display driver products to deliver solutions that meet mainstream market specifications. During the Reporting Period, the Group's automotive display driver IC products have successfully passed customer validation and been adopted into production.

During the Reporting Period, though in face of pricing pressure on standard products persisted, driven by declining demand in the mobile phone LCD-TDDI market benefiting form he resilience of the Group's supply chain, the Group's display solutions business achieved operating revenue of RMB519 million, representing a 12.94% increase period-over-period. Despite the slowdown in overall market demand growth and downward pressure on standard product pricing, the Group has achieved improvements in its gross margin structure through new product development, new market expansion, and supply chain optimization. The Group's continuously expanding product portfolio and application markets will create further opportunities for the growth of its Display Solutions business.

2. Continuous Increase in R&D Investments to Drive Product Innovation

During the Reporting Period, The Group's R&D investment in its semiconductor design sales business amounted to approximately RMB1.944 billion, representing 18.22% of the Group's revenue generated from semiconductor design and sales business, representing an increase of 12.74% compared with the same period in 2025. The Group continues to steadily increase its R&D investments across various product segments, providing full support for product upgrades and the development of new products, and steadily enhancing the competitiveness of its product portfolio.

The Group places great emphasis on the R&D of technologies and products with proprietary intellectual properties, and has established a customer demand-driven R&D model. By continuously innovating its R&D mechanisms, the Group strengthens its core competitiveness in the industry. As a semiconductor design sales company operating under the fabless business model, the Group's sustained R&D capability constitutes its core competitiveness. The Group attaches significant importance to technology protection and talent development, as well as to the construction and stability of its R&D teams, actively undertaking strategic and talent planning to support its future growth. As of the end of the Reporting Period, the Group operates a total of 18 R&D centers across China, the United States, Norway, Belgium, Japan, and Singapore, and holds 4,843 granted patents, of which 4,624 are invention patents, 217 are utility model patents and 2 are design patents. In addition, the Group holds 149 layout designs and 115 software copyrights.

3. Acquisition of Strategic Controlling Interest in Chengdu ET Microelectronics Co., Ltd. ("ETM") Expanding the Boundaries of Mixed-Signal Capabilities

Pursuant to the letter of intent agreement signed with ETM in 2025, the Group completed the strategic acquisition of controlling interest in ETM during the Reporting Period, to further expand the Group's technology footprint in digital power control and mixed-signal domains. ETM's core product portfolio comprises self-developed high-performance real-time control DSPs and high-reliability power-path ICs, covering the full "source–grid–load–storage" ecosystem, spanning AI server power supplies, telecom power, industrial power, photovoltaic energy storage, automotive OBC, charging infrastructure, and battery management systems (BMS). This comprehensive offering aligns seamlessly with the accelerating industry shift, driven by the expansion of AI compute infrastructure, where traditional analog-controlled power architectures are rapidly evolving toward digitalized, intelligent, and software-defined platforms.

From a strategic synergy perspective, this partnership delivers clear value across three dimensions: in terms of products, ETM's digital power control capabilities complement the existing power management and signal chain offerings, rounding out "sensing–control–actuation" analog solution portfolio; in terms of customers, ETM's respective footprints in communications, industrial, and AI infrastructure markets are highly aligned and synergistic; and on the technology front, the addition of advanced mixed-signal design expertise will accelerate the road map in high-speed signal chains and optical interconnect chips, positioning the Group to capture the incremental demand opportunities emerging from the AI computing boom. All the relevant applicable percentage ratios in respect of the above acquisition were less than 5%.

4. Deepening Supply Chain Integration by Releasing Synergistic Value

To ensure product quality, stable production capacity, and cost control, chip design companies must establish close partnerships with their major wafer foundries, packaging, and testing vendors. The Group's semiconductor design sales business has long operated under the fabless model, maintaining deep collaboration with leading foundries and assembly and test subcontractors, which provides a solid foundation for stable product supply. During the Reporting Period, the Group continued its deep cooperation with existing wafer foundries and packaging houses. At the same time, while fully ensuring product quality, the Group transferred certain relatively mature products to domestic foundries, thereby supporting its growing capacity demands while also enhancing production efficiency.

During the Reporting Period, the Group coordinated the development strategies across its various business segments, fully leveraged the synergistic effects of its business systems, and effectively enhanced its business scale and competitiveness in the semiconductor field. The end customers of the Group's various product lines are highly consistent, enabling the Group to provide integrated solutions to customers through the coordinated development of its product lines.

5. Successful Listing on the Hong Kong Stock Exchange, Opening a New "A+H" Chapter

On January 12, 2026, the Company successfully completed its H Share issuance and listing on the Main Board of the Hong Kong Stock Exchange. A total of 50,741,100 H Shares were offered at an offer price of HK$104.80 per share, raising gross proceeds of approximately HK$5.318 billion.

This H-share issuance and listing is an important initiative for the Group to enhance its domestic and offshore financing platforms and optimize its capital structure. Leveraging its dual "A+H" capital platforms, the Group will coordinate and utilize resources from both the domestic and international markets, and continue to improve its global governance framework and operating systems. The successful receipt of the offering proceeds has provided a solid funding foundation for the implementation of the Group's medium- and long-term strategies. In accordance with the plans set forth in the prospectus, the net proceeds from the offering are primarily allocated to the following areas: first, increasing investment in key technology R&D, focusing on frontier technology development in core business areas including image sensors, analog solutions, and display solutions, to reinforce its technological moat; second, deepening global market penetration, improving overseas sales networks and localized service capabilities, and enhancing global customer responsiveness and market share; and third, strategically pursuing investment and merger and acquisition opportunities, identifying synergistic opportunities along the upstream and downstream of the industry chain to expand business boundaries. Looking ahead, the Group will continue to uphold technological innovation and deliver returns to shareholders through prudent operations and sustainable development.

6. Improving Talent Incentive Mechanisms and Talent Development

The Group firmly believes that talent is the primary driver of technological innovation and has consistently placed its talent strategy at the core of its overall development. Guided by a "people-oriented" philosophy, the Group is committed to building a diverse, equitable, and inclusive workplace ecosystem. By offering market-competitive compensation and benefits, systematic training resources, and clear career development pathways, the Group effectively safeguards employee rights and interests, and promotes mutual growth and alignment between its employees and the Group.

In terms of talent development, the Group has built a systematic training system covering all positions and career stages through its OV-Learning online learning platform. At the same time, the Group actively expands talent acquisition channels, having established regular collaboration mechanisms with a number of renowned domestic and international universities. Through these efforts, the Group continues to strengthen its talent pipeline and progressively enhance its influence as an employer in the industry.

To further improve its long-term incentive mechanisms, attract and retain professional management talent and key business personnel, and fully stimulate their initiative and creativity, the Group continues to refine an incentive structure that aligns employee interests with the Group's shared growth and shared responsibility. As of the Latest Practicable Date, leveraging its dual "A+H" capital platforms, the Group has completed the formulation and granting of the 2026 H Share Incentive Scheme, continuously enhancing the cohesion and competitiveness of its core team.

On June 24, 2026, the Group convened the 17th meeting of the seventh Board of Directors, which deliberated and approved the "Proposal on the 2026 H Share Incentive Scheme," authorizing a total of 38,000,000 new H Shares to be issued and allotted under the H Share Incentive Scheme. On July 15, 2026, the Group convened the 18th meeting of the seventh Board of Directors, which deliberated and approved the "Proposal on the Grant under the 2026 H Share Incentive Scheme," authorizing the grant of a total of 6,000,000 restricted share units (with each restricted share unit representing one H Share) to 2,965 eligible participants under the 2026 H Share Incentive Scheme. The successful completion of this grant further enriches the Group's long-term incentive framework, effectively strengthens the sense of belonging and mission among its core personnel, and lays a solid foundation for ensuring strategic continuity and team stability.

7. Multiple Measures to Reward Investors including Implementing Share Repurchase Plan, Cancellation of Repurchased Shares and Multiple Dividends Per Year

(1) Implementation of the Share Repurchase Plan

Based on its confidence in the Group's future development prospects and its strong recognition of the Group's long-term value, and in order to safeguard the interests of the broader investing public, particularly small and medium-sized investors, while enhancing investor confidence, and to further improve the Group's long-term incentive mechanism, fully mobilize the enthusiasm of the management team, key core personnel, and outstanding employees, and strengthen team cohesion and competitiveness, the Group proactively utilized its own funds to repurchase a portion of its A Shares through centralized auction trading. On April 3, 2026, the Group convened the 14th meeting of the seventh Board of Directors, which deliberated and approved the "Proposal on the Share Repurchase Plan", authorizing the use of its own funds to repurchase company shares through centralized auction trading. On July 1, 2026, the Group completed the repurchase, having repurchased a cumulative total of 8,750,205 shares, representing 0.69% of the Group's then-total share capital, with an aggregate payment of RMB813,318,503.88 (excluding transaction fees). This repurchase underscores the Board's confidence in the Group's intrinsic value and growth trajectory, while also demonstrating its commitment to delivering sustainable returns to shareholders and fostering a culture of shared long-term success. On August 4, 2026, the Group convened the 19th meeting of the 7th Board of Directors, at which the proposal regarding the change of use of repurchased shares and their subsequent cancellation was reviewed and approved. The Group plans to change the use of the total 8,750,205 repurchased shares to "Cancellation and Reduction of Registered Capital." This matter is subject to approval by the Group's Shareholders' Meeting before it can take effect.

(2) Cancellation of Repurchased Shares

To enhance investor confidence and improve the long-term investment value of the Group's shares, build a stable investor structure, and promote the Group's sustainable and healthy development, and based on confidence in the Group's future development prospects and recognition of the Group's value, the Group comprehensively considered its own operating conditions, financial position, future profitability, and other factors, and continued to repurchase a portion of its shares through centralized competitive trading by using its own funds. During the Reporting Period, the Group convened its 2025 Annual General Meeting of Shareholders on May 7, 2026, which deliberated and approved the "Proposal on Changing the Use of Repurchased Shares and Cancellation", approving the change of the use of repurchased shares to "cancellation and reduction of registered capital", and the cancellation of 3,921,163 A Shares held in the Group's dedicated repurchase securities account, with a corresponding reduction in registered capital. The above shares were duly cancelled at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on July 3, 2026, and the Group's total share capital was reduced accordingly by 3,921,163 shares.

(3) Actively Promoting Multiple Cash Dividends Per Year

The Group places great emphasis on providing reasonable returns to its investors. While ensuring the necessary resources for the development of its core business, and taking into account its actual operating conditions and development plans, the Group strictly adheres to applicable laws and regulations in implementing its shareholder dividend plan and profit distribution policy, thereby delivering long-term and stable returns to investors. During the Reporting Period, the Group announced its 2025 annual profit distribution plan and submitted to the general meeting of shareholders a proposal to authorize the Board of Directors to determine the interim profit distribution plan for 2026. The Group completed the implementation of its 2025 annual equity distribution in June 2026. Based on the total share capital recorded on the equity distribution record date, less the shares already repurchased and held in the dedicated repurchase account, the Group distributed a cash dividend of RMB1.00 (tax-inclusive) per 10 A Shares and a cash dividend of HK$1.1423 (tax-inclusive) per 10 H Shares, with a total cash distribution of approximately RMB125 million.

8. Systematic ESG Governance: Deepening Climate Action Across the Full Value Chain

The Group has established a three-tier ESG governance structure comprising the Board of Directors, the Strategy and ESG Committee, and the Strategy and ESG Working Group, with clearly ESG governance responsibilities to enable top-down oversight of ESG matters. In addition, building on its core business foundation, the Group has systematically developed a sustainability framework that integrates sustainability principles into every stage of product research and development, production operations, and customer services. Sustainability is also fully embedded into the Group's day-to-day operations and long-term planning.

The Group has developed a profound awareness of the far-reaching impact of climate change on its operations and the upstream and downstream value chain. In active response to global climate governance trends and the national strategic directives of "carbon peak by 2030 and carbon neutrality by 2060", the Group has continuously enhanced its climate change management mechanisms and comprehensively advanced the identification of climate-related risks and opportunities. Concurrently, we have steadily pushed forward carbon inventory assessments, science-based target setting, and energy conservation and carbon reduction initiatives, taking tangible actions to strengthen climate adaptation capabilities and progressively enhance overall climate resilience. The Group's subsidiary in the U.S. has set a Science Based Targets initiative (SBTi) target, committing to achieve net-zero greenhouse gas emissions across its entire value chain by 2050. In terms of product carbon footprint, it is actively conducting carbon footprint accounting for multiple products, precisely identifying emission sources throughout the full product lifecycle, thereby laying a solid foundation for refined emissions reduction management at the product level.

CORE COMPETITIVENESS

1. R&D Capabilities

As a semiconductor design company operating under the fabless business model, the Group's R&D capability constitutes its core competitiveness, with the technology R&D departments across its product lines serving as the central pillars of the Group's organizational structure. During the Reporting Period, the Group's recorded R&D investment of approximately RMB1.944 billion in its semiconductor design and sales business, accounting for 18.22% of the Group's revenue generated from semiconductor design and sales, representing an increase of 12.74% compared to the same period in 2025. The Group will continue to steadily increase its R&D investments across various product lines, providing full support for product upgrades and the development of new products.

As of the end of the Reporting Period, the Group held 4,843 authorized patents, comprising 4,624 invention patents, 217 utility model patents and 2 design patents. Additionally, the Group possessed 149 IC layout designs and 115 software copyrights.

2. Core Technologies

Through years of independent R&D and technological evolution, the Group has accumulated significant technological advantages in CMOS image sensor circuit design, packaging, digital image processing, and supporting software. The Group was among the first companies in the CMOS image sensor industry to commercialize BSI technology, and in 2013, it successfully brought its PureCel® and PureCel®Plus technologies into mass production. In response to market demands in the smartphone sector for high pixel counts, depth-of-field control, optical zoom, and biometric recognition, the Group's core technologies, including PureCel®, PureCel®Plus, and RGB-Ir, deliver industry-leading still image capture and video performance for mobile devices, maintaining superior image capture capability even in low-light conditions. Image sensors featuring the Group's high dynamic range (HDR) technology effectively eliminate artifacts and enable exceptionally high-contrast scene reproduction.

In addition, the Group's accumulated expertise in LED flicker mitigation technology, global shutter technology, Nyxel® near-infrared, and ultra-low-light technology has endowed the Group with distinct competitive advantages across a range of product domains, including high-end wide-dynamic-range image sensors for the automotive market, ultra-low-power solutions for the surveillance market, near-infrared and low-light sensors for surveillance applications, and global shutter sensors for emerging markets such as smart glasses like XR headsets, including AR/AI glasses. The Group's R&D team continues to refine its novel silicon semiconductor architectures and processes, setting new records in quantum efficiency (QE).

The Group's newly launched TheiaCel® series technology addresses the challenges of HDR performance across diverse application scenarios through an easy-to-implement solution. The Group's innovative TheiaCel® technology addresses the challenge posed by the current stage of HDR imaging, where existing solutions are no longer sufficient to fully meet the industry's critical requirements.

The TheiaCel® technology integrates lateral overflow integration capacitor (LOFIC) technology with the Group's proprietary HDR technology, delivering exceptional image quality under any lighting conditions. The initial deployment of this technology focuses on the automotive segment utilizing a 2.1-micron pixel process, and in combination with DCG™ HDR technology, significantly enhances low-light imaging performance while effectively addressing the issue of LED flicker. In 2025, the Group's TheiaCel® product series received the BIG Innovation Award from the Business Intelligence Group, in recognition of its innovative breakthroughs in high dynamic range imaging, LED flicker mitigation, low-light performance, and high reliability in the automotive sector, underscoring the Group's technological leadership and industry influence in the automotive image sensor field.

The Group's CameraCubeChip® technology products deliver fully integrated image sensing, processing, and single-chip output functionality. While fully preserving low-light sensitivity, they innovatively combine wafer-level optics with CMOS image sensors to provide ultra-compact sensors for medical devices, demonstrating outstanding performance in applications such as medical endoscopy and other medical equipment. The Group's OVMed™ ultra-thin-cable medical imaging modules with integrated LED illumination combine wafer-level optical image sensors, illumination, and matching cables into a complete solution. These modules can be customized with flexible configurations including cameras, cable types, end connectors, LED lighting, and tip structures, significantly reducing customers' product design cycles and validation costs while simplifying upstream and downstream supply chain management.

The Group's silicon-based LCOS display technology uses external LED or laser light to illuminate the surface and reflect it for display or information modulation. Leveraging its advantages of high resolution, high light utilization efficiency, and low cost, LCOS technology has demonstrated broad application potential across multiple fields. Through sustained R&D investment and innovation, the Group has established a complete industry chain spanning from LCOS chip design and R&D to production, positioning itself as a global technology leader and the largest manufacturing base in the LCOS industry. The Group's LCOS products feature a proprietary integrated driver design, offering advantages including compact size, high pixel density, narrow pixel pitch, low power consumption, and superior display performance. These products have achieved mass-production supply in applications such as smart glasses like AR/XR/MR glasses, micro-projectors, automotive AR-HUD, and wavelength-selective switches (WSS) for all-optical communication transport networks.

During the Reporting Period, the Group further expanded its strategic presence in the high-end energy management control chip through the acquisition of ETM. The core products of ETM include self-developed high-performance real-time control DSPs and high-reliability power loop chips, covering source-grid-load-storage scenarios including AI server power supplies, photovoltaic energy storage, and automotive OBC/charging piles/BMS. Leveraging its outstanding advantages in high-performance real-time control DSPs and power loop chips, ETM aligns with the Group's existing businesses to create synergistic effects across the "perception — control — actuation" value chain.

The Group's display driver chips integrate LCD DDIC and touch driver functions into a single chip, effectively reducing module thickness, saving system area, and optimizing supply chain costs. Building on its mass-production experience gained from tier-1 smartphone brands, the Group has successively launched new products supporting FHD/HD high frame rates, leveraging patented technologies to deliver enhanced solutions for image color, contrast, and clarity, while also improving touch signal-to-noise ratio and reducing the risk of false touches and failures. The recessed BUMP design specification better addresses the narrow-bezel requirements of smartphones. The product portfolio comprehensively covers small-to-medium-sized consumer electronics, medium-sized IT terminals, and automotive electronics. OLED DDICs have been successfully introduced into tier-1 panel manufacturers and achieved mass-production and shipments. TED chips, with their four key advantages of low power consumption, narrow backplane design, low carbon emissions, and high cost-effectiveness, are well-aligned with the lightweight trend in notebook PCs. Automotive display driver chips have received customer validation and have been prepared for production.

The Group's core technological capabilities in the discrete device business are primarily reflected in its technical know-how in device structure and process flow. In the discrete device segment, the Group has mastered a number of core patented technologies such as trench, multi-layer epitaxy, backside thinning, and flip-chip, and has built a comprehensive process platform that effectively addresses application challenges such as high integration density and low power consumption. In the PMIC segment, the Group has established a rigorous and systematic R&D system with self-developed technologies. It has pioneered the development of high-frequency, high-power-supply-rejection-ratio PSRR LDOs (100K–1MHz, with minimum PSRR reaching above 55dB), enabling the replacement of high-end imported products through superior low-power performance and outstanding specifications. The Group has strategically pursued a dual-driver market approach encompassing consumer electronics and industrial applications, while positioning the automotive electronics sector as its core second growth curve. Automotive-grade products strictly adhere to AEC-Q100 certification, high functional safety levels, and wide-temperature-range reliability requirements, precisely addressing the high-speed signal transmission and power management needs of intelligent driving and in-cabin scenarios. Multiple new products have already passed validation by leading automakers and tier 1 suppliers.

3. Brand Awareness

Leveraging its diverse product portfolio, mature technological expertise and integrated solution capabilities, the Group has consistently enhanced its market share and brand awareness. In the CMOS image sensor segment, the Group is among the earliest companies to have engaged in related design, R&D and sales, having established extensive brand influence and market recognition worldwide. In terms of revenue in 2025, the Group is one of the top three global CMOS image sensor suppliers, the world's third-largest smartphone CIS supplier, and the world's largest automotive image sensor supplier. The Group possesses deep technological know-how, having independently developed a number of core patented technologies including backside-illumination technology (OmniBSI™), near-infrared technology (Nyxel®), and LED flicker mitigation (LFM). In the high-end smartphone segment, flagship products such as 50-megapixel and one-inch large-format image sensors have been incorporated into the supply chains of premium models from major domestic Android manufacturers. In the automobile segment, the Group's products are widely deployed in ADAS, autonomous driving, and in-cabin monitoring scenarios, and have received support from leading global autonomous driving computing platforms.

4. Product Line

Compared with its competitors, the Group's CMOS image sensors possess a distinct advantage in terms of product variety and application coverage. In addition to mainstream markets such as smartphones, automotive electronics, and tablets, the Group's products also extensively cover medical, surveillance, smart glasses, panoramic and action cameras, and many other industries, with a comprehensive product matrix and dominant market share. In recent years, the Group has actively embraced the "AI+" technology wave, with its products being increasingly deployed in AI-related scenarios, including environmental perception in intelligent driving systems, as well as motion capture and interaction in smart glasses. Leveraging the customer loyalty built across its existing application markets and the synergistic advantages of multi-product line promotion, the large-scale adoption of CMOS image sensors in various AI-driven scenarios is expected to further enhance the value the Group delivers to end customers.

5. Fabless Business Model

The Group's fabless model offers greater efficiency and flexibility in adapting to rapid market changes, short product life cycles, and fast technology upgrades, giving it a clear competitive edge. At the same time, as wafer process technologies become increasingly sophisticated, foundries that specialize in process R&D are expected to demonstrate growing advantages in production efficiency and product yield. Under this trend, competitive strength is likely to tilt further in favor of fabless companies like the Group that have established long-term partnerships with leading foundries.

6. Supply Chain and Customer

As a semiconductor design company, the Group is engaged solely in the R&D and design activities, while outsourcing the procedures of wafer fabrication and packaging and testing to third-party foundries. The Group has established long-term cooperative relationships with internationally renowned, domestically leading, and publicly listed foundry partners, providing the Group with sufficient production capacity assurance to support its business growth and market expansion. After years of dedicated effort, the Group has achieved a significant market share across multiple markets, with its products generating strong synergies. Looking ahead, the Group will continue to create value for its customers and achieve mutual growth together with them.

7. Sales and Service

The Group maintains a highly skilled, execution-oriented, and service-driven Field Application Engineer (FAE) team, with in-depth understanding of the Group's product performance, technical specifications, and new product features, enabling it to efficiently introduce products into the market in a timely manner and enhance the Group's market responsiveness and customer service capabilities. For downstream electronics manufacturers, the team proactively provides a variety of product application solutions tailored to customers' R&D project requirements, assisting customers in reducing development costs so that they can focus their own resources on production and market promotion of electronic products. In addition, this close engagement enables the team to gain deeper insights into customer needs, thereby allowing products developed under the Group's R&D model to respond promptly to evolving market demands.

8. Talent and Team Composition

The semiconductor design industry is a knowledge-intensive industry. A research and development team driven by technological innovation, experienced industrial professionals, and a highly competent management team are critical guarantees for the Company's rapid growth and sustained competitiveness. The Group places high importance on the development of its R&D team, having recruited research personnel with extensive domestic and international working experience, while also attracting outstanding graduates from universities across the country. The Group's core R&D team members all hold master's degrees or above in relevant disciplines from leading domestic and international institutions, covering a wide range of fields including electronic engineering, microelectronics, materials engineering, algorithm and software, and possess deep industry experience in their respective areas. The Group's core management team comprises a well-balanced mix of professionals spanning business management, technology R&D, product development, marketing, and financial management, with strong complementarity that ensures the scientific rigor and effectiveness of the Group's decision-making. The Group's key technical personnel and management team have demonstrated long-term stability, sharing a strong sense of commitment and engagement with the Group's future development strategy.

FINANCIAL REVIEW

REVENUE

The table below sets forth the absolute amounts and percentages of the Group's revenue of main business by business line for the six months ended June 30, 2026 and 2025:

Unit: RMB Currency: RMB

	For the six months ended June 30,				
	2026		2025		
	Amount RMB	**Percentage of revenue of main business %**	Amount RMB	Percentage of revenue of main business %	Period-over-period change %
	(Unaudited)		(Unaudited)		
Revenue of main business	**14,009,987,486.50**	**100.00**	13,940,177,421.88	100.00	0.50
By business line					
Semiconductor design and sales	**10,671,048,367.45**	**76.17**	11,572,019,805.22	83.01	-7.79
Semiconductor design services	**75,754,916.92**	**0.54**	54,041,376.08	0.39	40.18
Semiconductor distribution	**3,263,184,202.13**	**23.29**	2,314,116,240.58	16.60	41.01

In the first half of 2026, the Group recorded revenue of main business of RMB14,010 million, representing an increase of 0.50% compared to the same period in 2025, among which, (i) revenue from semiconductor design and sales amounted to RMB10,671 million, accounting for 76.17% of total revenue from its main business: revenue from advanced digital imaging solutions amounted to RMB9,254 million, accounting for 66.05% of total revenue from its main business, revenue from display solutions amounted to RMB519 million, accounting for 3.70% of total revenue from its main business, revenue from analog solutions amounted to RMB898 million, accounting for 6.41% of total revenue from its main business, (ii) revenue from semiconductor design services amounted to RMB76 million, accounting for 0.54% of total revenue from its main business, and (iii) revenue from semiconductor distribution amounted to RMB3,263 million, accounting for 23.29% of total revenue from its main business.

The Group's revenue generated from advanced digital imaging solutions experienced a period-over-period decrease of 10.55% in the first half of 2026 compared to the same period in 2025. The decrease was primarily due to ongoing AI infrastructure investment, where the global semiconductor industry is experiencing supply-demand fluctuations, particularly in the memory chip, leading to the demand constraints in the consumer electronics and automotive electronics sectors.

The Group's revenue generated from display solutions experienced a period-over-period increase of 12.94% in the first half of 2026 compared to the same period in 2025, as the Group had continued to bolster its sales through ongoing development and launch of new products and strategic market expansion nationwide and globally, even amid an industry-wide slowdown in market demand.

The Group's revenue generated from analog solutions experienced a period-over-period increase of 17.09% in the first half of 2026 compared to the same period in 2025. The increase was primarily due to (i) the Group's continuous efforts to maintain and strengthen its relationship with downstream customers, which was supported by a steady increase in overall market share, and (ii) the revenue contribution from automotive analog ICs, the core growth engine under analog solutions, which contributed approximately RMB200 million, accounting for 22.27% of total revenue generated from analog solutions, representing a period-over-period increase of 66.51%.

The Group's revenue generated from semiconductor design services experienced a period-over-period increase of 40.18% in the first half of 2026 compared to the same period in 2025. The increase was primarily due to (i) the Group's well-maintained relationship with its existing customers, and (ii) the steady growth of customer base brought by its well-established market recognition.

The Group's revenue generated from semiconductor distribution experienced a period-over-period increase of 41.01% in the first half of 2026 compared to the same period in 2025. The increase was primarily driven by industry-wide favorable factors, particularly, the substantial rebound brought by AI supply chain, leading to the significant increase in both shipment volumes and selling price. Structural opportunities are emerging more clearly as the industry transitions into a new growth cycle, where the distribution model is gaining broader acceptance, and the sector as a whole is demonstrating a clear trend of growth.

GROSS PROFIT AND GROSS PROFIT MARGIN

The table below sets forth the absolute gross profit amounts and gross profit margin of the Group's main business by business line for the six months ended June 30, 2026 and 2025:

Unit: RMB Currency: RMB

	For the six months ended June 30,			
	2026		2025	
	Gross profit RMB	**Gross profit margin %**	Gross profit RMB	Gross profit margin %
	(Unaudited)		(Unaudited)	
Gross profit/Gross profit margin	**4,026,684,702.62**	**28.74**	4,242,687,722.59	30.43
By business line				
Semiconductor design and sales	**3,680,484,705.80**	**34.49**	4,014,497,073.45	34.69
Semiconductor design services	**72,063,049.74**	**95.13**	53,575,499.26	99.14
Semiconductor distribution	**274,136,947.08**	**8.40**	174,615,149.88	7.55

Gross profit from the Group's main business decreased from RMB4,243 million in the first half of 2025 to RMB4,027 million in the first half of 2026. The decrease of the overall gross profit margin was primarily due to the Group's expansion in semiconductor distribution business, which carried relatively lower gross profit margin during the Reporting Period.

SELLING EXPENSES

The table below sets forth the Group's selling expenses and percentages of total revenue for the six months ended June 30, 2026 and 2025:

Unit: RMB Currency: RMB

	For the six months ended June 30,				
	2026		2025		Period-to-period
	Amount RMB	**Percentage of revenue %**	Amount RMB	Percentage of revenue %	change %
	(Unaudited)		(Unaudited)		
Selling expenses	**283,449,862.39**	**2.02**	269,325,893.75	1.93	5.24

The Group's selling expenses remained relatively stable at RMB269 million and RMB283 million in the first half of 2025 and 2026, respectively.

ADMINISTRATIVE EXPENSES

The table below sets forth the Group's administrative expenses and percentages of total revenue for the six months ended June 30, 2026 and 2025:

Unit: RMB Currency: RMB

	For the six months ended June 30,				
	2026		2025		Period-to-period change
	Amount RMB	**Percentage of revenue %**	Amount RMB	Percentage of revenue %	%
	(Unaudited)		(Unaudited)		
Administrative expenses	**368,858,332.27**	**2.63**	339,492,112.60	2.43	8.65

The Group's administrative expenses increased from RMB339 million in the first half of 2025 to RMB369 million in the first half of 2026, primarily due to the increase in employee remuneration.

RESEARCH AND DEVELOPMENT EXPENSES

The table below sets forth the Group's research and development expenses and percentages of total revenue for the six months ended June 30, 2026 and 2025:

Unit: RMB Currency: RMB

	For the six months ended June 30,				
	2026		2025		Period-to-period change
	Amount RMB	**Percentage of revenue %**	Amount RMB	Percentage of revenue %	%
	(Unaudited)		(Unaudited)		
Research and development expenses	**1,472,919,297.97**	**10.50**	1,364,687,224.87	9.78	7.93

The research and development expenses increased from RMB1,365 million in the first half of 2025 to RMB1,473 million in the first half of 2026, primarily due to the increases in employee remuneration, R&D materials consumption and related services fees to facilitate R&D activities.

FINANCIAL POSITION

(1) Description of Selected Balance Sheet Items

Unit: RMB *Currency: RMB*

	As of June 30, 2026 RMB	**As a percentage of total assets %**	As of December 31, 2025 RMB	As a percentage of total assets %	Period-to-period change %
	(Unaudited)				
Financial assets held for trading	**642,749,541.24**	**1.28**	125,672,949.95	0.29	411.45
Notes receivable	**80,293,334.36**	**0.16**	118,051,125.21	0.27	-31.98
Financing receivables	**108,419,367.97**	**0.22**	219,184,600.13	0.50	-50.54
Non-current assets due within one year	**15,831,362.45**	**0.03**	7,107,154.13	0.02	122.75
Other current assets	**684,704,674.37**	**1.37**	264,585,436.00	0.61	158.78
Investments in other equity instruments	**1,004,072,955.13**	**2.00**	4,072,955.13	0.01	24,552.20
Short-term borrowings	**3,282,892,450.58**	**6.55**	2,078,985,512.66	4.77	57.91
Contract liabilities	**376,585,115.58**	**0.75**	240,285,078.55	0.55	56.72
Other current liabilities	**10,822,365.57**	**0.02**	4,127,007.76	0.01	162.23
Long-term borrowings	**2,535,872,825.63**	**5.06**	1,617,721,215.79	3.71	56.76

(2) Asset-liability ratio

As of June 30, 2026, the Group's asset-liability ratio was 34.86% (as of December 31, 2025: 35.43%). The decrease in the asset-liability ratio was primarily attributable to the Company's increase of cash and cash equivalents resulting from financing activities during the Reporting Period.

The table below sets forth the absolute amounts of the Group's total assets and total liabilities, asset-liability ratio, defined as the proportion of total liabilities to total assets and liability-equity ratio (defined as the ratio of total liabilities to net assets), as of June 30, 2026 and December 31, 2025:

Unit: RMB *Currency: RMB*

	As of June 30, 2026 RMB	As of December 31, 2025 RMB
	(Unaudited)	
Total assets	**50,140,959,427.59**	43,600,508,995.65
Total liabilities	**17,479,188,063.44**	15,446,649,874.69
Asset-liability ratio	**34.86%**	35.43%
Liability-equity ratio	**53.52%**	54.87%

(3) Pledge/Mortgage Assets

As at June 30, 2026, the net book value of the Group's pledged/mortgaged assets used for guarantee and various deposits amounted to RMB21,422,600.00 (as of December 31, 2025: RMB20,955,239.42). Such assets primarily comprise restricted bank deposits and other restricted monetary funds.

CASH FLOW

The table below sets forth the absolute amounts from the Group's consolidated statement of cash flows for the six months ended June 30, 2026 and 2025:

Unit: RMB *Currency: RMB*

	For the six months ended June 30,		Period-to-period change
	2026 RMB	2025 RMB	%
	(Unaudited)	(Unaudited)	
Net Cash Flows from operating activities	**407,900,244.31**	1,888,150,247.66	-78.40
Net Cash Flows from investing activities	**-3,453,435,101.07**	-1,238,520,907.04	-178.84
Net Cash Flows from financing activities	**5,641,956,509.19**	436,277,707.00	1,193.20

Change in net cash flows from operating activities are mainly due to the increase in cash paid for goods and services. Change in net cash flows from investing activities are mainly due to the increase in cash paid for investment. Change in net cash flows from financing activities are primarily due to the issuance of H shares in January 2026, which raised approximately RMB4.677 billion.

WORKING CAPITAL AND FINANCIAL RESOURCES

The Group maintains sufficient cash and cash equivalents to ensure capital flexibility. The Group's cash and cash equivalents mainly comprise cash at hand, balances with banks and other monetary funds, which were primarily denominated in USD and RMB. The table below sets forth the absolute amounts of cash and cash equivalents of the Group as of June 30, 2026 and December 31, 2025:

	Unit: RMB **As of June 30, 2026 RMB**	*Currency: RMB* As of December 31, 2025 RMB
	(Unaudited)	
Cash on hand	**186,741.36**	238,481.07
Balances with banks	**14,864,719,538.07**	12,765,527,159.39
Other monetary funds	**49,886,772.94**	34,087,865.28
Total	**14,914,793,052.37**	12,799,853,505.74

The Group's cash and cash equivalents increased from RMB12,800 million as of December 31, 2025 to RMB14,915 million as of June 30, 2026, which were primarily denominated in USD and RMB. This increase was mainly attributable to the Group's financing activities.

The Group obtained financing based on market interest rates and its capital operation plans. The Group's bank loans were sourced from commercial banks and financial institutions in Mainland China and other countries or regions. As of June 30, 2026, approximately 37.74% of these bank loans bore fixed interest rate (as of December 31, 2025: 41.46%), while the remaining bore interest at floating rates. The table below sets forth the absolute amounts of the Group's borrowings as of June 30, 2026 and December 31, 2025:

	Unit: RMB **As of June 30, 2026 RMB**	*Currency: RMB* As of December 31, 2025 RMB
	(Unaudited)	
Long-term borrowings due within 1 year	**2,999,373,192.06**	3,289,825,983.96
Short-term borrowing	**3,282,892,450.58**	2,078,985,512.66
Long-term borrowing	**2,535,872,825.63**	1,617,721,215.79

The changes in borrowings were in line with the needs of the Group's working capital management in the ordinary course of business.

The Group expects that there will be no material changes in the financing available to support its operations in the future.

CAPITAL COMMITMENT

The Group's capital commitments are primarily related to software royalties for its R&D activities and the acquisition of property, plant and equipment. The details of the Group's capital commitments as of June 30, 2026 and December 31, 2025 are set forth below:

Unit: RMB *Currency: RMB*

	As of June 30, 2026 RMB	As of December 31, 2025 RMB
Contracted, but not provided for purchase of property, plant and equipment	**771,117,305.15**	655,518,197.44
Contracted, but not provided for purchase of intangible assets	**158,028,822.81**	162,604,720.34

Material Investments, Acquisitions, and Disposals

As of June 30, 2026, the Group did not hold any material investment, which refer to an investment with investment amounts in an investee company that accounted for 5% or more of the Group's total assets.

In the six months ended June 30, 2026, the Group did not undertake any material acquisitions or disposals of subsidiaries, associates, and joint ventures.

As of June 30, 2026, the Group had no other plans for material investments or acquisitions of capital assets.

CAPITAL EXPENDITURE

The table below sets forth the absolute amounts of the Group's capital expenditure for the six months ended June 30, 2026 and 2025:

Unit: RMB *Currency: RMB*

	For the six months ended June 30, 2026 RMB	2025 RMB
Capital expenditure	**958,694,325.17**	1,069,503,954.69

The Group's capital expenditures primarily expenditures for the purchases of fixed assets, as well as the purchases of intangible assets and other long-term assets. The Group's anticipated capital expenditures are subject to changes from time to time, based on a variety of factors including its business strategy, prevailing market conditions, regulatory environment and the outlook of its results of operations.

The Group will fund these capital expenditures through cash generated from operations and proceeds from its Global Offering.

CONTINGENCIES

As of June 30, 2026, save as the information disclosed in Note XIV to the consolidated financial statements, the Group had no other contingent liabilities.

FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's significant subsidiaries are located in the United States and Singapore, and their principal transactions are settled in U.S. dollars. The Group's foreign exchange risk arises mainly from financial assets and liabilities denominated in foreign currencies such as U.S. dollars and Hong Kong dollars. The Group continuously monitors the volume of foreign currency transactions and foreign currency-denominated assets and liabilities to minimize its exposure to foreign exchange risk. When appropriate, the Group may enter into forward foreign exchange contracts or currency swap contracts to manage this risk. During the first half of 2026, however, the Group did not enter into any forward foreign exchange contracts or currency swap contracts to hedge its foreign exchange exposure.

FUNDING AND TREASURY POLICIES

The Group's funding and treasury policy is to ensure that it has sufficient cash to settle liabilities as they fall due. Liquidity risk is centrally managed by the its finance department. The finance department ensures, through monitoring cash balances, marketable securities that can be readily liquidated, and rolling forecasts of cash flows for the next 12 months, that the Group has sufficient funds to repay liabilities under all reasonably foreseeable circumstances. At the same time, the Group continuously monitors its compliance with the provisions of borrowing agreements and obtains commitments from major financial institutions to provide adequate standby funding to meet short-term and long-term financing needs.

OFF-BALANCE SHEET ARRANGEMENTS

As of June 30, 2026, the Group had no material off-balance sheet arrangements.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving good corporate governance standards.

The Board believes that good corporate governance standards are essential in 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 and accountability.

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

The Company's H Shares have been listed on the Main Board of the Stock Exchange since January 12, 2026 (the "**Listing Date**"). The CG Code has applied to the Company since the Listing Date. The chairman of the Board takes primary responsibility for ensuring that good corporate governance practices and procedures are established.

In the opinion of the Directors, the Company has complied with all applicable code provisions set out in the CG Code during the period from the Listing Date to June 30, 2026. The Company will continue to review and monitor its corporate governance practices to ensure ongoing compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

Since the Listing Date, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by Directors.

Specific enquiry has been made of all Directors, and the Directors have confirmed that they have complied with the Model Code during the period from the Listing Date to June 30, 2026.

The Company also requires officers and employees of the Group who, by reason of their office or employment, are likely to possess inside information in relation to the Company or its securities to comply with the Model Code. No incident of non-compliance with the Model Code by such officers or employees was noted by the Company during the period from the Listing Date to June 30, 2026.

DIVIDEND

At the general meeting held on May 7, 2026, the Shareholders approved the payment of a final dividend for the year ended December 31, 2025 of RMB1.00 per 10 shares (paid in RMB to A Shareholders and in HK$ to H Shareholders. The account amount of the dividend paid in HK$ was converted to HK$ at the average benchmark exchange rate of RMB to Hong Kong dollars published by the People's Bank of China for the five business days preceding May 7, 2026 (i.e. the date of the annual general meeting), which was RMB1.00 to HK$1.1423, resulting in a dividend of HK$1.1423 per 10 H shares (tax inclusive)). The Company completed the annual dividend distribution to A Shareholders on June 4, 2026, while the H Share dividend was paid on June 11, 2026 to H Share Shareholders registered in the Company's H Share register on May 14, 2026. The general meeting of shareholders held on May 7, 2026 also authorized the Board of Directors to determine the interim profit distribution plan for 2026. As of the date of this interim report, the Board did not recommend the payment of any interim dividend for the six months ended June 30, 2026.

There is no arrangement under which underlying shareholders waived or agreed to waive any dividend during the Reporting Period.

ISSUED SHARES

As at June 30, 2026, the Company issued a total of 1,261,420,496 ordinary Shares. Details of movements in the share capital of the Company during the Reporting Period are as follows:

		Changes in the Reporting Period			
	Number of Shares as at January 1, 2026	**Cancellation of repurchased Shares**	**Issuance of new Shares**	**Total change**	**Number of Shares as at June 30, 2026**
A Shares	1,209,759,889[(1)]	—	919,507	919,507	**1,210,679,396[(2)]**
H Shares	—	—	50,741,100	50,741,100	**50,741,100**
Total	1,209,759,889	—	51,660,607	51,660,607	**1,261,420,496**

Notes:

(1) As of January 1, 2026, the Company held 3,921,163 A Share treasury shares, which are treasury shares of the Company placed in the Company's repurchase securities account.

(2) As of June 30, 2026, the Company held 10,715,163 A Share treasury shares, which are treasury shares of the Company placed in the Company's repurchase securities account. Among them, 3,921,163 A Share treasury shares were cancelled on July 3, 2026. As of the Latest Practicable Date, the remaining treasury shares reviewed by the Board of Directors are also proposed for cancellation, along with a corresponding reduction of registered capital.

USE OF PROCEEDS

During the Reporting Period, the Company had no utilization of proceeds raised from A-share offerings.

Pursuant to the approval granted by the China Securities Regulatory Commission (CSRC) in the Approval Document [2025] No. 2208 “Notice of Filing for the Overseas Issuance and Listing of OmniVision Integrated Circuits Group, Inc.”, issued on December 9, 2025, the Company completed the issuance of H shares and listed them on the Main Board of the Hong Kong Stock Exchange on January 12, 2026. The Hong Kong public offering and international placement resulted in the issuance of a total of 45,800,000 H shares with a par value of RMB1.00 per share, at an issue price of HK$104.80 per share. Subsequently, on February 6, 2026, the Company exercised the over-allotment option and issued an additional 4,941,100 H shares with a par value of RMB1.00 per share at an issue price of HK$104.80 per share. The Company issued a total of 50,741,100 H shares in this offering, raising gross proceeds of HK$5,318 million (approximately RMB4.778 billion), with net proceeds of approximately RMB4.677 billion (approximately RMB92.18 per share) after deducting issuance costs incurred directly by issuing new shares.

According to the Prospectus, the net proceeds from this H-share offering are allocated as follows: approximately 70% for investment in research and development of key technologies, approximately 10% for continual investment in global market penetration and business expansion, approximately 10% for strategic investments and/or acquisitions, and approximately 10% for working capital and general corporate purposes. During the Reporting Period, the use of and the planned use of proceeds were in accordance with the intended use as disclosed in the Prospectus.

For the six months ended June 30, 2026, the proceeds from the Global Offering were utilized in accordance with the planned uses and proportions as stated in the Prospectus. The details are as follows:

	Planned use of proceeds		As of June 30, 2026		
Item	**Percentage of net proceeds from the Global Offering**	**Net proceeds from the Global Offering (RMB)**	**Utilized Amount (RMB)**	**Unutilized amount (RMB)**	**Expected timeline for utilization of the unutilized net proceeds**
Investment in the research and development of key technologies	70%	3.274 billion	630 million	2.644 billion	By December 31, 2035
— Recruitment and retention of R&D talents	50%	2.339 billion	355 million	1.984 billion	By December 31, 2035
— Continued construction of R&D center in Lingang, Shanghai, China	8%	374 million	132 million	242 million	By December 31, 2035
— Wafer fabrication (tape-out) costs	8%	374 million	116 million	258 million	By December 31, 2035
— Purchase of R&D software tools	4%	187 million	27 million	160 million	By December 31, 2035
Global market penetration and business expansion	10%	468 million	nil	468 million	By December 31, 2035
Strategic investments and/or acquisitions	10%	468 million	468 million	nil	By December 31, 2028
Working capital and general corporate uses	10%	467 million	nil	467 million	By December 31, 2028
Total	**100%**	**4.677 billion**	1.098 billion	3.579 billion	

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, the particulars of listed securities repurchased by the Company on the Shanghai Stock Exchange are as follows:

Month	Number of A shares repurchased	Highest Price Per Share	Lowest Price Per Share	Aggregate amount paid[1]
		RMB	RMB	RMB
April 2026	2,081,600	98.80	90.59	196,263,845.16
June 2026	4,712,400	95.00	85.22	425,090,044.44
Total	**6,794,000**	**98.80**	**85.22**	**621,353,889.60**

Note:

(1) The aggregate amount paid excludes transaction fees such as stamp duty and trading commission.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares) during the Reporting Period. For details on the changes in treasury shares, please refer to the paragraph headed "Treasury Shares" in note V.(43) to the financial statements.

SUFFICIENT PUBLIC FLOAT

Based on information that is publicly available to the Company and to the best knowledge of the Directors, the Company's public float complies with the minimum public float requirements under the Hong Kong Listing Rules during the Reporting Period.

SHARE SCHEMES

(I) Stock Option Incentive Plans (A Shares)

During the Reporting Period, the existing A Share Stock Option Incentive Plans of the Company include the 2023 First Phase Stock Option Incentive Plan, the 2023 Second Phase Stock Option Incentive Plan and the 2025 Stock Option Incentive Plan (collectively, the "**Stock Option Incentive Plans**"). Given no further share options will be granted under the aforesaid Stock Option Incentive Plans upon the listing of the H Shares of the Company, the terms of these Stock Option Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules.

1. Purpose

The purpose of the Stock Option Incentive Plans is to motivate and incentivize our management and key employees, and to attract and retain outstanding talents, in order to increase our competitiveness and to achieve our strategic development and business objectives. The Stock Option Incentive Plans are implemented to align the interests of the Shareholders with the interests of the Group and employees which will benefit the sustained development of the Group.

2. Administration

The Stock Option Incentive Plans are subject to the approval of the Shareholders' meeting and administration of the Board.

3. Participants

The participants of the Stock Option Incentive Plans include our management and key employees. The scope of participants does not include the Company's independent non-executive Directors, nor does it include Shareholders or de facto controllers individually or jointly holding more than 5% of the Shares of the Company and their respective spouses, parents and children.

4. Maximum number of A Shares which may be issued under the Stock Option Incentive Plans

The Shares underlying the options to be granted under the Stock Option Incentive Plans are A Shares to be issued by the Company to the selected participants. Each option granted represents the right to purchase one A Share within the exercise period at the exercise price. As of the Latest Practicable Date, the maximum number of A Shares which may be issued under each of the Stock Option Incentive Plans and as a percentage of the Company's issued Shares (excluding treasury shares) are as follows:

Stock Option Incentive Plan	Maximum number of A Shares which may be issued and as a percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date
2023 First Phase Stock Option Incentive Plan	3,168,976 (0.25%)
2023 Second Phase Stock Option Incentive Plan	5,206,442 (0.42%)
2025 Stock Option Incentive Plan	19,983,400 (1.60%)

5. Duration of the Stock Option Incentive Plans

The date on which the options were granted shall be a trading day determined by the Board within 60 days after the date of approval of the relevant Stock Option Incentive Plan by the Shareholders' meeting. The grant of options had to be approved by the Board, registered and announced within 60 days after the approval of the relevant Stock Option Incentive Plan by the Shareholders' meeting. The Share Option Incentive Plan shall remain valid from the date of completion of the registration of the grant of share options until the share options granted to the participants are fully exercised or canceled, and shall not exceed 48 months. This term shall not exceed 48 months.

Stock Option Incentive Plan	Date of registration of share options granted under the plan
2023 First Phase Stock Option Incentive Plan	December 4, 2023
2023 Second Phase Stock Option Incentive Plan	December 4, 2023
2025 Stock Option Incentive Plan	May 23, 2025

6. Maximum entitlement of participants

The total equity granted to any participant under the Company's Stock Option Incentive Plans, which remain valid during the term of the incentive plans, shall not in aggregate exceed 1% of the total share capital of the Company.

7. Consideration for the granted options

No consideration was paid/payable for the options granted under Stock Option Incentive Plans.

8. Vesting and exercise arrangements

The options granted under each of the Stock Option Incentive Plans shall vest in three tranches, with vesting periods of 12 months, 24 months and 36 months from the date on which the options are granted, respectively.

Options may be exercised by a grantee provided that:

(i) the conditions below are fulfilled at the time of exercise of options:

(a) with respect to the Company, none of the following circumstances having occurred:

(1). an audit report with an adverse opinion or a disclaimer of opinion has been issued by the registered accountant with respect to the Company's accountants' report for the most recent fiscal year;

(2). an audit report with an adverse opinion or a disclaimer of opinion has been issued by the registered accountant with respect to the internal control report contained in accountants' report for the most recent fiscal year;

(3). the Company has not distributed dividends in accordance with the laws and regulations, the Articles of Association or its public commitment within the last 36 months after its listing;

(4). applicable laws and regulations prohibit the implementation of any share incentive scheme; or

(5). any other circumstances determined by the CSRC;

(b) with respect to a grantee, none of the following circumstances having occurred:

(1) the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;

(2) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months;

(3) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office within the last 12 months;

(4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;

(5) the grantee is prohibited from participating in any incentive plan of listed companies according to the laws and regulations; or

(6) any other circumstances determined by the CSRC; and

(ii) the annual assessment and performance targets as set out under the Stock Option Incentive Plans are achieved. The exercise schedule of the options granted are either:

(a) exercisable in tranches of 30% during the exercise period that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 24-month anniversary of the date of grant;

(b) exercisable in tranches of 35% in each of the four exercise periods that occur between the first trading date after the 24-month anniversary from the date of grant and the last trading day up to the 36-month anniversary of the date of grant; or

(c) exercisable in tranches of 35% in each of the three exercise periods that occur between the first trading date after the 36-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant.

The exercise of the options granted under the 2023 First Stock Option Incentive Plan and the 2023 Second Stock Option Incentive Plan shall be on a trading day, which shall not fall within the following periods (i) 30 days before the publication of annual report and interim report; (ii) the period starting from 30 days before the initial publication of annual report and interim report (due to any delay of publication) until one day before the publication of such report; (iii) 10 days before the publication of quarterly report, results estimate and preliminary results announcement; (iv) the period starting from the date of occurrence of any significant price-sensitive event or the decision-making process in respect of such event until the date of announcement of such event; and (v) any other period stipulated by the CSRC and the Shanghai Stock Exchange.

The exercise of the options granted under the 2025 Stock Option Incentive Plan shall be on a trading day, which shall not fall within the following periods (i) 15 days before the publication of annual report and interim report; (ii) the period starting from 15 days before the initial publication of annual report and interim report (due to any delay of publication) until one day before the publication of such report; (iii) 5 days before the publication of quarterly report, results estimate and preliminary results announcement; (iv) the period starting from the date of occurrence of any significant price-sensitive event or the decision-making process in respect of such event until the date of announcement of such event; and (v) any other period stipulated by the CSRC and the Shanghai Stock Exchange.

The grantees must exercise their options within the validity period of the respective options.

Upon the expiry of the validity period, options granted but not exercised will cease to be exercisable and shall be canceled by the Company.

9. Determination of exercise price

The exercise price for the option to be granted under the 2023 First Phase Stock Option Incentive Plan and the 2023 Second Phase Stock Option Incentive Plan shall be the higher of (i) 80% of the average trading price of the A Shares in the trading day before the announcement of the draft plan; and (ii) 80% of the average trading price of the A Shares during 60 trading days before the announcement of the draft plan. The exercise price for the option to be granted under the 2025 Stock Option Incentive Plan shall be the higher of (i) the average trading price of the A Shares in the trading day before the announcement of the draft plan; and (ii) the average trading price of the A Shares during 120 trading days before the announcement of the draft plan.

The number of options granted and the exercise prices will be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, issue of bonus shares, subdivision of shares and issue of new shares.

10. Outstanding options

Details of the options granted, and movements for the six months ended June 30, 2026 are as follows:

(a) 2023 First Phase Stock Option Incentive Plan[1]

		As at January 1, 2026					As at June 30, 2026		
Name or category of participants	**Date of grant**	Number of options outstanding	Exercise Price (RMB/ Share)[2]	**Exercised during the Reporting Period**	**Cancelled during the Reporting Period**	**Lapsed during the Reporting Period**	**Number of options outstanding**	**Exercise Price (RMB/ Share)[2]**	**Weighted average closing price immediately before the date of exercise of options during the Reporting Period (RMB/Share)**
Directors (on individual named basis)									
Mr. JIA Yuan *(Resigned on May 7, 2026)*	October 10, 2023	42,000	RMB78.01	—	—	—	42,000	**RMB77.91**	N/A
Mr. WU Xiaodong	October 10, 2023	42,000	RMB78.01	—	—	—	42,000	**RMB77.91**	N/A
Five highest paid individuals in aggregate[3]	October 10, 2023	284,964	RMB78.01	45,000	—	—	239,964	**RMB77.91**	RMB105.97
Employees (other grantees excluding five highest paid individuals) in aggregate	October 10, 2023	3,176,729	RMB78.01	258,121	—	—	2,918,608	**RMB77.91**	RMB113.73

Notes:

(1) Please refer to the section headed "8. Vesting and exercise arrangements" for the vesting/exercise period of the options.

(2) Pursuant to the provisions of the 2023 First Phase Stock Option Incentive Plan regarding the adjustment of the exercise price of the granted options, the exercise price was adjusted on June 4, 2026 from RMB78.01 to RMB77.91.

(3) During the Reporting Period, no options were granted under the 2023 First Phase Stock Option Incentive Plan. Therefore, the number of Shares that may be issued in respect of options granted under the 2023 First Phase Stock Option Incentive Plan during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue (excluding treasury shares) is nil.

(4) No share options were available for grant under the 2023 First Phase Stock Option Incentive Plan as at the beginning and the end of the Reporting Period.

(b) 2023 Second Phase Stock Option Incentive Plan[1]

		As at January 1, 2026					As at June 30, 2026		
Name or category of participants	**Date of grant**	Number of options outstanding	Exercise Price (RMB/ Share)[2]	**Exercised during the Reporting Period**	**Cancelled during the Reporting Period**	**Lapsed during the Reporting Period**	**Number of options outstanding**	**Exercise Price (RMB/ Share)[2]**	**Weighted average closing price immediately before the date of exercise of options during the Reporting Period (RMB/Share)**
Directors (on individual named basis)									
Ms. QIU Huanping	October 10, 2023	9,900	RMB78.01	3,600	—	—	**6,300**	**RMB77.91**	RMB133.55
Five highest paid individuals in aggregate[3]	N/A	N/A	N/A	N/A	N/A	N/A	**N/A**	**N/A**	N/A
Employees in aggregate	October 10, 2023	5,944,070	RMB78.01	612,434	—	—	**5,331,636**	**RMB77.91**	RMB115.28

Notes:

(1) Please refer to the section headed "8. Vesting and exercise arrangements" for the vesting/exercise period of the options.

(2) Pursuant to the provisions of the 2023 Second Phase Stock Option Incentive Plan regarding the adjustment of the exercise price of the granted options, the exercise price was adjusted on June 4, 2026 from RMB78.01 to RMB77.91.

(3) During the Reporting Period, no options were granted under the 2023 Second Phase Stock Option Incentive Plan. Therefore, the number of Shares that may be issued in respect of options granted under the 2023 Second Phase Stock Option Incentive Plan during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue (excluding treasury shares) is nil.

(4) No share options were available for grant under the 2023 Second Phase Stock Option Incentive Plan as at the beginning and the end of the Reporting Period.

(3) 2025 Stock Option Incentive Plan[1]

Name or category of participants	Date of grant	As at January 1, 2026 Number of options outstanding	Exercise Price (RMB/ Share)[2]	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	As at June 30, 2026 Number of options outstanding	Exercise Price (RMB/ Share)[2]	Weighted average closing price immediately before the date of exercise of options during the Reporting Period (RMB/Share)
Directors (on individual named basis)									
Mr. JIA Yuan *(Resigned on May 7, 2026)*	March 31, 2025	200,000	RMB138.67	—	—	—	**200,000**	**RMB138.57**	N/A
Mr. WU Xiaodong	March 31, 2025	40,000	RMB138.67	—	—	—	**40,000**	**RMB138.57**	N/A
Ms. QIU Huanping	March 31, 2025	25,000	RMB138.67	—	—	—	**25,000**	**RMB138.57**	N/A
Five highest paid individuals in aggregate[3]	March 31, 2025	476,000	RMB138.67	—	—	—	**476,000**	**RMB138.57**	N/A
Employees (other grantees excluding five highest paid individuals) in aggregate	March 31, 2025	19,242,400	RMB138.67	—	—	—	**19,242,400**	**RMB138.57**	N/A

Notes:

(1) Please refer to the section headed "8. Vesting and exercise arrangements" for the vesting/exercise period of the options.

(2) Pursuant to the provisions of the 2025 Stock Option Incentive Plan regarding the adjustment of the exercise price of the granted options, the exercise price was adjusted on June 4, 2026 from RMB138.67 to RMB138.57, respectively.

(3) During the Reporting Period, no options were granted under the 2025 Stock Option Incentive Plan. Therefore, the number of Shares that may be issued in respect of options granted under the 2025 Stock Option Incentive Plan during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue (excluding treasury shares) is nil.

(4) No share options were available for grant under the 2025 Stock Option Incentive Plan as at the beginning and the end of the Reporting Period.

(II) 2026 H Share Incentive Scheme

On June 24, 2026, the Board approved the adoption of the 2026 H Share Incentive Scheme. The H Share Incentive Scheme was approved by the Shareholders by way of special resolution at the 2026 first extraordinary general meeting of the Company held on July 15, 2026. The terms of the H Share Incentive Scheme are governed by Chapter 17 of the Listing Rules. Unless otherwise defined, terms used in this section shall have the same meanings as those defined in the Company's circular dated June 24, 2026.

A summary of the terms of the H Share Incentive Scheme is set out below:

1. Purposes

The purpose of the H Share Incentive Scheme are:

(i) to provide the Company with a flexible means of attracting, remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to Eligible Participants;

(ii) to align the interests of Eligible Participants with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire proprietary interests in the Company and become Shareholders; and

(iii) to encourage Eligible Participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

2. Duration

Subject to early termination by the Board in accordance with the 2026 H Share Incentive Scheme, the H Share Incentive Scheme shall remain in effect for a period of 10 years commencing from the date reviewed and approved by the general meeting (i.e. July 15, 2026).

As at the Latest Practicable Date, the remaining life of the 2026 H Share Incentive Scheme is approximately nine years and 11 months.

3. Eligible participants and basis of determining eligibility

Eligible participants as determined by the Board from time to time shall be eligible to participate in the Scheme. The eligible participants and the eligibility of the Eligible Participants shall include any employee participant(s), including any directors (excluding independent non-executive Directors) and an employee (whether full-time or part-time) of any member of the Group on the Grant Date. The eligibility of any of the eligible participants for a grant of Awards shall be determined by the Board from time to time on the basis of the Board's opinion as to the Eligible Participant's contribution to the development and growth of the Group. Without limiting the generality of the foregoing, in assessing the eligibility of employee participants, the Board will consider, among other things, educational background, professional experience, qualification, skills, knowledge, the length of service, job position, job duties, contribution to the Group and performance evaluation results of the Employee Participant. The below person shall not be entitled to participate in the H Share Incentive Scheme and such person shall therefore not be an Eligible Participant for the purposes of the scheme: (i) resident in a place where the grant, acceptance or exercise of an Award pursuant to the Scheme is not permitted under, or contrary to, the laws and regulations of such place; or (ii) where, in the view of the Board, compliance with Applicable Laws and regulations in such place makes it necessary or expedient to exclude such person.

4. Scheme Mandate Limit

The maximum number of H Shares which may be granted under the H Share Incentive Scheme is 38,000,000, representing approximately 3.03% of the total issued Shares of the Company (excluding treasury shares) as at the adoption date and 3.04% of the total issued Shares of the Company (excluding treasury shares) as at the Latest Practicable Date. The total number of Shares which may be issued pursuant to all Awards to be granted under H Share Incentive Scheme and options and awards to be granted under any other share award schemes of the Company shall not exceed 10% of the total number of the relevant class of Shares in issue (excluding Treasury Shares) on the Adoption Date. The Scheme Mandate Limit may be adjusted or refreshed from time to time in accordance with the Scheme Rules, subject to compliance with any Applicable Laws, rules and regulations. Awards under the H Share Incentive Scheme may be granted in the form of share options and/or restricted share units (the "**RSUs**").

Pursuant to the H Share Incentive Scheme, the awards shares shall be satisfied by (i) new H Shares allotted and issued by the Company (including the transfer of Treasury Shares), or (ii) existing H Shares purchased or acquired on-market or off-market by the trustee(s) under the trust or existing H Shares transferred by any Shareholder(s) to the trustee(s) under the trust.

The number of RSUs/options available for grant under the H Share Incentive Scheme was 38,000,000 H Shares and 32,000,000 H Shares (including awards that have lapsed and are available for re-granting, if any) as at the adoption date and Latest Practicable Date, respectively.

5. Maximum entitlement of each participant

The maximum entitlement of each participant of the H Share Incentive Scheme shall not exceed the limits as required under the Listing Rules.

6. Vesting Period

The Board may, subject to all applicable laws, rules and regulations, determine vesting periods for vesting of any awards in its sole and absolute discretion. The vesting date in respect of any awards to be satisfied by the issue of new Shares shall be not less than 12 months from the grant date, save and except that the awards to be granted to an Employee Participant may be subject to a vesting period of less than 12 months in the following circumstances:

(i) grants of "make whole" Awards to new employee participants to replace Awards such employee participants forfeited when leaving their previous employers;

(ii) grants to an employee participant whose employment is terminated due to death or disability or occurrence of any out-of-control event where the vesting of the awards may accelerate based on the discretion of the Board and/or the authorized persons, as the case may be;

(iii) grants of awards which are subject to the fulfilment of performance-based vesting conditions (instead of time-based vesting criteria) provided in the 2026 H Share Incentive Scheme;

(iv) where an award is granted based on administrative or compliance requirements unrelated to the performance, the vesting date may be adjusted to reflect the date on which the award would have been granted had such administrative or compliance requirements not existed;

(v) grants of awards with a mixed or accelerated vesting schedule such that the awards may vest evenly over a period of 12 months; or

(vi) grants of awards with a total vesting and holding period of more than 12 months.

7. Consideration

No consideration is payable by a grantee to the Company for acceptance of the awards under H Share Incentive Scheme.

8. Basis of determining the purchase price and exercise price

For awards which take the form of RSUs, the purchase price of such RSUs shall be determined by the Board in its absolute discretion and notified to the grantee in the award letter with reference to the purpose of the H Share Incentive Scheme and the characteristics of the relevant grantee.

For awards which take the form of share options, the exercise price for such share options shall be such price determined by the Board in its absolute discretion and notified to the eligible participant in the award letter, provided that the exercise price shall in any event be no less than the higher of:

(i) the nominal value per H Share;

(ii) the closing price of the H Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Grant Date;

(iii) and the average closing price of the H Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the grant date.

6,000,000 RSUs have been granted under the 2026 H Share Incentive Scheme since the effective date of the H Share Incentive Scheme and up to the Latest Practicable Date, please refer to the announcement dated July 15, 2026.

EQUITY-LINKED AGREEMENTS

Public Issuance of Convertible Bonds

To further optimize the debt structure, broaden financing channels and satisfy funding needs of our Company, in December 2020, the Company completed the public issuance of the convertible bonds in the aggregate principal amount of RMB2,440 million issued in December 2020 (the "**Convertible Bonds**") to the then Shareholders and public investors. The Convertible Bonds have a maturity date of December 27, 2026 and carry varied interest rates from 0.20% in the first year to 2.00% in the sixth year. The conversion period of the Convertible Bonds lasts from six-months after the completion of the issuance of the Convertible Bonds until its maturity date on December 27, 2026. As of the Latest Practicable Date, our Company has issued 35,429 A shares as a result of the conversion of the Convertible Bonds. As of the Latest Practicable Date, Convertible Bonds of RMB2,432,333,000 in principal amount were outstanding, with a conversion price of RMB159.02 per A Share. Assuming all remaining Convertible Bonds are converted, based on the conversion price as of the Latest Practicable Date, the Company will issue 15,295,768 new A Shares, accounting for 1.22% of the total number of Shares in issue as of the Latest Practicable Date.

Dilution Effect of the Conversion of Convertible Bonds

Assuming all outstanding Convertible Bonds were converted as at June 30, 2026, the dilutive impact on the then number of issued Shares of the Company and the respective shareholdings of the substantial Shareholders will be as follows:

	As at June 30, 2026			Assuming the Convertible Bonds are fully converted into A Shares at the conversion price of RMB159.02 per Share as at June 30, 2026		
Shareholders	Number of A Shares	Approximate percentage in total A Shares	Approximate percentage in total share capital[1]	Number of A Shares	Approximate percentage in total A Shares	Approximate percentage in total share capital[1]
Mr. YU Renrong[2]	378,576,912	31.27%	30.01%	378,591,495	30.88%	29.65%
Shaoxing Weihao[2]	378,576,912	31.27%	30.01%	378,591,495	30.88%	29.65%
Mr. YU Xiaorong[2]	378,576,912	31.27%	30.01%	378,591,495	30.88%	29.65%
Number of total issued Shares	1,210,679,396	100.00%	95.98%	1,225,975,182	100.00%	96.03%

Notes:

(1) As at June 30, 2026, the Company had 1,261,420,496 issued Shares, comprising 1,210,679,396 A Shares with a nominal value of RMB1.00 each, all of which were listed on the Shanghai Stock Exchange and 50,741,100 H Shares with a nominal value of RMB1.00 each, all of which were listed on the Stock Exchange.

(2) Mr. YU Renrong was ultimate beneficial owner of the general partner of Shaoxing Weihao. Mr. YU Xiaorong was the brother of Mr. YU Renrong. Shaoxing Weihao and Mr. YU Xiaorong were parties acting in concert with Mr. YU Renrong pursuant to PRC law. Each of Mr. YU Renrong, Shaoxing Weihao and Mr. YU Xiaorong was deemed to be interested in all the A Shares in which each of them was interested.

(3) As at June 30, 2026, Shaoxing Weihao held Convertible Bonds with an outstanding principal amount of RMB2,319,000, which were convertible to 14,583 A Shares assuming the Convertible Bonds were fully converted into A Shares at the conversion price of RMB159.02 per share.

As the potential issuance and allotment of the A Shares upon full conversion of the outstanding Convertible Bonds would have anti-dilutive effect on the earnings per share, the Convertible Bonds full conversion has not been included in calculating diluted earnings per share of the Company during the Reporting Period.

To the best of the Directors' knowledge, having made all reasonable inquiries and having considered the financial and liquidity position of the Group, the Directors expected that the Company has the ability to meet its redemption obligations in respect of all outstanding Convertible Bonds when they become due.

Based on the implied internal rate of return of the unconverted Convertible Bonds, the Company's share price should be 110% of the conversion price so that it would be equally financially advantageous for the holders to convert or redeem the Convertible Bonds on the maturity date.

Other than the Convertible Bonds disclosed above and the Share Schemes, no other equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2026, to the best knowledge of the Directors, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under Section 336 of the SFO:

Name of Substantial Shareholder	Nature of interest	Class of Shares	Number of Shares/ Underlying Shares[1][2]	Approximate percentage in relevant class of Shares[1][2]	Approximate percentage in total share capital[1][2]
Shaoxing Weihao	Interest of person acting in concert[3]	A Shares	304,444,250 (L)	25.15%	24.14%
	Beneficial owner[4]	A Shares	74,132,662 (L)	6.12%	5.88%
Shanghai Qingen	Interest in controlled corporation[5]	A Shares	74,132,662 (L)	6.12%	5.88%
Qingdao Qingen	Interest in controlled corporation[6]	A Shares	74,132,662 (L)	6.12%	5.88%
Mr. YU Xiaorong	Interest of person acting in concert[3]	A Shares	377,604,912 (L)	31.19%	29.93%
	Beneficial owner	A Shares	972,000 (L)	0.08%	0.08%
EIT Education Foundation	Beneficial owner	A Shares	71,200,100 (L)	5.88%	5.64%
Mr. Tong Xiaomeng	Interest in controlled corporation[7]	H Shares	7,324,600 (L)	14.44%	0.58%
XYXY Holdings Ltd.	Interest in controlled corporation[7]	H Shares	7,324,600 (L)	14.44%	0.58%
Boyu Group, LLC	Interest in controlled corporation[7]	H Shares	7,324,600 (L)	14.44%	0.58%
Boyu Capital Group Holdings Ltd.	Interest in controlled corporation[7]	H Shares	7,324,600 (L)	14.44%	0.58%
Boyu Capital Investment Management Limited	Interest in controlled corporation[7]	H Shares	7,324,600 (L)	14.44%	0.58%
Boyu Capital Offshore Fund	Interest in controlled corporation[7]	H Shares	7,324,600 (L)	14.44%	0.58%

Name of Substantial Shareholder	Nature of interest	Class of Shares	Number of Shares/ Underlying Shares[1][2]	Approximate percentage in relevant class of Shares[1][2]	Approximate percentage in total share capital[1][2]
Wildlife Willow Limited	Beneficial owner[7]	H Shares	7,324,600 (L)	14.44%	0.58%
Formosa Opportunity Limited	Beneficial owner	H Shares	6,153,200 (L)	12.13%	0.49%
UBS AG	Interest in controlled corporation	H Shares	5,320,899 (L)	10.49%	0.42%
GLORY HILL HOLDINGS LIMITED	Interest in controlled corporation[8]	H Shares	3,788,300 (L)	7.47%	0.30%
Labor Union Committee of Guangdong OPlus Holdings Co., Ltd	Interest in controlled corporation[8]	H Shares	3,788,300 (L)	7.47%	0.30%
Guangdong OPlus Holdings Co., Ltd	Interest in controlled corporation[8]	H Shares	3,788,300 (L)	7.47%	0.30%
SKY ROYAL TRADING LIMITED	Beneficial owner[8]	H Shares	3,788,300 (L)	7.47%	0.30%

Notes

1. The letter "L" denotes the long position in the Shares, the letter "S" denotes short position in the Shares and the letter "P" denotes lending pool. As at June 30, 2026, the Company had 1,261,420,496 issued Shares (excluding treasury shares), comprising 1,210,679,396 A Shares and 50,741,100 H Shares, each with a nominal value of RMB1.00, of which the A Shares were listed on the Shanghai Stock Exchange and the H Shares were listed on the Stock Exchange.

2. Excluding A Shares issuable upon the conversion of the outstanding Convertible Bonds.

3. Mr. YU Renrong is the direct beneficial owner of 303,472,250 A Shares of the Company and indirectly holds 74,132,662 A Shares of the Company through Shaoxing Weihao. Shanghai Qingen, which holds 99.72% partnership interest in Shaoxing Weihao, is the general partner of Shaoxing Weihao. Qingdao Qingen, which holds 0.28% partnership interest in Shaoxing Weihao, is the limited partner of Shaoxing Weihao. Qingdao Qingen holds 1.25% partnership interest in Shanghai Qingen and is the general partner of Shanghai Qingen. Mr. YU Renrong holds 98.75% partnership interest in Shanghai Qingen and is the limited partner of Shanghai Qingen. Mr. YU Renrong holds 91.67% equity interest in Qingdao Qingen. The remaining 8.33% equity interest in Qingdao Qingen is held by Ms. MA Hongmin (馬洪敏) ("**Ms. Ma**"), an Independent Third Party who does not act in concert with any of the Controlling Shareholders. In addition, Mr. YU Xiaorong, brother of Mr. YU Renrong, is the direct beneficial owner of 972,000 A Shares of the Company. According to the Measures for the Administration of the Takeover of Listed Companies (《上市公司收購管理辦法》) promulgated by the CSRC, unless there is evidence to the contrary, any natural person holding more than 30% of the equity interest in a direct shareholder of an A-share listed company, and the siblings of such natural person, are collectively deemed to be (i) persons acting in concert with the direct shareholder; and (ii) interested in the shares in the A-share listed company owned by the direct shareholder. Accordingly, Shaoxing Weihao and Mr. YU Xiaorong are parties acting in concert with Mr. YU Renrong pursuant to PRC law. Each of Mr. YU Renrong, Shaoxing Weihao and Mr. YU Xiaorong is deemed to be interested in all the A Shares in which each of them is interested.

4. Shaoxing Weihao held a total of 74,132,662 A Shares. Shaoxing Weihao also held Convertible Bonds with an outstanding principal amount of RMB2,319,000.

5. Shanghai Qingen holds 99.72% partnership interest in, and is the general partner of, Shaoxing Weihao. Accordingly, Shanghai Qingen is deemed to be interested in the 74,132,662 A Shares held by Shaoxing Weihao.

6. Qingdao Qingen holds 1.25% partnership interest in Shanghai Qingen and is the general partner of Shanghai Qingen. Shanghai Qingen holds 99.72% partnership interest in, and is the general partner of, Shaoxing Weihao. Qingdao Qingen holds 0.28% partnership interest in, and is the limited partner of, Shaoxing Weihao. Accordingly, Qingdao Qingen is deemed to be interested in the 74,132,662 A Shares held by Shaoxing Weihao.

7. Mr. Tong Xiaomeng, through a number of controlled corporations, is the ultimate beneficial owner of Wildlife Willow Limited. Accordingly, Mr. Tong Xiaomeng and the aforementioned controlled corporations are deemed to be interested in the 7,324,600 H Shares held by Wildlife Willow Limited.

8. SKY ROYAL TRADING LIMITED is a directly wholly owned subsidiary of Guangdong OPlus Holdings Co., Ltd, which is in turn owned as to 33.65% by GLORY HILL HOLDINGS LIMITED and 65.85% by Labor Union Committee of Guangdong OPlus Holdings Co., Ltd. Accordingly, each of the aforementioned entities is interested in 3,788,300 H Shares held by SKY ROYAL TRADING LIMITED.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2026, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were held or deemed to have under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

Interests in the Company

Name of Director/ Chief Executive	Nature of interest	Class of Shares	Number of Shares/ Underlying Shares	Approximate percentage in relevant class of Shares[(1)(2)]	Approximate percentage in total share capital[(1)(2)]
Mr. YU Renrong[(3)(4)]	Beneficial owner	A Shares	303,472,250 (L)	25.07%	24.06%
	Interest in controlled corporation	A Shares	74,132,662 (L)	6.12%	5.88%
	Interest of person acting in concert	A Shares	972,000 (L)	0.08%	0.08%
Mr. WU Xiaodong[(5)]	Beneficial owner	A Shares	136,370 (L)	0.01%	0.01%
Ms. QIU Huanping[(6)]	Beneficial owner	A Shares	42,982 (L)	0.004%	0.003%

Notes

1. The letter "L" denotes the long position in the Shares, the letter "S" denotes short position in the Shares and the letter "P" denotes lending pool. As at June 30, 2026, the Company had 1,261,420,496 issued Shares (including treasury shares), comprising 1,210,679,396 A Shares and 50,741,100 H Shares, each with a nominal value of RMB1.00, of which the A Shares were listed on the Shanghai Stock Exchange and the H Shares were listed on the Stock Exchange.

2. Excluding A Shares issuable upon the conversion of the outstanding Convertible Bonds.

3. Mr. YU Renrong is ultimate beneficial owner of the general partner of Shaoxing Weihao. Mr. YU Xiaorong is the brother of Mr. YU Renrong. Shaoxing Weihao and Mr. YU Xiaorong are parties acting in concert with Mr. YU Renrong pursuant to PRC law. Each of Mr. YU Renrong, Shaoxing Weihao and Mr. YU Xiaorong is deemed to be interested in all the A Shares in which each of them is interested.

4. Mr. YU Renrong is the ultimate beneficial owner of the general partner of Shaoxing Weihao. Accordingly, Mr. YU Renrong is deemed to be interested in the 74,132,662 A Shares held by Shaoxing Weihao. Mr. YU Renrong is also deemed to be interested in the Convertible Bonds with an outstanding principal amount of RMB2,319,000 held by Shaoxing Weihao as of June 30, 2026.

5. Mr. WU Xiaodong is also entitled to subscribe for 82,000 A Shares pursuant to the outstanding stock options granted to him under the 2023 First Phase Stock Option Incentive Plan and the 2025 Stock Option Incentive Plan, subject to the conditions thereof.

6. Ms. QIU Huanping is also entitled to subscribe for 31,300 A Shares pursuant to the outstanding stock options granted to her under the 2023 Second Phase Stock Option Incentive Plan and the 2025 Stock Option Incentive Plan, subject to the conditions thereof.

EMPLOYEES

The Company is dedicated to creating a fair, just and open environment for its employees, and attracts talents through competitive remuneration, systematic training resources and career development opportunities. The Company will continue to attract, cultivate and retain outstanding talents to support the Group's long-term development.

The Company focuses on three core competencies — leadership, professional expertise and general skills — continuously improving its training system and developing a diverse range of training programs.

The Group adopts a comprehensive remuneration policy that takes into account various factors including market benchmarks, individual performance and the overall financial results of the Company. This approach ensures that compensation remains competitive and aligned with both the Group's development objectives and individual contribution levels of employees.

As at June 30, 2026, the Group had 6,474 full-time employees.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL INFORMATION

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules. The Audit Committee consists of three Independent Non-executive Directors, being Mr. MOU Lei (Chairman), Mr. ZHU Liting and Ms. FAN Mingxi. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group and overseeing the audit process.

The Audit Committee has reviewed the interim report and the interim financial information of the Group for the six months ended June 30, 2026, and discussed matters with respect to the accounting policies adopted by the Company with senior management members and BDO China Shu Lun Pan Certified Public Accountants LLP, the auditor of the Company.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors subsequent to the publication of the annual report of the Company for the year ended December 31, 2025 are set out below:

With effect from May 7, 2026, Mr. JIA Yuan ceased to be an executive Director, deputy general manager of the Company and an authorized representative of the Company under Rule 3.05 of the Listing Rules.

With effect from May 7, 2026, Dr. GAO Wenbao was appointed as an executive Director and an authorized representative of the Company under Rule 3.05 of the Listing Rules.

Save as disclosed above, during the Reporting Period and up to the Latest Practicable Date, there was no change in information of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

The material events after the Reporting Period are set out in note XV to the financial statements.

REVIEW REPORT

2026-ZAB134

To the Shareholders of OmniVision Integrated Circuits Group, Inc.:

We have reviewed the accompanying interim financial statements of OmniVision Integrated Circuits Group, Inc. ("**OmniVision**" or the "**Company**"), which comprise the consolidated and company's balance sheets as at June 30, 2026, the consolidated and company's income statements, the consolidated and company's statements of cash flows, and the consolidated and company's statements of changes in shareholders' equity for the six-month period then ended, and notes to the interim financial statements. Management of OmniVision is responsible for the preparation and fair presentation of these interim financial statements in accordance with the requirements of Accounting Standards for Business Enterprises. Our responsibility is to issue a review report on these interim financial statements based on our review.

We conducted our review in accordance with China Standard on Review Engagement 2101 "Review of Financial Statements". This standard requires that we plan and perform the review to obtain limited assurance about whether the interim financial statements as a whole are free from material misstatement. A review is limited primarily to inquiries of personnel from the Company and analytical procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared in accordance with the requirements of Accounting Standards for Business Enterprises or do not present fairly, in all material respects, the consolidated and company's financial position of OmniVision as at June 30, 2026, and the consolidated and company's financial performance and cash flows for the six-month period then ended.

The comparative information of the interim financial statements, including the consolidated and company's income statements, the consolidated and company's statements of cash flows, the consolidated and company's statements of changes in shareholders' equity for the six-month period ended June 30, 2025 and relevant notes, was not audited or reviewed.

BDO CHINA Shu Lun Pan
Certified Public Accountants LLP

Certified Public Accountant of China:
Chen Hong (Engagement Partner)

Certified Public Accountant of China:
Zhang Lu

Shanghai, China

August 24, 2026

CONSOLIDATED BALANCE SHEET

June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Assets	Note V	Ending Balance	Ending Balance of Prior Year
Current Assets:			
Cash and Bank Balances	1	**14,936,215,652.37**	12,820,808,745.16
Settlement Reserves			
Funds Lent			
Financial Assets Held for Trading	2	**642,749,541.24**	125,672,949.95
Derivative Financial Assets			
Notes Receivable	3	**80,293,334.36**	118,051,125.21
Accounts Receivable	4	**4,655,394,923.09**	3,943,876,335.94
Financing Receivables	5	**108,419,367.97**	219,184,600.13
Prepayments	6	**286,152,739.82**	298,291,718.25
Insurance Contract Assets			
Reinsurance Contract Assets			
Other Receivables	7	**69,280,703.06**	70,551,711.67
Financial Assets Purchased Under Resale Agreements			
Inventories	8	**9,187,472,662.20**	8,598,421,264.33
Including: Data Resources			
Contract Assets			
Assets Held for Sale			
Non-current Assets Due Within One Year	9	**15,831,362.45**	7,107,154.13
Other Current Assets	10	**684,704,674.37**	264,585,436.00
Total Current Assets		**30,666,514,960.93**	26,466,551,040.77

CONSOLIDATED BALANCE SHEET

June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Assets	Note V	Ending Balance	Ending Balance of Prior Year
Non-current Assets:			
Loans and Advances Granted			
Debt Investments			
Other Debt Investments			
Long-term Receivables			
Long-term Equity Investments	11	**643,791,605.37**	731,904,412.98
Investments in Other Equity Instruments	12	**1,004,072,955.13**	4,072,955.13
Other Non-current Financial Assets	13	**4,437,135,814.03**	3,656,012,172.91
Investment Properties	14	**217,067,401.07**	222,728,508.25
Fixed Assets	15	**3,394,079,817.06**	3,442,032,997.38
Construction in Progress	16	**1,119,952,927.60**	1,124,835,082.69
Productive Biological Assets			
Oil and Gas Assets			
Right-of-use Assets	17	**141,539,904.45**	139,402,493.62
Intangible Assets	18	**2,283,460,447.52**	1,995,511,856.56
Including: Data Resources			
Development Costs	19	**1,459,796,019.34**	1,400,985,470.98
Including: Data Resources			
Goodwill	20	**3,970,282,256.15**	3,618,577,023.19
Long-term Prepaid Expenses	21	**149,360,222.47**	137,552,010.42
Deferred Tax Assets	22	**520,376,071.27**	529,162,056.55
Other Non-current Assets	23	**133,529,025.20**	131,180,914.22
Total Non-current Assets		**19,474,444,466.66**	17,133,957,954.88
Total Assets		**50,140,959,427.59**	43,600,508,995.65

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal Representative:	*Person in Charge of Accounting:*	*Head of Accounting Department:*
GAO Wenbao	**XU Xing**	**XU Xing**

CONSOLIDATED BALANCE SHEET

June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Liabilities and Shareholders' Equity	Note V	Ending Balance	Ending Balance of Prior Year
Current Liabilities:			
Short-term Borrowings	25	**3,282,892,450.58**	2,078,985,512.66
Borrowings from Central Bank			
Funds Borrowed			
Financial Liabilities Held for Trading			
Derivative Financial Liabilities			
Notes Payable			
Accounts Payable	26	**2,225,360,148.15**	2,234,501,984.64
Advances from Customers	27	**2,311,559.34**	
Contract Liabilities	28	**376,585,115.58**	240,285,078.55
Financial Assets Sold Under Repurchase Agreements			
Deposits and Placements from Banks and Other Financial Institutions			
Funds from Securities Brokerage			
Funds from Securities Underwriting			
Employee Benefits Payable	29	**294,971,916.51**	349,228,870.82
Taxes Payable	30	**346,652,170.37**	342,964,171.34
Other Payables	31	**1,311,903,622.88**	1,331,045,097.82
Fees and Commissions Payable			
Liabilities Held for Sale			
Non-current Liabilities Due Within One Year	32	**5,766,447,587.97**	6,004,932,453.27
Other Current Liabilities	33	**10,822,365.57**	4,127,007.76
Total Current Liabilities		**13,617,946,936.95**	12,586,070,176.86

CONSOLIDATED BALANCE SHEET

June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Liabilities and Shareholders' Equity	Note V	Ending Balance	Ending Balance of Prior Year
Non-current Liabilities:			
Insurance Contract Liabilities			
Reinsurance Contract Liabilities			
Long-term Borrowings	34	**2,535,872,825.63**	1,617,721,215.79
Bonds Payable	35		
Including: Preference Shares			
Perpetual Bonds			
Lease Liabilities	36	**103,277,549.69**	95,285,668.89
Long-term Payables			
Long-term Employee Benefits Payable			
Provisions	37	**499,300,312.03**	472,803,347.70
Deferred Income	38	**50,650,831.54**	45,690,625.84
Deferred Tax Liabilities	22	**672,139,607.60**	629,078,839.61
Other Non-current Liabilities	39		
Total Non-current Liabilities		**3,861,241,126.49**	2,860,579,697.83
Total Liabilities		**17,479,188,063.44**	15,446,649,874.69
Shareholders' Equity:			
Share Capital	40	**1,261,420,496.00**	1,209,759,889.00
Other Equity Instruments	41	**232,969,309.57**	232,974,864.81
Including: Preference Shares			
Perpetual Bonds			
Capital Reserve	42	**15,939,344,001.55**	11,165,891,382.98
Less: Treasury Shares	43	**969,470,103.13**	348,056,924.73
Other Comprehensive Income	44	**-343,180,086.79**	418,976,477.56
Specific Reserves			
Surplus Reserve	45	**328,318,602.61**	328,318,602.61
General Risk Reserve			
Retained Earnings	46	**16,258,462,875.13**	15,164,190,737.12
Total Equity Attributable to Owners of the Company		**32,707,865,094.94**	28,172,055,029.35
Non-controlling Interests		**-46,093,730.79**	-18,195,908.39
Total Shareholders' Equity		**32,661,771,364.15**	28,153,859,120.96
Total Liabilities and Shareholders' Equity		**50,140,959,427.59**	43,600,508,995.65

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal Representative:	*Person in Charge of Accounting:*	*Head of Accounting Department:*
GAO Wenbao	**XU Xing**	**XU Xing**

COMPANY'S BALANCE SHEET

June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Assets	Note XVII	Ending Balance	Ending Balance of Prior Year
Current Assets:			
Cash and Bank Balances		**3,531,711,222.72**	252,302,857.34
Financial Assets Held for Trading		**67,751,499.71**	13,607,590.30
Derivative Financial Assets			
Notes Receivable		**300,464,885.19**	224,045,321.25
Accounts Receivable	1	**1,332,853,253.95**	1,340,272,218.68
Financing Receivables		**3,212,958.73**	97,065,924.66
Prepayments		**275,423,252.78**	259,167,133.02
Other Receivables	2	**2,616,716,020.02**	2,609,406,119.67
Inventories		**76,623,088.08**	96,220,820.20
Including: Data Resources			
Contract Assets			
Assets Held for Sale			
Non-current Assets Due Within One Year		**3,283,035.41**	3,232,875.92
Other Current Assets		**296,603.85**	45,014,492.65
Total Current Assets		**8,208,335,820.44**	4,940,335,353.69

COMPANY'S BALANCE SHEET

June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Assets	Note XVII	Ending Balance	Ending Balance of Prior Year
Non-current Assets:			
Debt Investments			
Other Debt Investments			
Long-term Receivables			
Long-term Equity Investments	3	**24,713,507,316.01**	24,593,418,513.55
Investments in Other Equity Instruments		**1,000,000,000.00**	
Other Non-current Financial Assets		**1,297,069,950.76**	787,887,773.95
Investment Properties		**122,778,801.11**	124,780,817.63
Fixed Assets		**26,052,456.39**	31,901,587.05
Construction in Progress			
Productive Biological Assets			
Oil and Gas Assets			
Right-of-use Assets		**11,841,109.59**	17,591,210.42
Intangible Assets		**887,095.50**	3,399,497.31
Including: Data Resources			
Development Costs			
Including: Data Resources			
Goodwill			
Long-term Prepaid Expenses			
Deferred Tax Assets		**66,882,073.21**	
Other Non-current Assets		**3,554,151.95**	20,269,550.00
Total Non-current Assets		**27,242,572,954.52**	25,579,248,949.91
Total Assets		**35,450,908,774.96**	30,519,584,303.60

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal Representative:	*Person in Charge of Accounting:*	*Head of Accounting Department:*
GAO Wenbao	**XU Xing**	**XU Xing**

COMPANY'S BALANCE SHEET

June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Liabilities and Shareholders' Equity	Note XVII	Ending Balance	Ending Balance of Prior Year
Current Liabilities:			
Short-term Borrowings		**2,453,753,369.75**	1,516,732,826.58
Financial Liabilities Held for Trading			
Derivative Financial Liabilities			
Notes Payable			
Accounts Payable		**57,930,341.88**	34,300,310.25
Advances from Customers			
Contract Liabilities		**1,631,050.42**	1,619,616.25
Employee Benefits Payable		**4,663,239.97**	8,193,378.53
Taxes Payable		**9,878,924.50**	1,346,703.24
Other Payables		**515,513,348.06**	426,997,409.91
Liabilities Held for Sale			
Non-current Liabilities Due Within One Year		**4,842,084,189.18**	5,526,523,093.69
Other Current Liabilities		**212,036.56**	210,550.12
Total Current Liabilities		**7,885,666,500.32**	7,515,923,888.57
Non-current Liabilities:			
Long-term Borrowings		**1,878,849,999.97**	959,399,999.98
Bonds Payable			
Including: Preference Shares			
Perpetual Bonds			
Lease Liabilities		**1,008,217.50**	5,490,695.67
Long-term Payables			
Long-term Employee Benefits Payable			
Provisions			
Deferred Income			97,372.55
Deferred Tax Liabilities			18,784,161.53
Other Non-current Liabilities			
Total Non-current Liabilities		**1,879,858,217.47**	983,772,229.73
Total Liabilities		**9,765,524,717.79**	8,499,696,118.30

COMPANY'S BALANCE SHEET

June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Liabilities and Shareholders' Equity	Note XVII	Ending Balance	Ending Balance of Prior Year
Shareholders' Equity:			
Share Capital		**1,261,420,496.00**	1,209,759,889.00
Other Equity Instruments		**232,969,309.57**	232,974,864.81
Including: Preference Shares			
Perpetual Bonds			
Capital Reserve		**24,709,029,087.43**	19,927,593,495.86
Less: Treasury Shares		**969,470,103.13**	348,056,924.73
Other Comprehensive Income		**6,414,331.11**	6,015,045.34
Specific Reserves			
Surplus Reserve		**328,318,602.61**	328,318,602.61
Retained Earnings		**116,702,333.58**	663,283,212.41
Total Shareholders' Equity		**25,685,384,057.17**	22,019,888,185.30
Total Liabilities and Shareholders' Equity		**35,450,908,774.96**	30,519,584,303.60

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal Representative:	*Person in Charge of Accounting:*	*Head of Accounting Department:*
GAO Wenbao	**XU Xing**	**XU Xing**

CONSOLIDATED INCOME STATEMENT

For the Six Months Ended June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note V	Reporting Period	Prior Period
I. Total Operating Revenue		**14,024,560,916.08**	13,955,815,139.72
Including: Operating Revenue	47	**14,024,560,916.08**	13,955,815,139.72
Interest Income			
Insurance Revenue			
Fee and Commission Income			
II. Total Operating Costs		**12,197,987,377.26**	11,686,967,104.49
Including: Operating Costs	47	**9,988,691,327.59**	9,702,120,251.97
Interest Expense			
Fee and Commission Expense			
Insurance Service Expenses			
Taxes and Surcharges	48	**26,064,671.71**	17,754,961.48
Selling Expenses	49	**283,449,862.39**	269,325,893.75
Administrative Expenses	50	**368,858,332.27**	339,492,112.60
Research and Development Expenses	51	**1,472,919,297.97**	1,364,687,224.87
Finance Expenses	52	**58,003,885.33**	-6,413,340.18
Including: Interest Expense		**149,086,028.35**	149,526,563.07
Interest Income		**241,826,858.12**	194,190,705.49
Add: Other Income	53	**30,139,084.49**	33,470,669.37
Investment Income (Losses Shown with “-”)	54	**-10,449,518.48**	12,132,954.32
Including: Investment Income from Associates and Joint Ventures		**-38,128,435.56**	-3,960,139.94
Gains on Derecognition of Financial Assets Measured at Amortized Cost			
Foreign Exchange Gains (Losses are presented with a “-” sign)			
Net Exposure Hedge Gains (Losses Shown with “-”)			
Gains from Changes in Fair Value (Losses Shown with “-”)	55	**-77,911,829.95**	49,317,982.67
Credit Impairment Losses (Losses Shown with “-”)	56	**-62,996,173.78**	-34,393,502.96
Asset Impairment Losses (Losses Shown with “-”)	57	**-189,262,836.36**	-138,597,744.30
Gains on Disposal of Assets (Losses Shown with “-”)	58	**-599,291.69**	18,046.31

CONSOLIDATED INCOME STATEMENT

For the Six Months Ended June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note V	Reporting Period	Prior Period
III. Operating Profit (Losses are presented with a "-" sign)		**1,515,492,973.05**	2,190,796,440.64
Add: Non-operating Income	59	**4,702,488.30**	1,365,220.02
Less: Non-operating Expenses	60	**1,234,410.19**	111,745.95
IV. Total Profit (Total losses are presented with a "-" sign)		**1,518,961,051.16**	2,192,049,914.71
Less: Income Tax Expense	61	**316,052,399.89**	171,657,311.77
V. Net Profit (Net losses are presented with a "-" sign)		**1,202,908,651.27**	2,020,392,602.94
(I) Classification by Going Concern Status			
1. Net Profit from Continuing Operations (Net losses are presented with a "-" sign)		**1,202,908,651.27**	2,020,392,602.94
2. Net Profit from Discontinued Operations (Net losses are presented with a "-" sign)			
(II) Classification by Ownership Attribution			
1. Net Profit Attributable to Owners of the Company (Net losses are presented with a "-" sign)		**1,219,762,603.08**	2,027,879,812.52
2. Profit or Loss Attributable to Non-controlling Interests (Net losses are presented with a "-" sign)		**-16,853,951.81**	-7,487,209.58
VI. Other Comprehensive Income, Net of Tax		**-762,384,268.25**	-57,938,996.50
Other Comprehensive Income Attributable to Owners of the Company, Net of Tax		**-762,156,564.35**	-57,842,274.42
(I) Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss			20,347,231.54
1. Remeasurement of Defined Benefit Plans			
2. Other Comprehensive Income Not Reclassifiable to Profit or Loss Under the Equity Method			
3. Changes in Fair Value of Investments in Other Equity Instruments			20,347,231.54
4. Changes in Fair Value Attributable to the Entity's Own Credit Risk			
5. Insurance Finance Income/(Expenses) for Insurance Contracts Issued That Will Not Be Reclassified to Profit or Loss			
6. Other			

CONSOLIDATED INCOME STATEMENT

For the Six Months Ended June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note V	Reporting Period	Prior Period
(II) Other Comprehensive Income That May Be Reclassified to Profit or Loss		**-762,156,564.35**	-78,189,505.96
1. Other Comprehensive Income Reclassifiable to Profit or Loss Under the Equity Method		**399,285.77**	162,443.49
2. Changes in Fair Value of Other Debt Investments			
3. Amount of Financial Assets Reclassified into Other Comprehensive Income			
4. Credit Impairment Allowance for Other Debt Investments			
5. Cash Flow Hedge Reserve			
6. Exchange Differences on Translation of Foreign Currency Financial Statements		**-762,555,850.12**	-78,351,949.45
7. Insurance Finance Income/(Expenses) for Insurance Contracts Issued That Will Be Reclassified to Profit or Loss			
8. Insurance Finance Income/(Expenses) for Reinsurance Contracts Held That Will Be Reclassified to Profit or Loss			
9. Other			
Other Comprehensive Income Attributable to Non-controlling Interests, Net of Tax		**-227,703.90**	-96,722.08
VII. Total Comprehensive Income		**440,524,383.02**	1,962,453,606.44
Total Comprehensive Income Attributable to Owners of the Company		**457,606,038.73**	1,970,037,538.10
Total Comprehensive Income Attributable to Non-controlling Interests		**-17,081,655.71**	-7,583,931.66
VIII. Earnings per Share:			
(I) Basic Earnings per Share (RMB/share)	62	**0.97**	1.69
(II) Diluted Earnings per Share (RMB/share)	62	**0.97**	1.68

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal Representative:	*Person in Charge of Accounting:*	*Head of Accounting Department:*
GAO Wenbao	**XU Xing**	**XU Xing**

COMPANY'S INCOME STATEMENT

For the Six Months Ended June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note XVII	Reporting Period	Prior Period
I. Operating Revenue	4	**841,143,133.89**	2,374,112,532.38
Less: Operating Costs	4	**564,036,242.22**	629,571,005.26
Taxes and Surcharges		**2,947,964.27**	2,780,762.59
Selling Expenses		**28,703,432.41**	30,040,733.48
Administrative Expenses		**34,658,927.91**	37,204,483.25
Research and Development Expenses		**149,738,235.18**	142,870,144.07
Finance Expenses		**184,389,293.13**	127,675,573.55
Including: Interest Expense		**123,999,790.03**	139,305,941.89
Interest Income		**71,040,675.07**	13,489,738.72
Add: Other Income		**5,336,600.31**	15,652,250.54
Investment Income (Losses Shown with "-")	5	**-31,226,123.89**	12,027,392.83
Including: Investment Income from Associates and Joint Ventures		**-29,627,722.28**	2,433,749.06
Gains on Derecognition of Financial Assets Measured at Amortized Cost			
Net Exposure Hedge Gains (Losses Shown with "-")			
Gains from Changes in Fair Value (Losses Shown with "-")		**114,368,399.76**	-4,404,348.21
Credit Impairment Losses (Losses Shown with "-")		**-15,412,565.80**	-17,541,045.58
Asset Impairment Losses (Losses Shown with "-")		**-457,569,724.83**	-877,657.31
Gains on Disposal of Assets (Losses Shown with "-")		**1,539.48**	
II. Operating Profit (Losses are presented with a "-" sign)		**-507,832,836.20**	1,408,826,422.45
Add: Non-operating Income		**1,342,445.85**	1,507.33
Less: Non-operating Expenses		**266,258.15**	10,000.03
III. Total Profit (Total losses are presented with a "-" sign)		**-506,756,648.50**	1,408,817,929.75
Less: Income Tax Expense		**-85,666,234.74**	176,924,709.17
IV. Net Profit (Net losses are presented with a "-" sign)		**-421,090,413.76**	1,231,893,220.58
(I) Net Profit from Continuing Operations (Net losses are presented with a "-" sign)		**-421,090,413.76**	1,231,893,220.58
(II) Net Profit from Discontinued Operations (Net losses are presented with a "-" sign)			

COMPANY'S INCOME STATEMENT

For the Six Months Ended June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note XVII	Reporting Period	Prior Period
V. Other Comprehensive Income, Net of Tax		**399,285.77**	162,443.49
(I) Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss			
1. Remeasurement of Defined Benefit Plans			
2. Other Comprehensive Income Not Reclassifiable to Profit or Loss Under the Equity Method			
3. Changes in Fair Value of Investments in Other Equity Instruments			
4. Changes in Fair Value Attributable to the Entity's Own Credit Risk			
5. Other			
(II) Other Comprehensive Income That May Be Reclassified to Profit or Loss		**399,285.77**	162,443.49
1. Other Comprehensive Income Reclassifiable to Profit or Loss Under the Equity Method		**399,285.77**	162,443.49
2. Changes in Fair Value of Other Debt Investments			
3. Amount of Financial Assets Reclassified into Other Comprehensive Income			
4. Credit Impairment Allowance for Other Debt Investments			
5. Cash Flow Hedge Reserve			
6. Exchange Differences on Translation of Foreign Currency Financial Statements			
7. Other			
VI. Total Comprehensive Income		**-420,691,127.99**	1,232,055,664.07
VII. Earnings per Share:			
(I) Basic Earnings per Share (RMB/share)			
(II) Diluted Earnings per Share (RMB/share)			

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal Representative:	*Person in Charge of Accounting:*	*Head of Accounting Department:*
GAO Wenbao	**XU Xing**	**XU Xing**

CONSOLIDATED CASH FLOW STATEMENT

For the Six Months Ended June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note V	Reporting Period	Prior Period
I. Cash Flows from Operating Activities			
Cash Received from Sale of Goods and Rendering of Services		**13,830,268,404.92**	13,644,154,021.46
Net Increase in Customer Deposits and Interbank Placements			
Net Increase in Borrowings from the Central Bank			
Cash Received from Premium of Insurance Contracts Issued			
Net Cash Received from Reinsurance Contracts Issued			
Cash Received from Interest, Fees and Commissions			
Net Increase in Funds Borrowed			
Net Increase in Funds from Repurchase Business			
Net Cash Received from Acting Trading of Securities			
Tax Refunds Received		**67,839,414.86**	40,073,832.47
Other Cash Received Relating to Operating Activities	63	**298,522,800.47**	266,528,958.99
Subtotal of Cash Inflows from Operating Activities		**14,196,630,620.25**	13,950,756,812.92
Cash Paid for Goods Purchased and Services Received		**11,207,184,229.55**	10,158,182,719.64
Net Increase in Customer Loans and Advances			
Net Increase in Placements with the Central Bank and Other Financial Institutions			
Cash Paid for Claims under Insurance Contracts Issued			
Net Cash Paid under Reinsurance Contracts Held			
Net Increase in Policy Loans			
Net Increase in Funds Lent			
Cash Paid for Interest, Fees and Commissions			
Cash Paid to and on Behalf of Employees		**1,471,903,908.38**	1,342,510,604.36
Taxes Paid		**344,156,247.11**	345,367,055.10
Other Cash Paid Relating to Operating Activities	63	**765,485,990.90**	216,546,186.16
Subtotal of Cash Outflows from Operating Activities		**13,788,730,375.94**	12,062,606,565.26
Net Cash Flows from Operating Activities		**407,900,244.31**	1,888,150,247.66

CONSOLIDATED CASH FLOW STATEMENT

For the Six Months Ended June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note V	Reporting Period	Prior Period
II. Cash Flows from Investing Activities			
Cash Received from Recovery of Investments		**528,772,781.32**	262,171,136.24
Cash Received from Investment Income		**7,267,542.68**	18,391,045.55
Net Cash Received from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets		**2,143,129.90**	2,645,568.77
Net Cash Received from Disposal of Subsidiaries and Other Operating Units			
Other Cash Received Relating to Investing Activities	63		9,750,400.00
Subtotal of Cash Inflows from Investing Activities		**538,183,453.90**	292,958,150.56
Cash Paid for Acquisition and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets		**958,694,325.17**	1,069,503,954.69
Cash Paid for Investments		**2,833,612,711.50**	427,060,965.72
Net Cash Paid for Acquisition of Subsidiaries and Other Operating Units		**199,311,518.30**	
Other Cash Paid Relating to Investing Activities	63		34,914,137.19
Subtotal of Cash Outflows from Investing Activities		**3,991,618,554.97**	1,531,479,057.60
Net Cash Flows from Investing Activities		**-3,453,435,101.07**	-1,238,520,907.04
III. Cash Flows from Financing Activities			
Cash Received from Capital Contributions		**4,792,322,428.11**	164,835,992.15
Including: Cash Received by Subsidiaries from Investments by Non-controlling Interests			
Cash Received from Borrowings		**4,782,605,506.70**	2,439,043,523.61
Other Cash Received Relating to Financing Activities			
Subtotal of Cash Inflows from Financing Activities		**9,574,927,934.81**	2,603,879,515.76
Cash Paid for Repayment of Debts		**2,721,394,140.29**	2,022,950,000.00
Cash Paid for Distribution of Dividends or Profits and for Payment of Interest		**207,416,229.08**	98,109,880.94
Including: Dividends or Profits Paid by Subsidiaries to Non-controlling Interests			958,721.90
Other Cash Paid Relating to Financing Activities	63	**1,004,161,056.25**	46,541,927.82
Subtotal of Cash Outflows from Financing Activities		**3,932,971,425.62**	2,167,601,808.76
Net Cash Flows from Financing Activities		**5,641,956,509.19**	436,277,707.00
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		**-481,482,105.80**	-55,117,917.97
V. Net Increase in Cash and Cash Equivalents		**2,114,939,546.63**	1,030,789,129.65
Add: Opening Balance of Cash and Cash Equivalents		**12,799,853,505.74**	10,152,782,025.45
VI. Ending Balance of Cash and Cash Equivalents		**14,914,793,052.37**	11,183,571,155.10

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal Representative:	*Person in Charge of Accounting:*	*Head of Accounting Department:*
GAO Wenbao	**XU Xing**	**XU Xing**

COMPANY'S STATEMENT OF CASH FLOWS

For the Six Months Ended June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note XVII Reporting Period	Prior Period
I. Cash Flows from Operating Activities		
Cash Received from Sale of Goods and Rendering of Services	**719,054,799.07**	2,039,603,119.52
Tax Refunds Received	**14,740,062.85**	12,775,866.02
Other Cash Received Relating to Operating Activities	**738,352,857.09**	484,103,837.52
Subtotal of Cash Inflows from Operating Activities	**1,472,147,719.01**	2,536,482,823.06
Cash Paid for Goods Purchased and Services Received	**731,828,183.07**	468,651,058.52
Cash Paid to and on Behalf of Employees	**68,960,941.12**	60,784,058.40
Taxes Paid	**13,552,467.66**	11,108,293.34
Other Cash Paid Relating to Operating Activities	**524,116,215.00**	590,097,365.71
Subtotal of Cash Outflows from Operating Activities	**1,338,457,806.85**	1,130,640,775.97
Net Cash Flows from Operating Activities	**133,689,912.16**	1,405,842,047.09
II. Cash Flows from Investing Activities		
Cash Received from Recovery of Investments	**10,546,803.66**	2,348,026.91
Cash Received from Investment Income	**202,436,328.41**	28,657,071.93
Net Cash Received from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets	**1,507,345.13**	2,574,775.00
Net Cash Received from Disposal of Subsidiaries and Other Operating Units		
Other Cash Received Relating to Investing Activities	**63,000,000.00**	
Subtotal of Cash Inflows from Investing Activities	**277,490,477.20**	33,579,873.84
Cash Paid for Acquisition and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets	**4,324,032.92**	4,442,107.92
Cash Paid for Investments	**1,911,704,347.80**	573,073,100.00
Net Cash Paid for Acquisition of Subsidiaries and Other Operating Units	**57,000,000.00**	
Other Cash Paid Relating to Investing Activities	**330,050,000.00**	20,000,000.00
Subtotal of Cash Outflows from Investing Activities	**2,303,078,380.72**	597,515,207.92
Net Cash Flows from Investing Activities	**-2,025,587,903.52**	-563,935,334.08

COMPANY'S STATEMENT OF CASH FLOWS

For the Six Months Ended June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note XVII Reporting Period	Prior Period
III. Cash Flows from Financing Activities		
Cash Received from Capital Contributions	**4,792,322,428.11**	164,835,992.15
Cash Received from Borrowings	**3,364,399,214.69**	779,434,740.79
Other Cash Received Relating to Financing Activities		
Subtotal of Cash Inflows from Financing Activities	**8,156,721,642.80**	944,270,732.94
Cash Paid for Repayment of Debts	**2,024,750,000.01**	1,750,700,000.00
Cash Paid for Distribution of Dividends or Profits and for Payment of Interest	**189,217,944.73**	87,468,997.94
Other Cash Paid Relating to Financing Activities	**640,086,719.06**	9,662,912.72
Subtotal of Cash Outflows from Financing Activities	**2,854,054,663.80**	1,847,831,910.66
Net Cash Flows from Financing Activities	**5,302,666,979.00**	-903,561,177.72
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	**-131,360,622.26**	-1,734,755.31
V. Net Increase in Cash and Cash Equivalents	**3,279,408,365.38**	-63,389,220.02
Add: Opening Balance of Cash and Cash Equivalents	**242,302,857.34**	114,399,759.25
VI. Ending Balance of Cash and Cash Equivalents	**3,521,711,222.72**	51,010,539.23

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal Representative:	*Person in Charge of Accounting:*	*Head of Accounting Department:*
GAO Wenbao	**XU Xing**	**XU Xing**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Six Months Ended June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Item	Reporting Period													
	Equity Attributable to Owners of the Company													
		Other Equity Instruments												
	Share Capital	Preference Shares	Perpetual Bonds	Other	Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Specific Reserves	Surplus Reserve	General Risk Reserve	Retained Earnings	Subtotal	Non-controlling Interests	Total Shareholders' Equity
I. Balance at End of Prior Year	1,209,759,889.00			232,974,864.81	11,165,891,382.98	348,056,924.73	418,976,477.56		328,318,602.61		15,164,190,737.12	28,172,055,029.35	-18,195,908.39	28,153,859,120.96
Add: Change in Accounting Policy														
Correction of Prior-period Errors														
Business Combinations Under Common Control														
Other														
II. Opening Balance for Reporting Year	1,209,759,889.00			232,974,864.81	11,165,891,382.98	348,056,924.73	418,976,477.56		328,318,602.61		15,164,190,737.12	28,172,055,029.35	-18,195,908.39	28,153,859,120.96
III. Changes During the Reporting Period (Decreases Shown with "-")	51,660,607.00			-5,555.24	4,773,452,618.57	621,413,178.40	-762,156,564.35				1,094,272,138.01	4,535,810,065.59	-27,897,822.40	4,507,912,243.19
(I) Total Comprehensive Income							-762,156,564.35				1,219,762,603.08	457,606,038.73	-17,081,655.71	440,524,383.02
(II) Capital Contributions and Capital Reductions by Owners	51,660,607.00			-5,555.24	4,773,452,618.57	621,413,178.40						4,203,694,491.93	-10,816,166.69	4,192,878,325.24
1. Ordinary Shares Contributed by Owners	51,660,255.00				4,697,530,884.29							4,749,191,139.29		4,749,191,139.29
2. Capital Contributed by Holders of Other Equity Instruments	352.00			-5,555.24	65,415.78							60,212.54		60,212.54
3. Share-based Payments Recognized in Equity					81,086,627.98							81,086,627.98	356,540.23	81,443,168.21
4. Other					-5,230,309.48	621,413,178.40						-626,643,487.88	-11,172,706.92	-637,816,194.80
(III) Profit Distribution											-125,490,465.07	-125,490,465.07		-125,490,465.07
1. Appropriation to Surplus Reserve														
2. Appropriation to General Risk Reserve														
3. Distribution to Owners (or Shareholders)											-125,490,465.07	-125,490,465.07		-125,490,465.07
4. Other														
(IV) Internal Transfers Within Shareholders' Equity														
1. Capitalization of Capital Reserve into Capital (or Share Capital)														
2. Capitalization of Surplus Reserve into Capital (or Share Capital)														
3. Surplus Reserve Used to Cover Losses														
4. Remeasurement of Defined Benefit Plans Transferred to Retained Earnings														
5. Other Comprehensive Income Transferred to Retained Earnings														
6. Other														
(V) Specific Reserves														
1. Provided in Reporting Period														
2. Utilized in Reporting Period														
(VI) Other														
IV. Ending Balance of Reporting Period	1,261,420,496.00			232,969,309.57	15,939,344,001.55	969,470,103.13	-343,180,086.79		328,318,602.61		16,258,462,875.13	32,707,865,094.94	-46,093,730.79	32,661,771,364.15

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal Representative:	*Person in Charge of Accounting:*	*Head of Accounting Department:*
GAO Wenbao	**XU Xing**	**XU Xing**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Six Months Ended June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

	Prior Period													
	Equity Attributable to Owners of the Company													
		Other Equity Instruments												
Item	Share Capital	Preference Shares	Perpetual Bonds	Other	Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Specific Reserves	Surplus Reserve	General Risk Reserve	Retained Earnings	Subtotal	Non-controlling Interests	Total Shareholders' Equity
I. Balance at End of Prior Year	1,216,123,535.00			233,015,762.90	11,545,441,480.82	1,439,898,046.74	574,893,050.66		203,693,079.22		11,867,916,685.90	24,201,185,547.76	1,204,553.19	24,202,390,100.95
Add: Change in Accounting Policy														
Correction of Prior-period Errors														
Business Combinations Under Common Control														
Other														
II. Opening Balance for Reporting Year	1,216,123,535.00			233,015,762.90	11,545,441,480.82	1,439,898,046.74	574,893,050.66		203,693,079.22		11,867,916,685.90	24,201,185,547.76	1,204,553.19	24,202,390,100.95
III. Changes During the Reporting Period (Decreases Shown with "-")	1,047,114.00			-34,480.83	193,225,665.15	-91,895,269.48	-57,841,718.34				1,763,419,583.60	1,991,711,433.06	-7,093,883.24	1,984,617,549.82
(I) Total Comprehensive Income							-57,842,274.42				2,027,879,812.52	1,970,037,538.10	-7,583,931.66	1,962,453,606.44
(II) Capital Contributions and Capital Reductions by Owners	1,047,114.00			-34,480.83	193,225,665.15	-91,895,269.48						286,133,567.80	490,048.42	286,623,616.22
1. Ordinary Shares Contributed by Owners	1,044,901.00				71,043,887.44	-91,895,269.48						163,984,057.92		163,984,057.92
2. Capital Contributed by Holders of Other Equity Instruments	2,213.00			-34,480.83	278,446.12							246,178.29		246,178.29
3. Share-based Payments Recognized in Equity					107,094,422.09							107,094,422.09	490,048.42	107,584,470.51
4. Other					14,808,909.50							14,808,909.50		14,808,909.50
(III) Profit Distribution											-264,459,672.84	-264,459,672.84		-264,459,672.84
1. Appropriation to Surplus Reserve														
2. Appropriation to General Risk Reserve														
3. Distribution to Owners (or Shareholders)											-264,459,672.84	-264,459,672.84		-264,459,672.84
4. Other														
(IV) Internal Transfers Within Shareholders' Equity							556.08				-556.08			
1. Capitalization of Capital Reserve into Capital (or Share Capital)														
2. Capitalization of Surplus Reserve into Capital (or Share Capital)														
3. Surplus Reserve Used to Cover Losses														
4. Remeasurement of Defined Benefit Plans Transferred to Retained Earnings														
5. Other Comprehensive Income Transferred to Retained Earnings							556.08				-556.08			
6. Other														
(V) Specific Reserves														
1. Provided in Reporting Period														
2. Utilized in Reporting Period														
(VI) Other														
IV. Ending Balance of Reporting Period	1,217,170,649.00			232,981,282.07	11,738,667,145.97	1,348,002,777.26	517,051,332.32		203,693,079.22		13,631,336,269.50	26,192,896,980.82	-5,889,330.05	26,187,007,650.77

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal Representative:	*Person in Charge of Accounting:*	*Head of Accounting Department:*
GAO Wenbao	**XU Xing**	**XU Xing**

COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Six Months Ended June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

Item	Reporting Period										
		Other Equity Instruments									
	Share Capital	Preference Shares	Perpetual Bonds	Other	Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Specific Reserves	Surplus Reserve	Retained Earnings	Total Shareholders' Equity
I. Balance at End of Prior Year	1,209,759,889.00			232,974,864.81	19,927,593,495.86	348,056,924.73	6,015,045.34		328,318,602.61	663,283,212.41	22,019,888,185.30
Add: Change in Accounting Policy											
Correction of Prior-period Errors											
Other											
II. Opening Balance for Reporting Year	1,209,759,889.00			232,974,864.81	19,927,593,495.86	348,056,924.73	6,015,045.34		328,318,602.61	663,283,212.41	22,019,888,185.30
III. Changes During the Reporting Period (Decreases Shown with "-")	51,660,607.00			-5,555.24	4,781,435,591.57	621,413,178.40	399,285.77			-546,580,878.83	3,665,495,871.87
(I) Total Comprehensive Income							399,285.77			-421,090,413.76	-420,691,127.99
(II) Capital Contributions and Capital Reductions by Owners	51,660,607.00			-5,555.24	4,781,435,591.57	621,413,178.40					4,211,677,464.93
1. Ordinary Shares Contributed by Owners	51,660,255.00				4,697,530,884.29						4,749,191,139.29
2. Capital Contributed by Holders of Other Equity Instruments	352.00			-5,555.24	65,415.78						60,212.54
3. Share-based Payments Recognized in Equity					81,086,627.98						81,086,627.98
4. Other					2,752,663.52	621,413,178.40					-618,660,514.88
(III) Profit Distribution										-125,490,465.07	-125,490,465.07
1. Appropriation to Surplus Reserve											
2. Distribution to Owners (or Shareholders)										-125,490,465.07	-125,490,465.07
3. Other											
(IV) Internal Transfers Within Shareholders' Equity											
1. Capitalization of Capital Reserve into Capital (or Share Capital)											
2. Capitalization of Surplus Reserve into Capital (or Share Capital)											
3. Surplus Reserve Used to Cover Losses											
4. Remeasurement of Defined Benefit Plans Transferred to Retained Earnings											
5. Other Comprehensive Income Transferred to Retained Earnings											
6. Other											
(V) Specific Reserves											
1. Provided in Reporting Period											
2. Utilized in Reporting Period											
(VI) Other											
IV. Ending Balance of Reporting Period	1,261,420,496.00			232,969,309.57	24,709,029,087.43	969,470,103.13	6,414,331.11		328,318,602.61	116,702,333.58	25,685,384,057.17

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal Representative:	*Person in Charge of Accounting:*	*Head of Accounting Department:*
GAO Wenbao	**XU Xing**	**XU Xing**

COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Six Months Ended June 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

	Prior Period										
		Other Equity Instruments									
Item	Share Capital	Preference Shares	Perpetual Bonds	Other	Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Specific Reserves	Surplus Reserve	Retained Earnings	Total Shareholders' Equity
I. Balance at End of Prior Year	1,216,123,535.00			233,015,762.90	20,315,306,140.73	1,439,898,046.74	5,753,565.81		203,693,079.22	288,306,349.10	20,822,300,386.02
Add: Change in Accounting Policy											
Correction of Prior-period Errors											
Other											
II. Opening Balance for Reporting Year	1,216,123,535.00			233,015,762.90	20,315,306,140.73	1,439,898,046.74	5,753,565.81		203,693,079.22	288,306,349.10	20,822,300,386.02
III. Changes During the Reporting Period (Decreases Shown with "-")	1,047,114.00			-34,480.83	183,775,616.67	-91,895,269.48	162,443.49			967,433,547.74	1,244,279,510.55
(I) Total Comprehensive Income							162,443.49			1,231,893,220.58	1,232,055,664.07
(II) Capital Contributions and Capital Reductions by Owners	1,047,114.00			-34,480.83	183,775,616.67	-91,895,269.48					276,683,519.32
1. Ordinary Shares Contributed by Owners	1,044,901.00				71,043,887.44	-91,895,269.48					163,984,057.92
2. Capital Contributed by Holders of Other Equity Instruments	2,213.00			-34,480.83	278,446.12						246,178.29
3. Share-based Payments Recognized in Equity					107,094,422.09						107,094,422.09
4. Other					5,358,861.02						5,358,861.02
(III) Profit Distribution										-264,459,672.84	-264,459,672.84
1. Appropriation to Surplus Reserve											
2. Distribution to Owners (or Shareholders)										-264,459,672.84	-264,459,672.84
3. Other											
(IV) Internal Transfers Within Shareholders' Equity											
1. Capitalization of Capital Reserve into Capital (or Share Capital)											
2. Capitalization of Surplus Reserve into Capital (or Share Capital)											
3. Surplus Reserve Used to Cover Losses											
4. Remeasurement of Defined Benefit Plans Transferred to Retained Earnings											
5. Other Comprehensive Income Transferred to Retained Earnings											
6. Other											
(V) Specific Reserves											
1. Provided in Reporting Period											
2. Utilized in Reporting Period											
(VI) Other											
IV. Ending Balance of Reporting Period	1,217,170,649.00			232,981,282.07	20,499,081,757.40	1,348,002,777.26	5,916,009.30		203,693,079.22	1,255,739,896.84	22,066,579,896.57

The accompanying notes to the financial statements are an integral part of these financial statements.

Legal Representative:	*Person in Charge of Accounting:*	*Head of Accounting Department:*
GAO Wenbao	**XU Xing**	**XU Xing**

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

I. General Information

OmniVision Integrated Circuits Group, Inc. (hereinafter referred to as "**the Company**") was formerly known as Will Semiconductor Co., Ltd. Shanghai, and completed its name change in June 2025. The Company is a listed joint stock company registered and established in the People's Republic of China, operating within the computer, communication, and other electronic equipment manufacturing industry.

The Company's A shares were listed on the Shanghai Stock Exchange on May 4, 2017 under stock code 603501. The Company's A-share short name was changed to "OMNIVISION Group" effective from June 20, 2025, while the stock code remains unchanged. The Company's H shares were listed on the Hong Kong Stock Exchange on January 12, 2026 under stock code 0501, with the Chinese and English stock short names "豪威集團" and "OMNIVISION", respectively.

As at June 30, 2026, the total number of shares outstanding was 1,261,420,496, comprising 1,210,679,396 A shares and 50,741,100 H shares, with a par value of RMB1 per share, and the registered capital amounted to RMB1,260,970,295.

The registered address of the Company is 7/F, Building C, Block 1, No.3000 Longdong Avenue, Pilot Free Trade Zone, Shanghai, PRC and its business address is OmniVision Technology Park, 88 Shangke Road, Pilot Free Trade Zone, Shanghai, PRC.

The main business of the Company includes the design, development and sales of integrated circuits, computer software and hardware, business consultation, import and export of goods and technologies, and leasing of self-owned properties (Business activities subject to approval in accordance with the law may only be carried out upon receiving approval from the relevant authorities).

The Company's ultimate beneficial owner is Mr. YU Renrong. These financial statements were approved for release by the Board of Directors of the Company on August 24, 2026.

II. Basis of Preparation of the Financial Statements

(1) Basis of Preparation

These financial statements have been prepared in accordance with the Basic Standard and the specific Accounting Standards for Business Enterprises, the Application Guidance for the Accounting Standards for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises, and other relevant requirements promulgated by the Ministry of Finance (collectively, the "**Accounting Standards for Business Enterprises**"), as well as the relevant requirements of Rule No. 15 for the Preparation and Submission of Information Disclosure by Companies Offering Securities to the Public — General Provisions on Financial Reporting issued by the China Securities Regulatory Commission.

Certain disclosures in the notes to these financial statements have also been presented in accordance with the relevant disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies Ordinance (Chapter 622) of Hong Kong.

(2) Going Concern

These financial statements have been prepared on a going concern basis. The Company is confident that it will be able to continue as a going concern for at least 12 months after the end of the reporting period.

III. Significant Accounting Policies and Accounting Estimates

Notes on specific accounting policies and accounting estimates:

The specific accounting policies and accounting estimates set out below have been formulated by the Company in light of its production and operating characteristics. For details, refer to Note III.9 Financial Instruments, Note III.10 Inventories, Note III.15 Fixed Assets, Note III.18 Intangible Assets and Note III.27 Revenue.

(1) Statement of Compliance with the Accounting Standards for Business Enterprises

These financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance and fairly present the consolidated and company's financial position of the Company as at June 30, 2026, and the consolidated and company's operating results and cash flows for the six-month period then ended.

(2) Accounting Period

The accounting year runs from January 1 to December 31 of the Gregorian calendar.

(3) Operating Cycle

The Company's operating cycle is 12 months.

(4) Functional Currency

The Company's functional currency is Renminbi. Each subsidiary determines its own functional currency based on the primary economic environment in which it operates. These financial statements are presented in Renminbi.

(5) Accounting Treatment for Business Combinations under Common Control and Not under Common Control

Business combinations under common control: the assets and liabilities acquired by the combining party in a business combination (including goodwill arising from the ultimate controlling party's acquisition of the acquiree) are measured based on the carrying amounts of the acquiree's assets and liabilities in the consolidated financial statements of the ultimate controlling party as at the combination date. The difference between the carrying amount of the net assets acquired in the combination and the carrying amount of the consideration paid for the combination (or the aggregate par value of shares issued) is adjusted against share premium within capital reserve; where share premium within capital reserve is insufficient to absorb the difference, retained earnings are adjusted.

Business combinations not under common control: the consideration transferred in a business combination is the fair value, at the acquisition date, of the assets transferred, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. Any excess of the consideration transferred over the acquirer's interest in the fair value of the acquiree's identifiable net assets acquired is recognized as goodwill; any excess of the acquirer's interest in the fair value of the acquiree's identifiable net assets acquired over the consideration transferred is recognized in profit or loss for the period. The identifiable assets, liabilities, and contingent liabilities of the acquiree that meet the recognition criteria are measured at fair value as at the acquisition date.

Directly attributable expenses incurred for a business combination are recognized in profit or loss for the period as incurred; transaction costs incurred in issuing equity securities or debt securities for a business combination are included in the initially recognized amounts of such equity or debt securities.

(6) Criteria for Determining Control and Preparation of Consolidated Financial Statements

1. Criteria for Determining Control

The scope of consolidation of the consolidated financial statements is determined on the basis of control and includes the Company and all of its subsidiaries. Control refers to the Company's power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of those returns.

2. Consolidation Procedures

The Company views the entire group as a single accounting entity and prepares consolidated financial statements using uniform accounting policies to reflect the overall financial position, operating results, and cash flows of the group. The effects of internal transactions between the Company and its subsidiaries, and among subsidiaries, are eliminated. If internal transactions indicate that the related assets have suffered impairment, that portion of the loss is recognized in full. Where the accounting policies or accounting periods adopted by a subsidiary differ from those of the Company, necessary adjustments are made in preparing the consolidated financial statements in accordance with the Company's accounting policies and accounting period.

The portions of subsidiaries' shareholders' equity, net profit or loss for the reporting period, and total comprehensive income for the reporting period attributable to non-controlling interests are presented separately under shareholders' equity in the consolidated balance sheet, under net profit in the consolidated income statement, and under total comprehensive income, respectively. If a subsidiary's current-period loss is attributable to non-controlling interests exceeds the non-controlling interests' share of the opening shareholders' equity of that subsidiary, the excess is charged against non-controlling interests.

(1) Addition of Subsidiaries or Businesses

During the reporting period, where a subsidiary or business is added through a business combination under common control, the operating results and cash flows of that subsidiary or business from the beginning of the period in which the combination occurred through the end of the reporting period are included in the consolidated financial statements, and the opening balances and comparative figures of the consolidated financial statements are adjusted as if the reporting entity after the combination had existed continuously since the date on which the ultimate controlling party first obtained control.

Where control over an investee under common control is obtained through additional investment or similar reasons, the equity interest held before control over the acquiree is obtained, and the related profit or loss, other comprehensive income, and other changes in net assets recognized from the later of the original acquisition date and the date on which the combining parties came under common control through the combination date, are adjusted against opening retained earnings for the comparative period or profit or loss for the period, respectively.

During the reporting period, where a subsidiary or business is added through a business combination not under common control, it is included in the consolidated financial statements from the acquisition date onward based on the fair values, as determined at the acquisition date, of the identifiable assets, liabilities, and contingent liabilities acquired.

Where control over an investee not under common control is obtained through additional investment or similar reasons, the equity interest previously held in the acquiree before the acquisition date is remeasured at its fair value on the acquisition date, and the difference between fair value and carrying amount is recognized in current investment income. Other comprehensive income that may subsequently be reclassified to profit or loss, and other changes in equity recognized under the equity method, relating to the equity interest previously held in the acquiree are transferred to investment income for the period of the acquisition date.

(2) Disposal of Subsidiaries

1. General Treatment

Where the Company loses control over an investee as a result of disposing of part of its equity interest or for other reasons, any retained equity interest is remeasured at its fair value on the date control is lost. The sum of the consideration received on disposal and the fair value of the retained equity interest, less the Company's share of the subsidiary's net assets continuously calculated from the acquisition date or combination date based on its original ownership percentage, together with goodwill, is recognized as investment income for the period in which control is lost. Other comprehensive income that may subsequently be reclassified to profit or loss, and other changes in equity recognized under the equity method, relating to the original investment in the subsidiary are transferred to current investment income when control is lost.

2. Step-by-step Disposal of Subsidiaries

Where an investment in a subsidiary is disposed of in stages through multiple transactions until control is lost, the terms, conditions, and economic effects of each transaction involving the disposal of the investment in the subsidiary that meet one or more of the following circumstances usually indicate that the multiple transactions should be accounted for as a package transaction:

i. These transactions are entered into simultaneously or with consideration of their interdependence;

ii. These transactions together can achieve a complete commercial outcome;

iii. The occurrence of one transaction depends on the occurrence of at least one other transaction;

iv. A transaction, when considered on a stand-alone basis, is uneconomic, but becomes economic when considered together with the other transactions.

Where the transactions constitute a package transaction, they are accounted for as a single transaction involving disposal of the subsidiary and loss of control. Before control is lost, the difference between the consideration received on each disposal and the share of net assets of the subsidiary corresponding to the disposed investment is recognized as other comprehensive income in the consolidated financial statements and, when control is lost, is transferred in full to profit or loss for the period in which control is lost.

Where the transactions do not constitute a package transaction, before control is lost, the partial disposal of the equity interest in the subsidiary is accounted for as an equity transaction without loss of control; when control is lost, it is accounted for in accordance with the general accounting treatment for disposal of a subsidiary.

(3) *Purchase of Non-controlling Interests in Subsidiaries*

The difference between the newly acquired long-term equity investment resulting from the purchase of non-controlling interests and the Company's share of the subsidiary's net assets continuously calculated from the acquisition date or combination date based on the additional ownership percentage acquired is adjusted against share premium within capital reserve in the consolidated balance sheet; where share premium within capital reserve is insufficient to absorb the difference, retained earnings are adjusted.

(4) *Partial Disposal of Equity Investments in Subsidiaries Without Loss of Control*

The difference between the consideration received on disposal and the share of the subsidiary's net assets continuously calculated from the acquisition date or combination date corresponding to the disposed long-term equity investment is adjusted against share premium within capital reserve in the consolidated balance sheet; where share premium within capital reserve is insufficient to absorb the difference, retained earnings are adjusted.

(7) Criteria for Determining Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

(8) Foreign Currency Transactions and Translation of Foreign Currency Financial Statements

1. Foreign Currency Transactions

Foreign currency transactions are translated into Renminbi using the spot exchange rate on the transaction date.

Monetary items denominated in foreign currencies outstanding at the balance sheet date are translated using the spot exchange rate at the balance sheet date. Exchange differences arising therefrom are recognized in profit or loss for the period, except for exchange differences arising from specific foreign currency borrowings related to the acquisition or construction of qualifying assets, which are accounted for in accordance with the capitalization principles for borrowing costs.

2. Translation of Foreign Currency Financial Statements

Assets and liabilities in the balance sheet are translated using the spot exchange rate at the balance sheet date; shareholders' equity items, other than "retained earnings," are translated using the spot exchange rates at the dates on which they arose. Income and expense items in the income statement are translated using the spot exchange rates on the transaction date.

Upon disposal of a foreign operation, the foreign currency translation differences relating to that foreign operation are transferred from shareholders' equity to profit or loss for the period of disposal.

(9) Financial Instruments

The Company recognizes a financial asset, financial liability, or equity instrument when it becomes a party to the contractual provisions of the financial instrument.

1. Classification of Financial Instruments

Based on the Company's business model for managing financial assets and the contractual cash flow characteristics of financial assets, financial assets are classified on initial recognition as: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

The Company classifies a financial asset as measured at amortized cost if it meets both of the following conditions and is not designated at fair value through profit or loss:

— The business model is to hold assets to collect contractual cash flows;

— the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company classifies a financial asset as measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated at fair value through profit or loss (debt instruments):

— The business model is achieved both by collecting contractual cash flows and by selling the financial asset;

— the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

For investments in non-trading equity instruments, the Company may, on initial recognition, irrevocably designate them as financial assets measured at fair value through other comprehensive income (equity instruments). Such designation is made on an investment-by-investment basis, and the relevant investments must meet the definition of an equity instrument from the issuer's perspective.

Other than the financial assets measured at amortized cost and those measured at fair value through other comprehensive income described above, the Company classifies all remaining financial assets as financial assets measured at fair value through profit or loss. On initial recognition, if doing so eliminates or significantly reduces an accounting mismatch, the Company may irrevocably designate a financial asset that would otherwise be classified as measured at amortized cost or at fair value through other comprehensive income as a financial asset measured at fair value through profit or loss.

Financial liabilities are classified on initial recognition as: financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost.

A financial liability may be designated at fair value through profit or loss on initial recognition if it meets any of the following conditions:

1) The designation eliminates or significantly reduces an accounting mismatch.

2) pursuant to a documented risk management or investment strategy, a group of financial liabilities, or a group of financial assets and financial liabilities, is managed and evaluated on a fair value basis, and information about the group is reported internally on that basis to key management personnel.

3) The financial liability contains an embedded derivative that requires separate bifurcation.

2. Recognition and Measurement of Financial Instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, debt investments, and similar items. They are initially measured at fair value, with transaction costs included in the amount initially recognized. Accounts receivable that does not contain a significant financing component, and accounts receivable for which the Company has elected not to consider financing components of one year or less, are initially measured at the transaction price under the contract.

Interest recognized during the holding period using the effective interest method is included in profit or loss for the reporting period.

Upon collection or disposal, the difference between the consideration received and the carrying amount of the financial asset is recognized in profit or loss for the period.

(2) *Financial assets measured at fair value through other comprehensive income (debt instruments)*

Financial assets measured at fair value through other comprehensive income (debt instruments) include financing receivables, other debt investments, and similar items. They are initially measured at fair value, with transaction costs included in the amount initially recognized. Such financial assets are subsequently measured at fair value, and changes in fair value are recognized in other comprehensive income, other than interest calculated using the effective interest method, impairment losses or gains, and foreign exchange gains or losses.

Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to profit or loss for the period.

(3) *Financial assets measured at fair value through other comprehensive income (equity instruments)*

Financial assets measured at fair value through other comprehensive income (equity instruments) include investments in other equity instruments and the like. They are initially measured at fair value, with transaction costs included in the amount initially recognized. Such financial assets are subsequently measured at fair value, with changes in fair value recognized in other comprehensive income. Dividends received are recognized in profit or loss for the period.

Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income to retained earnings.

(4) *Financial assets measured at fair value through profit or loss*

Financial assets measured at fair value through profit or loss include financial assets held for trading, derivative financial assets, other non-current financial assets, and similar items. They are initially measured at fair value, and related transaction costs are recognized in profit or loss for the period. Such financial assets are subsequently measured at fair value, with changes in fair value recognized in profit or loss for the period.

(5) *Financial liabilities measured at fair value through profit or loss*

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading, derivative financial liabilities, and similar items. They are initially measured at fair value, and related transaction costs are recognized in profit or loss for the period. Such financial liabilities are subsequently measured at fair value, with changes in fair value recognized in profit or loss for the period.

Upon derecognition, the difference between its carrying amount and the consideration paid is recognized in profit or loss for the reporting period.

(6) *Financial liabilities measured at amortized cost*

Financial liabilities measured at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, and long-term payables. They are initially measured at fair value, with related transaction costs included in the amount initially recognized.

Interest recognized during the holding period using the effective interest method is included in profit or loss for the reporting period.

Upon derecognition, the difference between the consideration paid and the carrying amount of the financial liability is recognized in profit or loss for the period.

3. Derecognition of Financial Assets and Recognition and Measurement of Transfers of Financial Assets

The Company derecognizes a financial asset when one of the following conditions is met:

— The contractual rights to receive the cash flows from the financial asset expire;

— the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee;

— the financial asset has been transferred and, although the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, it has not retained control over the financial asset.

If the Company modifies or renegotiates a contract with a counterparty and the modification is substantial, the original financial asset is derecognized and a new financial asset is recognized in accordance with the modified terms.

Where a transfer of a financial asset occurs and the Company retains substantially all the risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

In determining whether a transfer of a financial asset meets the above derecognition criteria, the principle of substance over form is applied.

The Company distinguishes between transfers of a financial asset in its entirety and partial transfers of a financial asset. If a transfer of a financial asset in its entirety meets the derecognition criteria, the difference between the following two amounts is recognized in profit or loss for the period:

(1) the carrying amount of the transferred financial asset;

(2) the consideration received as a result of the transfer, together with the cumulative amount of changes in fair value previously recognized directly in shareholders' equity (where the transferred financial asset is a financial asset measured at fair value through other comprehensive income (debt instrument).

If a partial transfer of a financial asset meets the derecognition criteria, the carrying amount of the financial asset as a whole is allocated between the part derecognized and the part not derecognized on the basis of their relative fair values, and the difference between the following two amounts is recognized in profit or loss for the period:

(1) the carrying amount of the portion derecognized;

(2) the consideration for the portion derecognized, together with the amount corresponding to the derecognized portion of the cumulative changes in fair value previously recognized directly in shareholders' equity (where the transferred financial asset is a financial asset measured at fair value through other comprehensive income (debt instrument)).

If the transfer of a financial asset does not meet the derecognition criteria, the financial asset continues to be recognized, and the consideration received is recognized as a financial liability.

4. Derecognition of Financial Liabilities

If a present obligation under a financial liability is wholly or partly extinguished, the financial liability or the extinguished part thereof is derecognized. If the Company enters into an agreement with a creditor to replace an existing financial liability with a new financial liability and the contractual terms of the new financial liability are substantially different from those of the existing financial liability, the existing financial liability is derecognized and the new financial liability is recognized at the same time.

If the contractual terms of an existing financial liability are substantially modified in whole or in part, the existing financial liability or the relevant part thereof is derecognized, and the financial liability under the modified terms is recognized as a new financial liability.

When a financial liability is derecognized in whole or in part, the difference between the carrying amount of the financial liability derecognized and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss for the period.

If the Company repurchases part of a financial liability, on the repurchase date it allocates the carrying amount of the financial liability as a whole between the part that continues to be recognized and the part that is derecognized based on their relative fair values. The difference between the carrying amount allocated to the derecognized part and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss for the period.

5. Determination of the Fair Value of Financial Assets and Financial Liabilities

For financial instruments traded in an active market, fair value is determined based on quoted market prices. For financial instruments for which no active market exists, fair value is determined using valuation techniques. In performing valuations, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available, selecting inputs that are consistent with the characteristics of the asset or liability that market participants would take into account in pricing the asset or liability, and giving priority to observable inputs. Unobservable inputs are used only when relevant observable inputs are unavailable or impracticable to obtain.

6. Impairment Testing of Financial Instruments and Related Accounting Treatment

The Company applies impairment accounting based on expected credit losses to financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (debt instruments), financial guarantee contracts, and similar items.

Taking into account reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions, the Company recognizes expected credit losses as the probability-weighted present value of the difference between the contractual cash flows due and the cash flows expected to be received, weighted by the risk of default.

For receivables and contract assets arising from transactions governed by Accounting Standard for Business Enterprises No. 14 — Revenue, whether or not they contain a significant financing component, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

For lease receivables arising from transactions governed by Accounting Standard for Business Enterprises No. 21 — Leases, the Company elects always to measure the loss allowance at an amount equal to lifetime expected credit losses.

For other financial instruments, the Company assesses at each balance sheet date whether the credit risk on the relevant financial instrument has increased significantly since initial recognition.

The Company determines whether the credit risk on a financial instrument has increased significantly since initial recognition by comparing the risk of default occurring on the balance sheet date with the risk of default occurring on the date of initial recognition over the expected life of the instrument. As a general rule, the Company considers that credit risk on the financial instrument has increased significantly if it is more than 30 days past due, unless there is conclusive evidence that credit risk has not increased significantly since initial recognition.

If a financial instrument is determined to have low credit risk at the balance sheet date, the Company concludes that its credit risk has not increased significantly since initial recognition.

If the credit risk on a financial instrument has increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses; if the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses. The resulting increase or reversal in the loss allowance is recognized in profit or loss for the period as an impairment loss or gain. For financial assets measured at fair value through other comprehensive income (debt instruments), the loss allowance is recognized in other comprehensive income and the impairment loss or gain is recognized in profit or loss for the period, without reducing the carrying amount of the financial asset presented in the balance sheet.

If there is objective evidence that an individual receivable is credit-impaired, the Company recognizes an impairment allowance for that receivable on an individual basis.

Except for the above receivables for which loss allowances are measured individually, the Company groups the remaining financial instruments based on credit risk characteristics and determines expected credit losses on a portfolio basis. The portfolio categories and basis for determining expected credit losses on notes receivable, accounts receivable, financing receivables, other receivables, contract assets, long-term receivables, and similar items are set out below:

(1) Notes receivable

For notes receivable regardless of whether they include a significant financing component, the Company measures the loss allowance at an amount equivalent to the lifetime expected credit losses. Except for notes receivable for which credit loss is assessed on an individual basis, notes receivable are divided into different portfolios based on the credit risk characteristics:

Name of portfolio	Basis for determining portfolios
Bank acceptance bills	The acceptor is a bank with relatively low credit risk
Commercial acceptance bills	Classified based on the credit risk of the acceptors (same as accounts receivable)

(2) *Accounts receivable*

For accounts receivable, regardless of whether they include a significant financing component, the Company always measures the loss allowance at an amount equivalent to the lifetime expected credit losses. Except for accounts receivable for which credit risk is assessed on an individual basis, accounts receivable are divided into different portfolios based on the credit risk characteristics:

Name of portfolio	Basis for determining portfolios
Other portfolios	This portfolio takes the payment period of receivables as the credit risk characteristic
Amounts due from related parties	This portfolio consists of receivable due from related parties within the scope of consolidated financial statements

(3) *Other receivables*

Depending on whether the credit risk of other receivables has significantly increased since initial recognition, the Company measures the loss allowance based on the expected credit losses for future 12 months or lifetime expected credit loss. Except for other receivables for which credit risk is assessed on an individual basis, other receivables are divided into different portfolios based on credit risk characteristics:

Name of portfolio	Basis for determining portfolios
Amounts due from related parties	This portfolio consists of receivable due from related parties within the scope of consolidated financial statements
Deposits	This portfolio takes deposits as credit risk characteristic
Special item	This portfolio consists of other receivables for special business
Other portfolios	This portfolio takes other funds as credit risk characteristic

A comparison table of the aging of the aging portfolio and the lifetime expected credit loss:

Account age	Percentage of loss allowance for accounts receivable (%)	Percentage of loss allowance for other receivables (%)
Within 1 year	5.00	5.00
1–2 years	20.00	20.00
2–3 years	50.00	50.00
Over 3 years	100.00	100.00

If the Company no longer reasonably expects that the contractual cash flow of a financial asset can be fully or partially recovered, it shall directly write down the book value of the financial asset.

(10) Inventories

1. Classification and Cost of Inventories

Inventories are classified into work-in-progress (mainly consisting of chips held by the Company or outsourced to external manufacturers, which are in the stage of wafer manufacturing, packaging and testing), finished goods and technical services cost.

Inventories are initially measured at cost. Inventory cost comprises purchase cost, processing cost, and other expenditures incurred in bringing inventories to their present location and condition.

2. Costing Method for Issued Inventories

Costs are assigned to individual items of inventory related to analog ICs and other ICs on the basis of weighted average costs and individual items of inventory related to complementary metal oxide semiconductor image sensor ("**CIS**") and display ICs on the basis of first-in first-out method.

3. Inventory Count System

A perpetual inventory system is adopted.

4. Amortization Method for Low-value Consumables and Packaging Materials

(1) Low-value consumables are accounted for using the one-time write-off method;

(2) Packaging materials are accounted for using the one-time write-off method.

5. Criteria and Method for Recognizing Inventory Write-downs

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the cost of inventories exceeds their net realizable value, an inventory write-down is recognized. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to completion, estimated selling expenses, and related taxes.

For inventories of finished products, merchandise, and materials held for sale that are intended for direct sale, net realizable value is determined based on the estimated selling price of the inventory less estimated selling expenses and related taxes in the ordinary course of business. For material inventories that require further processing, net realizable value is determined based on the estimated selling price of the finished products to be produced less estimated costs to completion, estimated selling expenses, and related taxes in the ordinary course of business. For inventories held to fulfill sales contracts or service contracts, net realizable value is determined based on the contract price; where the quantity of inventories held exceeds the quantity ordered under the sales contract, the net realizable value of the excess portion is determined based on the general selling price.

After an inventory write-down has been recognized, if the factors that previously caused the inventory to be written down no longer exist, such that the net realizable value of the inventory exceeds its carrying amount, the previously recognized inventory write-down is reversed up to the amount originally recognized, and the reversal is recognized in profit or loss for the period.

(11) Contract Assets

1. Recognition Criteria for Contract Assets

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between satisfaction of performance obligations and customer payments. The Company's right to consideration in exchange for goods transferred or services rendered to a customer (and that right is dependent on factors other than the passage of time) is presented as a contract asset. Contract assets and contract liabilities under the same contract are presented on a net basis. The Company's unconditional right to collect consideration from a customer (dependent only on the passage of time) is presented separately as a receivable.

2. Determination of Expected Credit Losses on Contract Assets and Related Accounting Treatment

For the method used to determine expected credit losses on contract assets and the related accounting treatment, see the Company's accounting policy for impairment of financial instruments in these Notes.

(12) Held-for-sale Assets and Discontinued Operations

1. Held for Sale

A non-current asset or disposal group is classified as held for sale when its carrying amount will be recovered principally through a sale transaction (including a non-monetary asset exchange that has commercial substance) rather than through continuing use.

The Company classifies a non-current asset or disposal group as held for sale when all of the following conditions are met:

(1) it is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets or disposal groups;

(2) the sale is highly probable, meaning that the Company has made a resolution on a sales plan and has obtained a firm purchase commitment, and the sale is expected to be completed within one year. Where approval of the relevant authority or regulator is required before the sale may proceed, such approval has been obtained.

For a non-current asset (other than a financial asset, deferred tax asset, or asset arising from employee benefits) or disposal group classified as held for sale, if its carrying amount exceeds its fair value less costs to sell, the carrying amount is written down to fair value less costs to sell. The amount of the write-down is recognized as an impairment loss in profit or loss for the period, and an impairment allowance for held-for-sale assets is recognized at the same time.

2. Discontinued Operations

A discontinued operation is a separately identifiable component that meets any one of the following conditions and has been disposed of by the Company or classified by the Company as held for sale:

(1) it represents a separate major line of business or a separate major geographical area of operations;

(2) it is part of a single coordinated plan to dispose of a separate major line of business or a separate major geographical area of operations;

(3) the component is a subsidiary acquired exclusively with a view to resale.

Profit or loss from continuing operations and profit or loss from discontinued operations are presented separately in the income statement. Impairment losses and reversals, operating profit or loss, and disposal gains or losses from discontinued operations are presented as profit or loss from discontinued operations. For discontinued operations presented in the reporting period, information previously presented as profit or loss from continuing operations is re-presented in the current-period financial statements as comparative information for discontinued operations.

(13) Long-term Equity Investments

1. Criteria for Determining Joint Control and Significant Influence

Joint control refers to the contractually agreed sharing of control over an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. An investee over which the Company and other joint venturers jointly exercise control and in whose net assets the Company has rights is a joint venture of the Company.

Significant influence refers to the power to participate in decisions concerning the financial and operating policies of an investee, but not to control, or jointly control with others, the making of those policies. An investee over which the Company is able to exercise significant influence is an associate of the Company.

2. Determination of Initial Investment Cost

(1) Long-term equity investments arising from business combinations

For a long-term equity investment in a subsidiary formed through a business combination under common control, the initial cost of the long-term equity investment is the Company's share of the carrying amount of the acquiree's shareholders' equity in the consolidated financial statements of the ultimate controlling party as at the combination date. The difference between the initial cost of the long-term equity investment and the carrying amount of the consideration paid is adjusted against share premium within capital reserve; where share premium is insufficient to absorb the difference, retained earnings are adjusted.

Where control over an investee under common control is obtained through additional investment or similar reasons, the difference between the initial cost of the long-term equity investment recognized under the above principles and the sum of the carrying amount of the long-term equity investment held before the combination and the carrying amount of the additional consideration paid for the further shares acquired on the combination date is adjusted against share premium, and any shortfall is charged against retained earnings.

For a long-term equity investment in a subsidiary formed through a business combination not under common control, the initial cost of the long-term equity investment is the combination cost determined on the acquisition date. Where control over an investee not under common control is obtained through additional investment or similar reasons, the initial cost is the sum of the carrying amount of the previously held equity investment and the cost of the additional investment.

(2) *Long-term equity investments acquired by means other than business combinations*

A long-term equity investment acquired by cash payment is initially measured at the actual purchase consideration paid.

A long-term equity investment acquired through the issuance of equity securities is initially measured at the fair value of the equity securities issued.

3. *Subsequent Measurement and Recognition of Profit or Loss*

(1) *Long-term equity investments accounted for under the cost method*

The Company accounts for its long-term equity investments in subsidiaries using the cost method, unless the investment meets the conditions for classification as held for sale. Except for cash dividends or profits declared but not yet distributed that are included in the actual purchase price or consideration at the time of acquisition, the Company recognizes current investment income based on its share of the cash dividends or profits declared by the investee.

(2) *Long-term equity investments accounted for under the equity method*

Long-term equity investments in associates and joint ventures are accounted for using the equity method. If the initial investment cost exceeds the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the initial investment cost of the long-term equity investment is not adjusted; if the initial investment cost is less than the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the difference is recognized in profit or loss for the period and the cost of the long-term equity investment is adjusted accordingly.

The Company recognizes its share of the investee's net profit or loss and other comprehensive income as investment income and other comprehensive income, respectively, and adjusts the carrying amount of the long-term equity investment accordingly. The share of profits or cash dividends declared by the investee is accounted for by reducing the carrying amount of the long-term equity investment accordingly. Other changes in the investee's shareholders' equity, other than net profit or loss, other comprehensive income, and profit distributions (collectively, "**other changes in shareholders' equity**"), are recognized by adjusting the carrying amount of the long-term equity investment and recording the corresponding amount in shareholders' equity.

In recognizing its share of the investee's net profit or loss, other comprehensive income, and other changes in shareholders' equity, the Company uses the fair value of the investee's identifiable net assets at the time of acquisition as the basis and makes appropriate adjustments to the investee's net profit, other comprehensive income, and similar items in accordance with the Company's accounting policies and accounting period.

The portion of unrealized profits or losses arising from internal transactions between the Company and its associates or joint ventures attributable to the Company, calculated based on the applicable ownership percentage, is eliminated, and investment income is recognized on that basis, except where the assets contributed or sold constitute a business. Unrealized losses arising from transactions with the investee are recognized in full to the extent that they represent impairment losses on assets.

Where a joint venture or associate incurs net losses, the Company reduces the carrying amount of the long-term equity investment and other long-term interests that in substance form part of the Company's net investment in the joint venture or associate to zero, unless the Company has an obligation to bear additional losses. If the joint venture or associate subsequently realizes net profits, the Company resumes recognizing its share of those profits only after its share of profits has offset the previously unrecognized share of losses.

(3) Disposal of long-term equity investments

Upon disposal of a long-term equity investment, the difference between its carrying amount and the actual proceeds received is recognized in profit or loss for the period.

Where a long-term equity investment accounted for under the equity method is partially disposed of and the remaining equity interest continues to be accounted for under the equity method, the other comprehensive income previously recognized under the equity method is reclassified on a proportionate basis using the same basis as would apply if the investee had directly disposed of the related assets or liabilities, and other changes in shareholders' equity are transferred to profit or loss for the period on a proportionate basis.

Where joint control over or significant influence on an investee is lost as a result of disposal of an equity investment or for other reasons, the other comprehensive income previously recognized on the original equity investment under the equity method is accounted for, upon cessation of the equity method, using the same basis as would apply if the investee had directly disposed of the related assets or liabilities; other changes in shareholders' equity are transferred in full to profit or loss for the period upon cessation of the equity method.

Where control over an investee is lost as a result of partial disposal of an equity investment or for other reasons, in preparing the separate financial statements, if the remaining equity interest enables the Company to exercise joint control over or significant influence on the investee, it is subsequently accounted for under the equity method, and the remaining equity interest is adjusted as if the equity method had been applied from the date of acquisition. Other comprehensive income recognized before control was obtained is reclassified on a proportionate basis using the same basis as would apply if the investee had directly disposed of the related assets or liabilities, and other changes in shareholders' equity recognized under the equity method are transferred to profit or loss for the period on a proportionate basis. If the remaining equity interest does not enable the Company to exercise joint control over or significant influence on the investee, it is recognized as a financial asset, and the difference between its fair value on the date control is lost and its carrying amount is recognized in profit or loss for the period. Other comprehensive income and other changes in shareholders' equity recognized before control was obtained are transferred in full.

Where an investment in a subsidiary is disposed of in stages through multiple transactions until control is lost, and the transactions constitute a package transaction, all such transactions are accounted for as a single transaction involving disposal of the equity investment in the subsidiary and loss of control. Before control is lost, the difference between the consideration received on each disposal and the carrying amount of the long-term equity investment corresponding to the equity interest disposed of is first recognized as other comprehensive income in the separate financial statements and is then transferred in full to profit or loss for the period in which control is lost. If the transactions do not constitute a package transaction, each transaction is accounted for separately.

(14) Investment Properties

Investment property refers to real property held to earn rentals, for capital appreciation, or both, including leased land use rights, land use rights held for transfer after appreciation, and leased buildings (including buildings constructed or developed for lease after completion and buildings under construction or development for future lease).

Subsequent expenditures related to investment property are included in the cost of the investment property when it is probable that the related economic benefits will flow to the Company and the cost can be measured reliably; otherwise, they are recognized in profit or loss for the period as incurred.

The Company measures its existing investment properties using the cost model. For investment properties measured using the cost model, leased buildings are depreciated using the same policy as the Company applies to fixed assets, and leased land use rights are amortized using the same policy as that applied to intangible assets.

(15) Fixed Assets

1. Recognition and Initial Measurement of Fixed Assets

Fixed assets are tangible assets held for use in the production of goods, rendering of services, rental, or administrative purposes, with a useful life of more than one accounting year. A fixed asset is recognized only when both of the following conditions are met:

(1) it is probable that economic benefits associated with the fixed asset will flow to the entity;

(2) the cost of the fixed asset can be measured reliably.

Fixed assets are initially measured at cost, taking into account the effect of estimated asset retirement costs where applicable.

Subsequent expenditures related to fixed assets are included in the cost of the fixed asset when it is probable that the related economic benefits will flow to the Company and the cost can be measured reliably; the carrying amount of the replaced part is derecognized. All other subsequent expenditures are recognized in profit or loss for the period as incurred.

2. *Depreciation Methods*

Depreciation of fixed assets is calculated by category using the straight-line method, with depreciation rates determined based on the category of fixed assets, the estimated useful life, and the estimated residual value rate. For fixed assets for which impairment allowances have been recognized, depreciation for future periods is determined based on the carrying amount after deduction of the impairment allowance and the remaining useful life. Where different components of a fixed asset have different useful lives or provide economic benefits in different ways, different depreciation rates or methods are applied and depreciation is recognized separately.

The depreciation methods, useful lives, residual value rates, and annual depreciation rates for each category of fixed assets are set out below:

Category	Depreciation Methods	Depreciation Period (years)	Residual Value Rate (%)	Annual Depreciation Rate (%)
Freehold Land	Indefinite	—	—	—
Buildings	Straight line method	20–40	0.00–10.00	5.00–2.25
Machinery	Straight line method	2–10	0.00–10.00	50.00–9.00
Vehicles	Straight line method	3–5	0.00–10.00	33.33–18.00
Equipment	Straight line method	3–5	0.00–10.00	33.33–18.00

3. *Disposal of Fixed Assets*

A fixed asset is derecognized when it is disposed of or when no future economic benefits are expected to arise from its use or disposal. The amount by which disposal proceeds from the sale, transfer, scrapping, or damage of a fixed asset exceed its carrying amount and related taxes is recognized in profit or loss for the period.

(16) Construction in Progress

Construction in progress is measured at actual cost. Actual cost includes construction costs, installation costs, borrowing costs eligible for capitalization, and other necessary expenditures incurred before the asset reaches its intended usable condition. Construction in progress is transferred to fixed assets when it reaches its intended usable condition, and depreciation begins from the following month. The criteria and timing for transferring the Company's construction in progress to fixed assets are set out below:

Category	Criteria and Timing for Transfer to Fixed Assets
Buildings	Physical construction, including installation works, has been completed or substantially completed; the properties and buildings purchased or constructed have attained or substantially conform to, the design standard or contractual requirements; construction in progress is transferred to fixed assets at an estimated value determined based on the actual construction costs incurred, with effect from the date on which the relevant assets are ready for their intended use.
Machinery	The machinery and other related facilities have been installed; the machinery operates properly and stably after testing; the machinery is able to produce conforming products; the machinery is transferred to fixed assets upon successful completion of acceptance inspection.
Vehicles	The vehicles have been delivered and are able to function properly for their intended purpose.
Equipment	The equipment has been installed, tested and is able to attain the condition required for its intended use.

(17) Borrowing Costs

1. Principles for Recognition of Capitalized Borrowing Costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized and included in the cost of the related asset; other borrowing costs are recognized as expenses in profit or loss for the period as incurred.

Qualifying assets are assets such as fixed assets, investment properties, and inventories that necessarily take a substantial period of time to get ready for their intended use or sale.

2. Period of Capitalization of Borrowing Costs

The capitalization period is the period from the commencement of capitalization of borrowing costs to the cessation of capitalization; periods during which capitalization is suspended are excluded.

Capitalization of borrowing costs begins when all of the following conditions are satisfied:

(1) expenditures for the asset have been incurred, including expenditures incurred in the form of cash payments, transfer of non-cash assets, or assumption of interest-bearing liabilities for the acquisition, construction, or production of a qualifying asset;

(2) borrowing costs have been incurred;

(3) the acquisition, construction, or production activities necessary to prepare the asset for its intended use or sale have commenced.

When a qualifying asset being acquired, constructed, or produced reaches its intended use or sale condition, capitalization of borrowing costs ceases.

3. Suspension of Capitalization

If the acquisition, construction, or production of a qualifying asset is interrupted abnormally for a continuous period of more than three months, capitalization of borrowing costs is suspended. If the interruption is a necessary procedure for bringing the qualifying asset to its intended use or sale condition, capitalization of borrowing costs continues. Borrowing costs incurred during the suspension period are recognized in profit or loss for the period, and capitalization resumes when the acquisition, construction, or production activities restart.

4. Method for Calculating the Capitalization Rate and the Amount of Capitalized Borrowing Costs

For specific borrowings obtained for the acquisition, construction, or production of a qualifying asset, the amount of borrowing costs to be capitalized is determined as the actual borrowing costs incurred during the period on those specific borrowings, less any interest income earned on temporarily unutilized borrowing funds placed on deposit with banks or any investment income earned from the temporary investment of those funds.

For general borrowings used for the acquisition, construction, or production of a qualifying asset, the amount of borrowing costs to be capitalized is determined by applying the capitalization rate on the weighted average accumulated asset expenditures exceeding the amount financed by specific borrowings. The capitalization rate is determined based on the weighted average effective interest rate of the relevant general borrowings.

During the capitalization period, exchange differences arising from principal and interest on specific foreign currency borrowings are capitalized and included in the cost of the qualifying asset. Exchange differences arising from principal and interest on other foreign currency borrowings, other than specific foreign currency borrowings, are recognized in profit or loss for the period.

(18) Intangible Assets

1. Measurement of Intangible Assets

(1) Intangible assets are initially measured at cost when obtained by the Company;

The cost of an externally acquired intangible asset includes the purchase price, related taxes and surcharges, and other expenditures directly attributable to bringing the asset to its intended use.

(2) Subsequent Measurement

Upon obtaining an intangible asset, the Company analyzes and determines its useful life.

Intangible assets with finite useful lives are amortized over the period during which they are expected to generate economic benefits for the enterprise; intangible assets whose economic benefit period cannot be foreseen are regarded as intangible assets with indefinite useful lives and are not amortized.

2. Estimated Useful Lives of Intangible Assets with Finite Useful Lives

Item	Estimated Useful Life	Amortization Method	Residual Value Rate	Basis for Determining Estimated Useful Life
Land-use right	35–50 years	Straight line method	0.00%	Term of land-use right
Software	3–10 years	Straight line method	0.00%	Estimated useful life
Technology	1–10 years	Straight line method	0.00%	Estimated useful life
Trademark	10 years	Straight line method	0.00%	Estimated useful life
Internally generated technology	3–10 years	Straight line method	0.00%	Estimated product life cycle

3. Basis for determining that an intangible asset has an indefinite useful life and the procedures for reviewing its useful life

The Company did not have any intangible assets with an indefinite useful life.

4. Scope of Research and Development Expenditures

Research and development expenditures incurred by the Company include employee benefits and share-based payment expenses relating to personnel engaged in R&D activities, materials consumed, depreciation and amortization, outsourced R&D costs, and other related expenditures.

Direct aggregation: Expenditures directly related to R&D projects are directly measured and aggregated into specific R&D projects by the Company.

Allocated aggregation: For shared facility or service costs, the Company allocates them to specific R&D projects on a reasonable basis.

5. Specific Criteria for Distinguishing the Research Phase from the Development Phase

Expenditures on the Company's internal research and development projects are classified into research phase expenditures and development phase expenditures.

Research phase: the stage of original and planned investigation and research activities undertaken to obtain and understand new scientific or technical knowledge and the like. The research phase usually includes market research and feasibility study.

Development phase: the stage, before commercial production or use, in which research findings or other knowledge are applied to a plan or design for the production of new or substantially improved materials, devices, products, and similar items. The development phase usually includes circuit and layout design, tape-out, assembly and testing and trial production.

6. Specific Conditions for Capitalization of Development Expenditures

Expenditures incurred during the research phase are recognized in profit or loss for the period as incurred. Expenditures incurred during the development phase are recognized as an intangible asset only when all of the following conditions are met; otherwise, they are recognized in profit or loss for the period:

(1) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(2) the intention to complete the intangible asset and use or sell it;

(3) the manner in which the intangible asset will generate economic benefits, including evidence of the existence of a market for the products produced using the intangible asset or for the intangible asset itself, or, if it is to be used internally, evidence of its usefulness;

(4) the availability of adequate technical, financial, and other resources to complete the development of the intangible asset and the ability to use or sell the intangible asset;

(5) the expenditures attributable to the development phase of the intangible asset can be measured reliably.

Where expenditures incurred during the research phase cannot be distinguished from those incurred during the development phase, all research and development expenditures incurred are recognized in profit or loss for the period.

Expenditures incurred by the Company during the stage of planned investigation, evaluation and selection conducted for researching the IC layout of analog, CIS and display chips are classified as research phase expenditures which are recognized in profit or loss for the period. Expenditures incurred in the stage of IC design and testing are development phase expenditures, which are capitalized if all the criteria below are met: (1) the development has been fully demonstrated by the technology teams; (2) the management has approved the budget; (3) the research and analysis conducted in the process of preliminary market research indicate that the products have market viability; (4) there is sufficient technical and financial support to proceed with the development and the subsequent mass production; (5) the expenditures incurred can be reliably categorized and aggregated.

(19) Impairment of Long-lived Assets

Long-lived assets such as long-term equity investments, investment properties measured using the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives are tested for impairment at the balance sheet date whenever there is any indication of impairment. If the impairment test indicates that the recoverable amount of an asset is lower than its carrying amount, an impairment allowance is recognized for the difference and charged to impairment loss. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of its expected future cash flows. Impairment allowances are calculated and recognized on an individual asset basis. If the recoverable amount of an individual asset cannot be estimated, the recoverable amount is determined for the asset group to which the asset belongs. An asset group is the smallest group of assets capable of generating cash inflows independently.

Goodwill arising from a business combination, intangible assets with indefinite useful lives, and intangible assets not yet available for use are tested for impairment at least annually at each year-end, regardless of whether there is any indication of impairment.

When testing goodwill for impairment, the Company allocates the carrying amount of goodwill arising from a business combination to the related asset groups from the acquisition date using a reasonable method; where it cannot be allocated to the related asset groups, it is allocated to the related group of asset groups. The related asset group or group of asset groups is one that is expected to benefit from the synergies of the business combination.

When testing an asset group or group of asset groups containing goodwill for impairment, if there is any indication of impairment in the asset group or group of asset groups related to the goodwill, the Company first tests the asset group or group of asset groups excluding goodwill for impairment, determines the recoverable amount, and compares it with the relevant carrying amount to recognize the corresponding impairment loss. It then tests the asset group or group of asset groups containing goodwill for impairment by comparing its carrying amount with its recoverable amount. If the recoverable amount is lower than the carrying amount, the impairment loss is first applied to reduce the carrying amount of the goodwill allocated to the asset group or group of asset groups, and any remaining impairment loss is allocated on a pro rata basis to reduce the carrying amounts of the other assets in the asset group or group of asset groups based on their relative carrying amounts.

Once recognized, the above impairment losses are not reversed in subsequent accounting periods.

(20) Long-term Prepaid Expenses

Long-term deferred expenses are expenditures that have been incurred but should be allocated to the reporting period and future periods over an amortization period of more than one year.

The Company's long-term prepaid expenses include leasehold improvements, land improvement, software license, and decoration costs, etc. Long-term prepaid expenses are amortized on the straight line method over the periods which benefit from such expenses.

(21) Contract Liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between satisfaction of performance obligations and customer payments. The Company's obligations to transfer goods or render services to customers for consideration already received or receivable from customers are presented as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis.

(22) Employee Benefits

1. Accounting Treatment for Short-term Employee Benefits

Short-term employee benefits incurred by the Company are recognized as liabilities in the period in which employees render services, with a corresponding charge to the profit or loss for the period or to the cost of related assets.

Social insurance contributions and housing provident fund contributions payable by the Company for its employees, together with union funds and employee education funds accrued in accordance with relevant regulations, are recognized as employee benefits payable based on the prescribed contribution bases and rates, with a corresponding charge to the profit or loss for the period or to the cost of related assets in the period in which employees render services.

Employee welfare expenses incurred by the Company are recognized in current profit or loss or the cost of related assets based on the actual amount incurred. Non-monetary benefits are measured at fair value.

2. Accounting Treatment for Post-employment Benefits

The Company has participated in various pension plans and other post-employment benefits in China, the United States of America, and Singapore, among other jurisdictions. The Company's post-employment benefit arrangements include both defined contribution plans and defined benefit plans. Under defined contribution plans, the Company pays fixed contributions into a separate fund and has no further payment obligations once those contributions have been made. Defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Company's post-employment benefits primarily consisted of contributions to basic pension and unemployment insurance schemes, both of which are defined contribution plans.

No forfeited contributions were utilized by the Company to reduce its contributions to the abovementioned social insurance plan for the six-month period ended June 30, 2026.

(1) Subsidiaries in Mainland China

The Company's employees in Mainland China participate in basic pension plans established and administered by local authorities of the Ministry of Human Resources and Social Security. Monthly contributions to these pension plans are determined based on the contribution bases and rates prescribed by the relevant local authorities. When employees retire, the relevant local authorities are responsible for paying the pension benefits. Amounts determined on the foregoing basis are recognized as liabilities in the period in which the related services are rendered, with a corresponding charge to profit or loss for the period or to the cost of the related assets, as appropriate.

(2) *Subsidiaries in United States of America ("**U.S.**")*

With respect to the pension arrangements for employees of the Company's U.S. subsidiaries, the subsidiaries may, at their discretion, make matching contributions under the 401(k) Plan at a rate of up to 3% of employees' eligible compensation, provided that employees contribute at least 1% of their eligible compensation. Contributions payable under the 401(k) Plan are recognized as employee benefits payable and charged to profit or loss for the period in which the related services are rendered. The U.S. subsidiaries have no further payment obligations.

(3) *Subsidiaries in Singapore and other countries*

The Company contributes fixed amounts to local defined contribution plans under which the relevant funds are responsible for paying pension benefits and other post-retirement benefits to retired employees. Contributions payable under such plans are recognized as liabilities in the period in which the related services are rendered, with a corresponding charge to profit or loss for the period or to the cost of the related assets, as appropriate.

3. Accounting for Termination Benefits

When the Company provides termination benefits to employees, a liability for termination benefits is recognized and charged to profit or loss for the period at the earlier of: (i) when the Company can no longer unilaterally withdraw the offer of termination benefits under a plan to terminate employment or a proposal for redundancy; and (ii) when the Company recognizes costs or expenses related to a restructuring that involves the payment of termination benefits.

(23) Provisions

An obligation related to a contingency is recognized as a provision when all of the following conditions are met:

(1) the obligation is a present obligation of the Company;

(2) it is probable that settlement of the obligation will result in an outflow of economic benefits from the Company;

(3) the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the present obligation.

In determining the best estimate, the Company takes into account factors such as the risks, uncertainties, and time value of money relating to the contingency. Where the effect of the time value of money is material, the best estimate is determined by discounting the relevant future cash outflows.

Where all or part of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognized separately as an asset when it is virtually certain that the reimbursement will be received, provided that the amount recognized does not exceed the carrying amount of the provision.

At the balance sheet date, the Company reviews the carrying amount of provisions. Where conclusive evidence indicates that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the current best estimate.

(24) Other Equity Instruments

The Company assesses the convertible bonds to determine whether the convertible bonds are compound financial instruments, which contain both liability and equity components. For compound financial instruments, the Company classifies each component as either a financial liability or an equity instrument at initial recognition. At initial measurement, the Company first determines the fair value of the liability component and then deducts the fair value of the liability component from the fair value of the compound financial instrument to determine the value of the equity component, which is recorded in other equity instruments.

(25) Share Repurchases

Shares repurchased by the Company are accounted for as treasury shares before they are cancelled or transferred, and all the expenses for repurchasing shares are recorded as the cost of treasury shares.

The consideration and transaction costs paid in share repurchases reduce owner's equity. When repurchasing, transferring, or canceling the Company's shares, no gains or losses are recognized.

When treasury shares are transferred, the difference between the actual amount received and the book value of the treasury shares shall be recorded in capital reserve. If the capital reserve is insufficient to cover the shortfall, surplus reserve and retained earnings shall be used to cover accordingly. When the treasury shares are cancelled, the share capital shall be reduced based on the par value and the number of cancelled shares. The difference between the book value of the cancelled treasury shares and the par value shall be used to offset against the capital reserve. If the capital reserve is insufficient to offset, surplus reserve and retained earnings shall be offset accordingly.

(26) Share-based Payments

The Company's share-based payments are transactions in which equity instruments are granted, or liabilities based on equity instruments are incurred, in exchange for services received from employees or other parties. The Company's share-based payments are equity-settled share-based payments.

For equity-settled share-based payments in exchange for employee services, the fair value of the equity instruments granted to employees is measured. For share-based payment transactions that vest immediately upon grant, the fair value of the equity instruments on the grant date is recognized in the relevant costs or expenses, with a corresponding increase in capital reserve. For share-based payment transactions that vest only after services have been rendered during a vesting period or specified performance conditions have been satisfied, at each balance sheet date during the vesting period, the Company recognizes the services received during the reporting period in the relevant costs or expenses, with a corresponding increase in capital reserve, based on the grant-date fair value and the best estimate of the number of equity instruments expected to vest.

If the terms of an equity-settled share-based payment are modified, the services received are recognized at least as if the terms had not been modified. In addition, any modification that increases the fair value of the equity instruments granted, or is otherwise beneficial to employees as at the modification date, is recognized as an increase in the services received.

If the equity instruments granted are canceled during the vesting period, the Company accounts for the cancellation as an acceleration of vesting and immediately recognizes in profit or loss for the reporting period the amount that otherwise would have been recognized over the remainder of the vesting period, with a corresponding recognition in capital reserve. However, if new equity instruments are granted and, on the date of grant of the new equity instruments, the Company identifies the new grant as a replacement for the canceled equity instruments, the replacement equity instruments are accounted for in the same manner as a modification of the terms and conditions of the original equity instruments.

(27) Revenue

1. Accounting Policies Adopted for Revenue Recognition and Measurement

The Company recognizes revenue when it satisfies a performance obligation in a contract, that is, when control of the relevant goods or services is transferred to the customer. Control of the relevant goods or services refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods or services.

If a contract contains two or more performance obligations, at contract inception the Company allocates the transaction price to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in each distinct performance obligation. Revenue is measured based on the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to customers. The Company determines the transaction price based on the contract terms and, in light of its customary business practices, considers the effects of variable consideration, the existence of a significant financing component in the contract, non-cash consideration, consideration payable to a customer, and other relevant factors. The transaction price that includes variable consideration is determined only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the related uncertainty is subsequently resolved. Where a contract contains a significant financing component, the Company determines the transaction price based on the amount that a customer would have paid in cash at the time control of the goods or services was transferred, and amortizes the difference between that transaction price and the contractual consideration over the contract period using the effective interest method.

A performance obligation is satisfied over time if any one of the following conditions is met; otherwise, it is satisfied at a point in time:

- The customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs.

- The customer controls the goods as they are created or enhanced in the course of the Company's performance.

- The goods produced in the course of the Company's performance have no alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date throughout the contract period.

For performance obligations satisfied over time, the Company recognizes revenue over time based on the progress toward complete satisfaction of the performance obligation, except where such progress cannot be measured reliably. Depending on the nature of the goods or services, the Company determines progress using either an output method or an input method. When progress cannot be measured reliably, but the costs incurred are expected to be recoverable, revenue is recognized only to the extent of costs incurred until such time as progress can be measured reliably.

For performance obligations satisfied at a point in time, the Company recognizes revenue when the customer obtains control of the relevant goods or services. In determining whether the customer has obtained control, the Company considers the following indicators:

- The Company has a present right to payment for the goods or services; that is, the customer has a present obligation to pay for the goods or services.

- The Company has transferred legal title to the goods to the customer; that is, the customer has obtained legal title to the goods.

- The Company has transferred physical possession of the goods to the customer; that is, the customer has taken physical possession of the goods.

- The Company has transferred the significant risks and rewards of ownership of the goods to the customer; that is, the customer has obtained the significant risks and rewards of ownership of the goods.

- The customer has accepted the goods or services, as applicable.

The Company determines whether it is acting as a principal or as an agent in a transaction based on whether it controls the specified goods or services before those goods or services are transferred to the customer. If the Company controls the specified goods or services before transfer to the customer, it acts as a principal and recognizes revenue in the gross amount of consideration received or receivable; otherwise, it acts as an agent and recognizes revenue in the amount of the commission or fee to which it expects to be entitled.

2. Specific methods of revenue recognition and measurement disclosed by business type

(1) Sale of goods

Contracts for the sale of goods between the Company and its customers usually only contain the performance obligation of transferring goods, which is a performance obligation to be satisfied at a certain point in time.

The Company delivers the goods based on confirmed orders, and recognizes revenue when it has obtained a delivery receipt or customer confirmation; when export sales are involved, upon completion of the customs declaration procedures, the revenue shall be recognized based on end customs declaration form for export goods and the bill of lading. The Company recognizes revenue when it has obtained the present right to receive consideration for the goods, the significant risks and rewards of ownership of the goods have been transferred, the legal ownership of the goods has been transferred, the goods have been physically transferred and the customer has accepted the goods.

For the sale of goods via distributors, transaction price is the consideration that the Company expects to be entitled to receive from the customer at the time when it transfers the goods. Considering the impact of factors such as variable consideration, the Company determines the transaction price containing a variable consideration by an amount not exceeding the cumulative revenue recognized as at the time when the relevant uncertainty has been resolved, which, with a high probability, will not be subject to significant reversal. After delivering the goods to the distributors in accordance with the contract, the legal ownership of the goods has been transferred to the distributor, the Company cannot arbitrarily transfer the goods from the distributors. At the same time, the distributors have the right to sell or dispose of the goods and obtain the related economic benefits and have taken the risk of damage to the goods. In addition, according to the payment terms, the distributors are obligated to make payment to the Company when the payment is due, regardless of whether the distributors have sold the goods or not. After the Company delivers the goods to the distributors, the distributors gain control of the goods, and the Company recognizes revenue accordingly.

For transaction arrangements involving suppliers, parties designated by customers or other third parties in the course of the Company's sales of goods, including certain semiconductor agency sales, agency procurement, supply chain supporting services and similar businesses involving the transfer of goods, the Company assesses whether it obtains control over the specified goods before transferring them to customers, based on the contractual terms, the substance of the transactions and the actual implementation status. Where the Company obtains and controls the relevant goods prior to the transfer and acts as a principal, it recognizes revenue at the gross amount of consideration received or receivable from customers. The specific timing of revenue recognition follows the general principles applicable to such sales of goods contracts. Where the Company does not obtain or control the relevant goods prior to the transfer, and its performance obligation is in substance to arrange for the provision of goods by suppliers or other parties, it acts as an agent and recognizes revenue at the net amount of commissions, handling fees, service fees or other consideration to which it expects to be entitled. The consideration payable to suppliers or other relevant parties in respect of the goods is not recognizes as revenue of the Company.

(2) Provision of services

The Company provides integrated circuit design, consultation and technical development services. The goods produced by the Company in the course of contract have no alternative use. If the Company is not entitled to receive consideration for the portion of performance obligation satisfied to date over the duration of the contract, it is treated as a performance obligation satisfied at a point in time, and the Company recognizes revenue when the services have been provided and the right to receive consideration for the service has been obtained; if the Company is entitled to collect consideration for the portion of the performance obligation satisfied to date over the duration of the contract, it is treated as a performance obligation satisfied over time, and the Company recognizes revenue over the period of time in which services are provided based on the progress of performance.

(3) Assignment of patent

The Company grants its patent to the licensee. If the Company grants the right to use the patent to the licensee over a period of time, revenue shall be recognized on a systematic basis over the entire period throughout which the licensee benefits from the patents. If the Company grants the patent to the licensee on a one-off basis, then revenue is recognized when the control of patent is transferred to the licensee.

(28) Contract Costs

Contract costs include costs to fulfill a contract and costs to obtain a contract.

Costs incurred by the Company to fulfill a contract that are not within the scope of standards relating to inventories, fixed assets, intangible assets, or other relevant standards are recognized as an asset representing costs to fulfill a contract when all of the following conditions are met:

- The cost relates directly to a current contract or a contract expected to be obtained.
- The cost generates or enhances resources of the Company that will be used in satisfying performance obligations in the future.
- The cost is expected to be recovered.

Incremental costs incurred by the Company to obtain a contract are recognized as an asset representing costs to obtain a contract when the Company expects to recover those costs.

Assets related to contract costs are amortized on the same basis as the recognition of revenue from the goods or services to which the asset relates; however, if the amortization period of costs to obtain a contract does not exceed one year, the Company expenses such costs as incurred.

Where the carrying amount of an asset related to contract costs exceeds the difference between the following two amounts, the Company recognizes an impairment allowance for the excess and records an asset impairment loss:

1. the remaining consideration expected to be received from the transfer of the goods or services related to the asset;

2. the estimated costs to be incurred in transferring the related goods or services.

If the factors that gave rise to an impairment loss in prior periods subsequently change so that the aforementioned excess exceeds the carrying amount of the asset, the Company reverses the previously recognized impairment allowance and includes the reversal in profit or loss for the reporting period; however, after the reversal, the carrying amount of the asset shall not exceed the amount that would have been determined had no impairment allowance been recognized.

(29) Government Grants

1. Type

Government grants are monetary or non-monetary assets obtained by the Company from the government without consideration. They are classified as government grants related to assets and government grants related to income.

Government grants related to assets are grants obtained by the Company for the acquisition, construction, or other formation of long-term assets. Government grants related to income are government grants other than those related to assets.

2. Timing of Recognition

Government grants are recognized when the Company is able to satisfy the attached conditions and it is probable that the grants will be received.

3. Accounting Treatment

Government grants related to assets are either deducted from the carrying amount of the related asset or recognized as deferred income. Where recognized as deferred income, they are recognized in profit or loss over the useful life of the related asset using a reasonable and systematic method (included in other income if related to the Company's ordinary activities, and in non-operating income if unrelated to the Company's ordinary activities).

Government grants related to income that compensate the Company for related costs, expenses, or losses to be incurred in future periods are recognized as deferred income and included in profit or loss during the periods in which the related costs, expenses, or losses are recognized (included in other income if related to the Company's ordinary activities, and in non-operating income if

unrelated to the Company's ordinary activities), or are deducted from the related costs, expenses, or losses. Government grants related to income that compensate the Company for related costs, expenses, or losses already incurred are recognized directly in profit or loss for the reporting period (included in other income if related to the Company's ordinary activities, and in non-operating income if unrelated to the Company's ordinary activities), or are deducted from the related costs, expenses, or losses.

The Company accounts for interest in subsidies on policy-based preferential loans obtained by it under either of the following circumstances:

(1) Where the fiscal authority allocates interest subsidy funds to the lending bank and the lending bank provides the Company with a loan at a policy-based preferential interest rate, the Company records the loan at the amount of borrowings actually received and calculates the related borrowing costs based on the loan principal and the policy-based preferential interest rate.

(2) Where the fiscal authority allocates the interest subsidy funds directly to the Company, the corresponding interest subsidy is used to reduce related borrowing costs.

(30) Deferred Tax Assets and Deferred Tax Liabilities

Income tax comprises current income tax and deferred income tax. Except for income tax arising from business combinations and transactions or events recognized directly in owners' equity (including other comprehensive income), the Company recognizes current income tax and deferred income tax in profit or loss for the reporting period.

Deferred tax assets and deferred tax liabilities are recognized based on the differences between the tax bases of assets and liabilities and their carrying amounts (temporary differences).

Deferred tax assets are recognized for deductible temporary differences only to the extent that it is probable that taxable profit will be available in future periods against which the deductible temporary differences can be utilized. For deductible tax losses and tax credits that can be carried forward to future years, the corresponding deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible tax losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences, except in special circumstances.

Special circumstances in which deferred tax assets or deferred tax liabilities are not recognized include:

- initial recognition of goodwill;

- Transactions or events that are not business combinations, do not affect accounting profit or taxable income (or deductible loss) when they occur, and on initial recognition do not give rise to equal taxable temporary differences and deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, except to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures when it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available in the future against which the deductible temporary difference can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured, in accordance with tax laws, using the tax rates expected to apply in the period when the related asset is realized or the related liability is settled.

At the balance sheet date, the Company reviews the carrying amount of deferred tax assets. If it is no longer probable that sufficient taxable profit will be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current income tax assets and current income tax liabilities are presented on a net basis when the Company has a legally enforceable right to settle them on a net basis and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented on a net basis when both of the following conditions are met:

- The taxable entity has a legally enforceable right to settle current income tax assets and current income tax liabilities on a net basis;

- The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity, or relate to different taxable entities that intend either to settle current income tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to reverse.

(31) Leases

A lease is a contract under which the lessor conveys to the lessee the right to use an asset for a period of time in exchange for consideration. At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if one party conveys the right to control the use of one or more identified assets for a period of time in exchange for consideration.

If a contract contains multiple separate lease components, the Company separates the contract and accounts for each lease component separately. If a contract contains both lease and non-lease components, the lessee and the lessor separate the lease and non-lease components.

1. The Company as Lessee

(1) Right-of-use Assets

At the commencement date of the lease term, the Company recognizes a right-of-use asset for leases other than short-term leases and leases of low-value assets. The right-of-use asset is initially measured at cost. Cost comprises:

- the initial measurement amount of the lease liability;
- Lease payments made at or before the commencement date, less any lease incentives received;
- initial direct costs incurred by the Company;
- Estimated costs to be incurred by the Company to dismantle and remove the leased asset, restore the site on which it is located, or restore the leased asset to the condition required by the terms and conditions of the lease, excluding costs incurred to produce inventories.

Subsequently, the Company depreciates the right-of-use asset on a straight-line basis. If it is reasonably certain that the Company will obtain ownership of the leased asset by the end of the lease term, depreciation is provided over the remaining useful life of the leased asset; otherwise, depreciation is provided over the shorter of the lease term and the remaining useful life of the leased asset.

Right-of-use assets are assessed for impairment in accordance with the Company's accounting policy for impairment of long-lived assets, and any resulting impairment loss is recognized accordingly.

(2) Lease Liabilities

At the commencement date of the lease term, the Company recognizes a lease liability for leases other than short-term leases and leases of low-value assets. The lease liability is initially measured at the present value of lease payments not yet paid. Lease payments comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable under residual value guarantees provided by the Company;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects that the Company will exercise an option to terminate the lease.

The Company uses the interest rate implicit in the lease as the discount rate. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company calculates the interest expense on the lease liability in each period during the lease term using a constant periodic rate of interest and recognizes it in profit or loss for the reporting period or in the cost of the related asset.

Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss for the reporting period or in the cost of the related asset when incurred.

After the commencement date of the lease term, if any of the following events occurs, the Company remeasures the lease liability and makes a corresponding adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero and the lease liability still needs to be reduced further, the difference is recognized in profit or loss for the reporting period:

- When there is a change in the assessment of an option to purchase, extend, or terminate the lease, or when the actual exercise of such option differs from the original assessment, the Company remeasures the lease liability at the present value of the revised lease payments using a revised discount rate;

- When there is a change in in-substance fixed payments, a change in the amounts expected to be payable under a residual value guarantee, or a change in an index or rate used to determine lease payments, the Company remeasures the lease liability at the present value of the revised lease payments using the original discount rate. However, if the change in lease payments results from a change in a floating interest rate, the present value is remeasured using a revised discount rate.

(3) Short-term Leases and Leases of Low-value Assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and instead recognizes the related lease payments on a straight-line basis over the lease term in profit or loss for the reporting period or in the cost of the related asset. A short-term lease is a lease that, at the commencement date, has a lease term of no more than 12 months and does not contain a purchase option. A lease of a low-value asset is a lease for which the underlying asset, when new, is of low value. If the Company subleases or expects to sublease a leased asset, the original lease is not a lease of a low-value asset.

(4) Lease Modifications

If a lease modification meets both of the following conditions, the Company accounts for the lease modification as a separate lease:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets;

- The increase in consideration is commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If a lease modification is not accounted for as a separate lease, on the effective date of the lease modification the Company reallocates the consideration in the modified contract, redetermines the lease term, and remeasures the lease liability at the present value of the revised lease payments using a revised discount rate.

If a lease modification decreases the scope of the lease or shortens the lease term, the Company reduces the carrying amount of the right-of-use asset accordingly and recognizes any gain or loss relating to the partial or full termination of the lease in profit or loss for the reporting period. For other lease modifications that result in a remeasurement of the lease liability, the Company makes a corresponding adjustment to the carrying amount of the right-of-use asset.

2. *The Company as Lessor*

At the lease commencement date, the Company classifies each lease as either a finance lease or an operating lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the leased asset, regardless of whether title is ultimately transferred. An operating lease is a lease other than a finance lease. Where the Company is an intermediate lessor in a sublease, it classifies the sublease by reference to the right-of-use asset arising from the head lease.

(1) Accounting Treatment for Operating Leases

Lease receipts under operating leases are recognized as rental income on a straight-line basis over the lease term. Initial direct costs incurred in connection with an operating lease are capitalized and allocated to profit or loss over the lease term on the same basis as rental income is recognized. Variable lease payments not included in lease receipts are recognized in profit or loss for the reporting period when incurred. If an operating lease is modified, the Company accounts for the modification as a new lease from the effective date of the modification, and any prepaid or accrued lease receipts relating to the lease before the modification are treated as lease receipts under the new lease.

(2) Accounting Treatment for Finance Leases

At the lease commencement date, the Company recognizes finance lease receivables for finance leases and derecognizes the finance lease asset. On initial measurement of finance lease receivables, the net investment in the lease is recorded as the carrying amount of the finance lease receivables. The net investment in the lease is the sum of the present value of lease payments not yet received at the commencement date and the present value of the unguaranteed residual value, discounted using the interest rate implicit in the lease.

For each period during the lease term, the Company recognizes interest income using a constant periodic rate of return. Derecognition and impairment of finance lease receivables are accounted for in accordance with the Company's accounting policy for financial instruments.

Variable lease payments not included in the measurement of the net investment in the lease are recognized in profit or loss for the reporting period when incurred.

If a finance lease is modified and both of the following conditions are met, the Company accounts for the modification as a separate lease:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets;

- The increase in consideration is commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If a modification of a finance lease is not accounted for as a separate lease, the Company accounts for the modified lease as follows, depending on the circumstances:

- If the lease would have been classified as an operating lease had the modification been effective at the lease commencement date, the Company accounts for the modified lease as a new lease from the effective date of the modification and uses the net investment in the lease immediately before the effective date of the modification as the carrying amount of the lease asset;

- If the lease would have been classified as a finance lease had the modification taken effect at the commencement date, the Company accounts for the modification in accordance with its accounting policy for contract modifications or renegotiations under financial instruments.

(32) Segment Reporting

The Company determines its operating segments based on its internal organizational structure, management requirements, and internal reporting system, and identifies reportable segments on the basis of operating segments for the disclosure of segment information.

An operating segment is a component of the Company that meets all of the following conditions simultaneously: (1) it may earn revenues and incur expenses in the ordinary course of business; (2) its operating results are regularly reviewed by the Company's management to make decisions about resources to be allocated to the segment and assess its performance; and (3) discrete accounting information on its financial position, operating results, and cash flows is available. Two or more operating segments may be aggregated into a single operating segment if they have similar economic characteristics and meet certain specified conditions.

(33) Method for Determining Materiality Thresholds and Basis for Selection

Item	Materiality Standard
Significant accounts receivable for which loss allowance is made on an individual basis	Accounting for 10% or more of the total loss allowance recognized for accounts receivable on an individual basis, with an amount greater than RMB10,000,000
Significant write-off of accounts receivable	Accounting for 10% or more of total write-off of accounts receivable, with an amount greater than RMB10,000,000
Significant advance payments with account age exceeding 1 year	Accounting for 10% or more of total advance payments with account age exceeding 1 year, with an amount greater than RMB10,000,000
Significant payables with account age exceeding 1 year or overdue	Accounting for 10% or more of the total payables whose account age exceeds 1 year, with an amount greater than RMB10,000,000.
Significant contract liabilities with account age exceeding 1 year	Accounting for 10% or more of the total contract liabilities whose account age exceeds 1 year, with an amount greater than RMB10,000,000.
Significant capitalized R&D projects	Individual projects which account for more than 10% of total development expenditures, with an amount greater than RMB100,000,000
Significant subsidiaries	A subsidiary whose net assets account for 5% or more of the Group's net assets attributable to the Company, or whose net profit accounts for 10% or more of the Group's net profit
Significant non-wholly-owned subsidiaries	A subsidiary whose net assets account for 5% or more of the Group's net assets attributable to the Company, and whose non-controlling interest accounts for 1% or more of the Group's net assets
Significant joint ventures or associates	A joint venture or associate in which the long-term equity investments account for 5% or more of the Group's net assets attributable to the Company, with investment income accounting for 10% or more of the Group's net profit

(34) Significant Accounting Estimates and Judgments

The Company continuously evaluates the significant accounting estimates and key judgments based on historical experience and other factors, including reasonable expectations of future events.

1. Classification of financial assets

Key judgments involved when the Company determines the classifications of financial assets include the analysis of the business model and contractual cash flow characteristics.

At the level of portfolio of financial assets, the Company determines the business model under which financial assets are managed, factors considered include the way by which the performance of the financial assets is assessed and reported to key management personnel, risks affecting the performance of financial assets and the manner in which such risks are managed, as well as the way by which relevant management personnel are remunerated.

In evaluating whether the contractual cash flow of financial assets is consistent with the underlying lending arrangement, key judgment involved include whether changes will occur to the time distribution or the amount of principal over the life of financial assets due to reasons such as prepayment; whether the interest only includes the time value of money, credit risk, other basic lending risk and the consideration for cost and profit. For example, whether the prepaid amount only reflects the principal which has not yet been repaid, the interest accruing based on the outstanding principal, as well as the reasonable compensation paid for earlier termination of contract.

2. Inventories write-down provision

As at the balance sheet date, the Company measures inventories at the lower of cost and net realizable value. A write-down is recognized for excess inventories at their production cost, based on the difference between the quantity of inventories and the estimated sales volume. The calculation of net realizable value and the estimation of sales volume require the application of assumptions and estimates. In making such estimates, the Company considers the purpose of holding the inventories, and bases its estimates on information available including the expected usage of inventories and the estimated selling price. The net realizable value of inventories may vary due to the changes in market prices or the actual usage of inventories. Accordingly, the amount of provision for inventory write-down may vary as a result of the aforementioned factors, thereby affecting profit or loss.

3. Impairment of goodwill

The Company performs goodwill impairment tests at least once a year. This requires estimation of the present value of the future cash flows of the cash-generating unit or group of cash-generating units to which goodwill has been allocated. When estimating the present value of future cash flows, the Company needs to estimate the cash flows generated by the cash-generating unit or group of cash-generating units in the future, and at the same time select an appropriate discount rate to determine the present value.

4. Fair value of financial instruments

For financial instruments with no quoted prices available in an active market, valuation techniques are applied to determine their fair value. Valuation techniques include using the latest transaction information available in the market, referring to the fair value of similar financial instruments, discounted cash flow method, option pricing model, etc. The measurement of the fair value involves important unobservable inputs, which gives rise to inherent estimation uncertainty.

5. Point of time for revenue recognition

When the Company sells goods to customers, after delivering the goods to the customers in accordance with the contract, the legal ownership of goods has been transferred to the customers, the Company cannot arbitrarily transfer the goods from the customers. At the same time, the customers have the right to sell or dispose of the goods and obtain associated economic benefits and have taken the risk of damage to the goods. In addition, according to the payment terms, the customers are obligated to make payment to the Company when the payment is due, regardless of whether the customers have sold the goods or not. The customers obtain control of the goods upon delivery.

Therefore, the Company recognizes revenue after delivering the goods according to confirmed orders, and upon obtaining a delivery receipt or confirmation from the customers. Where export sales are involved, revenue is recognized based on the customs declaration form and bill of lading upon completion of the customs declaration procedures.

(35) Changes in Significant Accounting Policies and Accounting Estimates

1. Material Changes in Accounting Policies

(1) Implementation of Interpretation No. 19 of the Accounting Standards for Business Enterprises On December 19, 2025, the Ministry of Finance issued Interpretation No. 19 of the Accounting Standards for Business Enterprises (Cai Kuai [2025] No. 32, hereinafter referred to as "**Interpretation No. 19**"), which became effective on January 1, 2026.

① Accounting Treatment for Indemnification Assets in Business Combinations Not under Common Control

Interpretation No. 19 provides that, in a business combination not under common control, the seller and the acquirer may enter into a contractual arrangement under which the seller indemnifies the acquirer for the outcome of certain contingencies relating to the acquiree, or uncertainties associated with specific assets or liabilities, thereby giving rise to an indemnification asset for the acquirer.

In its consolidated financial statements, the acquirer shall recognize an indemnification asset at the same time as it recognizes the indemnified item. The indemnification asset shall be measured on the same basis as the indemnified item, subject to management's assessment of its recoverability, with any amount expected not to be recoverable deducted from the amount initially recognized for the indemnification asset. At each subsequent balance sheet date, the acquirer shall subsequently measure the indemnification asset on the same basis as the indemnified item, taking into account any contractual limitations on the indemnification amount. Any change in the carrying amount of the indemnified item shall result in a corresponding adjustment to the carrying amount of the indemnification asset, with the adjustment recognized in investment income. For an indemnification asset that is not subsequently measured at fair value, management's assessment of recoverability shall also be considered separately, and any amount expected not to be recoverable shall be recognized in investment income. When the acquirer collects, sells or otherwise loses its rights to an indemnification asset, it shall derecognize the asset, and any difference between the consideration received and the carrying amount of the indemnification asset shall be recognized in investment income.

In its separate financial statements, the acquirer shall recognize an indemnification asset when the recognition criteria for a contingent asset are met (i.e., it is virtually certain that the amount will be received and the amount can be measured reliably), with a corresponding reduction in the initial investment cost of the long-term equity investment. At each subsequent balance sheet date, the acquirer shall account for the indemnification asset in accordance with Accounting Standard for Business Enterprises No. 13 — Contingencies, taking into account any contractual limitations on the indemnification amount and management's assessment of the recoverability of the indemnification asset, and shall recognize any amount expected not to be recoverable in investment income.
Upon initial application, indemnification assets existing at the effective date shall be retrospectively adjusted. No retrospective adjustment is required for indemnification assets that had been collected, sold or otherwise ceased to be rights of the entity before the effective date. The implementation of Interpretation No. 19 had no impact on the Company's financial statements.

② Accounting Treatment of the Relevant Capital Reserve upon Disposal of a Subsidiary Originally Acquired through a Business Combination under Common Control

Interpretation No. 19 provides that, when an entity disposes of a subsidiary originally acquired through a business combination under common control and loses control, regardless of whether the counterparty is a related party or an unrelated party, the capital reserve recognized at the combination date for the difference between the initial investment cost of the long-term equity investment and the carrying amount of the consideration transferred shall not be reclassified to current profit or loss or retained earnings in either the separate financial statements or the consolidated financial statements.

Upon initial application, retrospective adjustment is required. The implementation of Interpretation No. 19 had no impact on the Company's financial statements.

③ Derecognition of Financial Liabilities Settled through Electronic Payment Systems

Interpretation No. 19 provides that, when an entity settles a financial liability (or part thereof) in cash through an electronic payment system, it may elect to derecognize the liability before the settlement date only if it has initiated the payment instruction and all of the following conditions are met: 1. the entity has no practical ability to withdraw, stop or cancel the payment instruction; 2. the entity has no practical ability to access the cash to be used for settlement as a result of the payment instruction; and 3. the settlement risk associated with the electronic payment system is insignificant. For example, the electronic payment system completes the payment instruction in accordance with its standard administrative process, and the period between satisfaction of the first two conditions and delivery of the cash to the counterparty is short. If execution of the payment instruction depends on whether the entity is able to deliver cash on the settlement date, the settlement risk associated with the electronic payment system cannot be considered insignificant.

Upon initial application, retrospective adjustment is required, with the cumulative effect adjusted against retained earnings and other relevant financial statement items as at January 1, 2026, without restating comparative financial statements for prior periods. The Company has made the above accounting policy election and applies it consistently to all settlements made through the same electronic payment system. The implementation of Interpretation No. 19 had no impact on the Company's financial statements.

④ Assessment of the Contractual Cash Flow Characteristics of Financial Assets and Related Disclosures

Interpretation No. 19 provides that, in assessing whether the contractual cash flows of a financial asset are consistent with the underlying lending arrangement, an entity may need to consider

the different components of interest. The assessment of interest shall focus on what the entity is being compensated for, rather than the amount of compensation, although the latter may indicate that the entity is being compensated for elements other than basic lending risks and costs. If the contractual cash flows are linked to a variable that is unrelated to basic lending risks or costs, such as the value of an equity instrument or the price of a commodity, or if the contractual cash flows represent a share of the debtor's revenue or profit, the contractual cash flows are not consistent with the underlying lending arrangement.

Where contractual cash flows arising from a contingent feature are consistent with the underlying lending arrangement both before and after any change in the contractual cash flows, irrespective of the likelihood of such change, the entity is still required to assess the nature of the contingent event. If the nature of the contingent event is directly related to changes in basic lending risks and costs, and the direction of the change in contractual cash flows is consistent with the direction of the changes in basic lending risks and costs, the contractual cash flows of the relevant financial asset are solely payments of principal and interest on the principal amount outstanding.

If the nature of the contingent event is not directly related to changes in basic lending risks and costs, such as a loan for which the interest rate is reduced by specified basis points when the entity achieves a contractually specified carbon emissions reduction target, the contractual cash flows of the relevant financial asset are solely payments of principal and interest on the principal amount outstanding only if, in all contractually possible scenarios, those contractual cash flows are not significantly different from the contractual cash flows of a financial instrument with identical contractual terms but without the contingent feature.

Upon initial application, retrospective adjustment is required, with the cumulative effect adjusted against retained earnings and other relevant financial statement items as at January 1, 2026, without restating comparative financial statements for prior periods. The implementation of Interpretation No. 19 had no impact on the Company's financial statements.

⑤ Disclosures of Equity Instruments Designated as Measured at Fair Value through Other Comprehensive Income

Interpretation No. 19 provides that an entity shall disclose, at least by category, the fair value at the end of the reporting period and the changes in fair value during the reporting period of investments in equity instruments designated as financial assets measured at fair value through other comprehensive income. Further disclosure by individual item may be provided based on materiality and the entity's actual circumstances. Changes relating to investments derecognized during the reporting period and changes relating to investments held at the end of the reporting period shall be disclosed separately. The entity shall also disclose the transfer of cumulative gains or losses recognized in equity relating to investments derecognized during the reporting period.

The Company discloses relevant information on investments in other equity instruments in accordance with the above requirements. The implementation of Interpretation No. 19 did not have a material impact on the Company's financial position or financial performance.

(2) Implementation of Interpretation No. 20 of the Accounting Standards for Business Enterprises
On June 17, 2026, the Ministry of Finance issued Interpretation No. 20 of the Accounting Standards for Business Enterprises (Cai Kuai [2026] No. 7, hereinafter referred to as "**Interpretation No. 20**"), which became effective upon issuance.

① Assessment of the Contractual Cash Flow Characteristics of Financial Assets

Interpretation No. 20 sets out specific classification requirements for determining whether "financial assets with non-recourse features" and "contractually linked instruments" have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset has non-recourse features when the entity's ultimate contractual right to receive cash flows is limited to the cash flows generated by specified assets, in which case the primary risk to which the entity is exposed depends on the performance of the specified assets rather than the credit risk of the debtor. In determining whether a financial asset with non-recourse features has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (hereinafter referred to as the "principal-and-interest contractual cash flow characteristics"), the entity shall assess the relationship between the specified underlying assets or their cash flows and the contractual cash flows of the financial asset (i.e., look through to the underlying assets), and consider how that relationship is affected by other contractual arrangements, such as subordinated debt or equity instruments issued by the debtor. If the contractual terms of the financial asset give rise to other cash flows, or limit the cash flows in a manner inconsistent with payments representing principal and interest, the financial asset does not have the principal-and-interest contractual cash flow characteristics. Whether the underlying assets are financial assets or non-financial assets does not affect the above assessment of contractual cash flow characteristics.

In certain transactions with non-recourse features, the issuer may use multiple contractually linked instruments (i.e., multiple tranches) to determine the priority of payments to holders of financial assets. Each tranche has a seniority ranking that specifies the order in which the cash flows generated by the underlying pool of financial instruments are allocated to that tranche, thereby creating a "waterfall payment structure". The priority of payments to holders of different tranches established through the waterfall payment structure creates concentrations of credit risk and results in any cash shortfalls from the underlying assets being allocated disproportionately among the holders of different tranches. A holder of a particular tranche is

entitled to payments of principal and interest only when the issuer obtains sufficient cash flows to satisfy payments to the more senior tranches. In transactions of this type, holders of each tranche shall apply the classification requirements for contractually linked instruments, rather than the classification requirements for financial assets with non-recourse features. One of the conditions for a contractually linked instrument to have the principal-and-interest contractual cash flow characteristics is that its underlying pool must contain one or more instruments that have such characteristics. The underlying pool may include instruments that are not subject to the classification requirements of Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments, but whose contractual cash flows are equivalent to payments solely of principal and interest on the principal amount outstanding, such as certain lease receivables.

Upon initial application, retrospective adjustment is required, with the cumulative effect adjusted against retained earnings and other relevant financial statement items as at January 1, 2026, without restating comparative financial statements for prior periods. The implementation of Interpretation No. 20 had no impact on the Company's financial statements.

② Accounting Treatment and Related Disclosures When a Currency Lacks Exchangeability

Interpretation No. 20 provides that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a specified time frame through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall assess whether a currency is exchangeable into another currency at the measurement date for a specified purpose. If the entity is able to obtain only an insignificant amount of the other currency at the measurement date for that specified purpose, the currency is not exchangeable into the other currency. An entity may conclude that a currency is not exchangeable into another currency even if the other currency is exchangeable into the first currency.

When a currency is not exchangeable into another currency, an entity shall estimate the spot exchange rate at the measurement date so that it faithfully reflects the rate at which an orderly exchange transaction between market participants would take place at the measurement date under the prevailing economic conditions.

Upon initial application, an entity is not required to restate comparative financial statements for prior periods and shall apply the following transition requirements:

i) Where an entity accounts for foreign currency transactions in its functional currency and determines that the relevant foreign currency is not exchangeable into its functional currency, it shall translate the affected foreign-currency monetary items and non-monetary items measured at fair value in the

foreign currency using the estimated spot exchange rate at the date of initial application. The effect of initial application of Interpretation No. 20 shall be adjusted against opening retained earnings. The implementation of Interpretation No. 20 had no impact on the Company's financial statements.

ii) Where an entity's presentation currency differs from its functional currency, or when an entity translates the financial position and financial performance of a foreign operation, and the entity determines that its functional currency or the functional currency of the foreign operation is not exchangeable into the entity's presentation currency, it shall translate the affected assets and liabilities using the estimated spot exchange rate at the date of initial application. If the entity's functional currency is hyperinflationary, it shall also translate the affected equity items using the estimated spot exchange rate at the date of initial application. The effect of initial application of Interpretation No. 20 shall be recognized as an adjustment to the cumulative amount of exchange differences on translation of foreign currency financial statements, which is presented as a separate component of equity. The implementation of Interpretation No. 20 had no impact on the Company's financial statements.

(3) Implementation of Accounting Standard for Business Enterprises No. 25 — Insurance Contracts (Revised in 2020)

On December 24, 2020, the Ministry of Finance revised and issued Accounting Standard for Business Enterprises No. 25 — Insurance Contracts (Cai Kuai [2020] No. 20, hereinafter referred to as the "**New Insurance Contracts Standard**"). Entities listed both domestically and overseas, and entities listed overseas that prepare their financial statements in accordance with International Financial Reporting Standards or the Accounting Standards for Business Enterprises, are required to apply the standard from January 1, 2023; other entities applying the Accounting Standards for Business Enterprises are required to apply it from January 1, 2026.

The New Insurance Contracts Standard requires an entity to apply the retrospective approach where the accounting treatment of insurance contracts before the date of initial application is inconsistent with the requirements of the Standard. If it is impracticable to apply the retrospective approach to a group of contracts, the entity shall apply either the modified retrospective approach or the fair value approach; if it is also impracticable to apply the modified retrospective approach to the group of contracts, the entity shall apply the fair value approach. When applying the retrospective approach, an entity is not required to disclose the adjustments to each financial statement line item and earnings per share for the current period and each prior period presented. The Company has applied the New Insurance Contracts Standard since January 1, 2026. The implementation of the Standard did not have a material impact on the Company's financial position or financial performance.

2. No Material Changes in Accounting Estimates

IV. Taxation

(1) Principal Taxes and Tax Rates

Tax Type	Tax Base	Tax Rate
Value-added Tax (VAT)	Output VAT is calculated based on revenue from the sale of goods and taxable services determined in accordance with tax laws. After deducting deductible input VAT for the reporting period, the balance is VAT payable.	3.00–25.00%
Urban Maintenance and Construction Tax	Levied based on VAT and consumption tax actually paid	1.00–7.00%
Corporate Income Tax	Levied based on taxable income	0.00–33.00%

Where taxable entities are subject to different corporate income tax rates, the following information is disclosed:

Name of Taxpayer	Income Tax Rate (%)
OmniVision Integrated Circuits Group, Inc.	15.00
Shanghai Simpli Semiconductor, Co., Ltd.	15.00
Beijing Jinghongzhi Technology Co., Ltd.	15.00
OmniVision Technologies (Beijing) Co., Ltd.	15.00
OmniVision Semiconductor (Taicang) Co., Ltd.	15.00
OmniVision Optoelectronics Technologies (Shanghai) Co., Ltd.	15.00
OmniVision Semiconductor (Shanghai) Co., Ltd.	15.00
OmniVision Technologies (Shanghai) Co., Ltd.	15.00
Hunan Silicon Internet of Things Technology Co., Ltd.	15.00
Chengdu ET Microelectronics Co., Ltd.	15.00
OmniVision IC Group Co., Ltd. Shanghai	15.00
OmniVision Technologies (Wuhan) Co., Ltd.	15.00
Shenzhen Jinghongzhi Logistics Co., Ltd.	15.00
OmniVision Semiconductor (Shaoxing) Co., Ltd.	0.00
Beijing Superpix Micro Technology Co., Ltd.	5.00
Superpix Integrated Circuit Design (Shanghai) Co., Ltd.	5.00
OmniVision Technologies Singapore Pte. Ltd.	10.50

Note: Except for the companies shown above, the 25.00% corporate income tax rate applies to all other companies incorporated in the PRC. For subsidiaries incorporated in other countries and regions outside the PRC, the applicable corporate income tax is calculated in accordance with local tax regulations.

(2) Tax Incentives

1. The Company and certain subsidiaries, including Shanghai Simpli Semiconductor Co., Ltd., Beijing Jinghongzhi Technology Co., Ltd., OmniVision Technologies (Beijing) Co., Ltd., OmniVision Semiconductor (Taicang) Co., Ltd., OmniVision Optoelectronics Technologies (Shanghai) Co., Ltd., OmniVision Semiconductor (Shanghai) Co., Ltd., OmniVision Technologies (Shanghai) Co., Ltd., Hunan Silicon Internet of Things Technology Co., Ltd. and Chengdu ET Microelectronics Co., Ltd. obtained the certificates of "High and New Technology Enterprise" from the tax authorities, and were subject to a preferential corporate income tax rate of 15% during the reporting period.

2. OmniVision IC Group Co., Ltd. Shanghai, is registered in the Lingang New Area of the China (Shanghai) Pilot Free Trade Zone. Pursuant to the *Notice on Corporate Income Tax Policies for Key Industry Enterprises in the Lingang New Area of the China (Shanghai) Pilot Free Trade Zone* (C. S. [2020] No. 38), it was subject to a preferential corporate income tax rate of 15% during the reporting period.

3. OmniVision Technologies (Wuhan) Co., Ltd obtained the certificate of "Advanced Technology Service Enterprise", and was subject to a preferential corporate income tax rate of 15% during the reporting period.

4. Shenzhen Jinghongzhi Logistics Co., Ltd., is registered in the Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone. Pursuant to the *Notice on Corporate Income Tax Incentive Policies and Catalogue for Enterprises in Hengqin New Area of Guangdong, Pingtan Comprehensive Experimental Zone of Fujian, and Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone* (C. S. [2014] No. 26), it was subject to a preferential corporate income tax rate of 15% during the reporting period.

5. OmniVision Semiconductor (Shaoxing) Co., Ltd. is entitled to tax incentives for integrated circuit design, packaging and testing enterprises. Starting from the first profitable year, the enterprise is exempt from corporate income tax for the first two years and subject to a 50% reduction for the third to fifth years. The corporate income tax rate for the reporting period was 0.00%.

6. Beijing Superpix Micro Technology Co. Ltd. and Superpix Integrated Circuit Design (Shanghai) Co., Ltd. qualify as small and micro-profit enterprises. Pursuant to the *Announcement of the Ministry of Finance and the State Taxation Administration on Further Supporting the Development of Small and Micro-profit Enterprises and Individual Businesses* (C. S. [2023] No. 12), where annual taxable income does not exceed RMB3 million, 25% of taxable income is subject to corporate income tax at the statutory rate of 20%. The effective corporate income tax rate applicable to the subsidiaries is 5%.

7. OmniVision Technologies Singapore Pte. Ltd. is registered in Singapore and is subject to a corporate income tax rate of 17%. Approved by the Singapore Economic Development Board, it enjoyed a preferential corporate income tax rate of 10.50% during the reporting period.

8. Pursuant to the *Notice on the Value-added Tax Additional Deduction Policy for Integrated Circuit Enterprises* (C. S. [2023] No. 17), from January 1, 2023 to December 31, 2027, enterprises engaged in integrated circuit design, manufacturing, packaging and testing, equipment, and materials are entitled to an additional deduction equal to 15% of the current deductible input tax against the value-added tax payable.

(3) Other Explanations

1. The Company's Hong Kong subsidiaries are subject to profits tax levied by Hong Kong Special Administrative Region at a standard tax rate of 16.50%. Moreover, pursuant to the Inland Revenue Ordinance of Hong Kong, for the portion of taxable profit that is up to HKD2,000,000, the applicable tax rate is 8.25%, and for the portion of taxable profit more than HKD2,000,000, the applicable tax rate is 16.5%.

2. The Company's subsidiaries and branches in Taiwan, PRC comply with the relevant corporate income tax laws and regulations in Taiwan, PRC, and the applicable tax rate is 20.00%.

3. OmniVision Technologies, Inc. ("**OVUS**") is a limited liability company incorporated in the Delaware, USA. The federal corporate income tax rate applicable to OVUS is 21%, and California state income tax rate is 8.84%. Pursuant to U.S. tax laws, Global Intangible Low-Taxed Income ("**GILTI**") is a U.S. international tax regime that generally requires a U.S. shareholder of controlled foreign corporations ("**CFCs**") to include in taxable income certain earnings of those foreign subsidiaries that exceed a routine return on qualified tangible business assets. The GILTI Tax is an anti-tax avoidance measure which is levied on the CFCs of a U.S.-based company's in respect of the so-called "Low-Taxed Income" earned by such CFCs from outside the U.S., which is payable at the statutory U.S. federal income tax rate of 21.00%, and the actual tax rate ranges between 12.60%–21.00% taking into account other tax incentive, tax exemptions and reductions.

4. With effect from 1 January 2025, the Pillar Two rules issued by the Organisation for Economic Co-operation and Development (OECD) have come into force in jurisdictions where OVUS operates, including the European Union, Singapore and Hong Kong, China. Pursuant to the Global Anti-Base Erosion (GloBE) Model Rules, the regime establishes a global minimum effective tax rate of 15%. Where the actual effective tax rate applicable in a jurisdiction falls below this threshold, a top-up tax will be levied to make up the shortfall.

5. The Company's subsidiaries in Japan are subject to corporate income tax in accordance with the Act on Special Measures Concerning Taxation of Japan. The national corporate income tax rate applicable to most companies is 23.20%. In addition to the national rate, companies also need to pay local corporate tax, business tax and resident tax. Considering both national and local taxes, the standard statutory effective tax rate for companies is usually about 31.50%–32.7%, depending on the Company's size and capital.

6. As for the Company's subsidiary in Cayman Islands, under the current laws of the Cayman Islands, no income tax is levied on the income or capital of the Group's subsidiary incorporated there. Moreover, the Cayman Islands does not levy withholding tax on dividend payment to shareholders.

V. Notes to Items in the Consolidated Financial Statements

(1) Cash and Bank Balances

Item	Ending Balance	Ending Balance of Prior Year
Cash on hand	**186,741.36**	238,481.07
Balances with banks	**14,875,142,138.07**	12,765,527,159.39
Other monetary funds	**60,886,772.94**	55,043,104.70
Total	**14,936,215,652.37**	12,820,808,745.16
Including: total amount held overseas	**10,439,953,889.23**	10,981,113,730.23

(2) Financial Assets Held for Trading

Item	Ending Balance	Ending Balance of Prior Year
Financial assets measured at fair value through profit or loss	**642,749,541.24**	125,672,949.95
Including: listed securities	**642,749,541.24**	125,672,949.95
Total	**642,749,541.24**	125,672,949.95

(3) Notes Receivable

1. Notes Receivable by Category

Item	Ending Balance	Ending Balance of Prior Year
Bank acceptance bills	**70,723,221.86**	113,132,558.46
Commercial acceptance bills	**10,073,802.63**	5,177,438.67
Subtotal	**80,797,024.49**	118,309,997.13
Less: Allowance for credit losses	**503,690.13**	258,871.92
Total	**80,293,334.36**	118,051,125.21

2. *Notes Receivable by Loss Allowance Method*

	Ending Balance					Ending Balance of Prior Year				
	Carrying Amount		Loss Allowance			Carrying Amount		Loss Allowance		
Category	Amount	Percentage (%)	Amount	Provision Rate (%)	Carrying Amount	Amount	Percentage (%)	Amount	Provision Rate (%)	Carrying Amount
Loss allowance measured on an individual basis										
Loss allowance measured on a collective basis by credit risk characteristics	**80,797,024.49**	**100.00**	**503,690.13**	**0.62**	**80,293,334.36**	118,309,997.13	100.00	258,871.92	0.22	118,051,125.21
Including: Bank acceptance bills	**70,723,221.86**	**87.53**			**70,723,221.86**	113,132,558.46	95.62			113,132,558.46
Commercial acceptance bills	**10,073,802.63**	**12.47**	**503,690.13**	**5.00**	**9,570,112.50**	5,177,438.67	4.38	258,871.92	5.00	4,918,566.75
Total	**80,797,024.49**	**100.00**	**503,690.13**	/	**80,293,334.36**	118,309,997.13	100.00	258,871.92	/	118,051,125.21

Loss Allowance Measured on a Collective Basis by Credit Risk Characteristics:

Grouping Basis:

	Ending Balance		
Name	**Notes Receivable**	**Loss Allowance**	**Provision Rate (%)**
Bank acceptance bills	**70,723,221.86**		
Commercial acceptance bills	**10,073,802.63**	**503,690.13**	**5.00**
Total	**80,797,024.49**	**503,690.13**	**/**

3. Movements in Loss Allowance During the Reporting Period

Category	Ending Balance of Prior Year	Changes for the Period				**Ending Balance**
		Provision Recognized	Recovery or Reversal	Write-off	Other Changes	
Loss allowance	258,871.92	244,818.21				**503,690.13**
Total	258,871.92	244,818.21				**503,690.13**

4. At the end of the period, the Company had no notes receivable pledged

5. Notes receivable endorsed or discounted by the Company and not yet due as at the balance sheet date

Item	Amount Derecognized at Period End	Amount Not Derecognized at Period End
Bank acceptance bills		**354,880,493.05**
Total		**354,880,493.05**

6. The Company had no actual write-offs of notes receivable during the reporting period.

(4) Accounts Receivable

1. Accounts Receivable by Aging Based on the Initial Recognition Date

Aging	Ending Balance	Ending Balance of Prior Year
Within 1 year	**4,879,040,102.20**	4,111,356,555.47
1 to 2 years	**6,582,503.51**	24,165,205.65
2 to 3 years	**24,693,639.68**	32,135,888.72
Over 3 years	**149,119,602.48**	119,848,076.22
Subtotal	**5,059,435,847.87**	4,287,505,726.06
Less: Allowance for credit losses	**404,040,924.78**	343,629,390.12
Total	**4,655,394,923.09**	3,943,876,335.94

2. *Accounts Receivable by Loss Allowance Method*

	Ending Balance					Ending Balance of Prior Year				
	Carrying Amount		Loss Allowance			Carrying Amount		Loss Allowance		
Category	Amount	Percentage (%)	Amount	Provision Rate (%)	Carrying Amount	Amount	Percentage (%)	Amount	Provision Rate (%)	Carrying Amount
Loss allowance measured on an individual basis	**83,508,825.76**	**1.65**	**80,590,408.53**	**96.51**	**2,918,417.23**	84,491,344.55	1.97	81,572,927.32	96.55	2,918,417.23
Loss allowance measured on a collective basis by credit risk characteristics	**4,975,927,022.11**	**98.35**	**323,450,516.25**	**6.50**	**4,652,476,505.86**	4,203,014,381.51	98.03	262,056,462.80	6.23	3,940,957,918.71
Including: Grouped based on aging	**4,975,927,022.11**	**98.35**	**323,450,516.25**	**6.50**	**4,652,476,505.86**	4,203,014,381.51	98.03	262,056,462.80	6.23	3,940,957,918.71
Total	**5,059,435,847.87**	**100.00**	**404,040,924.78**	/	**4,655,394,923.09**	4,287,505,726.06	100.00	343,629,390.12	/	3,943,876,335.94

Material Accounts Receivable with Loss Allowances Measured on an Individual Basis:

	Ending Balance				Ending Balance of Prior Year	
Name	Carrying Amount	Loss Allowance	Provision Rate (%)	Basis for Provision	Carrying Amount	Loss Allowance
Dongguan City Jinming Electronics Co., Ltd.	**28,103,613.87**	**28,103,613.87**	**100.00**	**Uncollectible**	28,352,133.19	28,352,133.19
Dongguan Jinzhuo Communication Technologies Co., Ltd.	**14,378,400.26**	**14,378,400.26**	**100.00**	**Uncollectible**	14,465,474.87	14,465,474.87
Shenzhen Lordstar Supply Chain Management Ltd.	**14,531,002.96**	**12,413,612.29**	**85.43**	**Uncollectible**	14,531,002.96	12,413,612.29
Cellon Communications Technology (Hong Kong) Limited	**10,521,181.64**	**10,521,181.64**	**100.00**	**Uncollectible**	10,857,872.87	10,857,872.87
Others	**15,974,627.03**	**15,173,600.47**	**94.99**	**Uncollectible**	16,284,860.66	15,483,834.10
Total	**83,508,825.76**	**80,590,408.53**	/	/	84,491,344.55	81,572,927.32

Loss Allowance Measured on a Collective Basis by Credit Risk Characteristics:

Grouping Basis:

	Ending Balance		
Name	**Accounts Receivable**	**Loss Allowance**	**Provision Rate (%)**
Within 1	**4,879,040,102.20**	**243,980,862.20**	**5.00**
1 to 2 years	**6,388,057.51**	**1,277,611.50**	**20.00**
2 to 3 years	**24,613,639.70**	**12,306,819.85**	**50.00**
Over 3 years	**65,885,222.70**	**65,885,222.70**	**100.00**
Total	**4,975,927,022.11**	**323,450,516.25**	**/**

3. Movements in Loss Allowance During the Reporting Period

		Changes for the Period			
Category	Ending Balance of Prior Year	Provision Recognized Recovery or Reversal	Acquisition of subsidiaries	Foreign currency exchange	**Ending Balance**
Allowance for credit losses	343,629,390.12	65,024,402.14	108,867.77	-4,721,735.25	**404,040,924.78**
Total	343,629,390.12	65,024,402.14	108,867.77	-4,721,735.25	**404,040,924.78**

4. The Company had no actual write-offs of Accounts Receivable during the reporting period.

5. Top Five Accounts Receivable and Contract Assets by Debtor Based on Period-end Balances

Entity Name	Ending Balance of Accounts Receivable	Ending Balance of Contract Assets	Ending Balance of Accounts Receivable and Contract Assets	Percentage of Total Ending Balance of Accounts Receivable and Contract Assets (%)	Ending Balance of Loss Allowance for Accounts Receivable and Contract Assets
No. 1	559,904,910.86		559,904,910.86	11.07	27,995,245.54
No. 2	354,978,375.81		354,978,375.81	7.02	17,748,918.79
No. 3	270,966,740.25		270,966,740.25	5.36	13,548,337.01
No. 4	142,718,729.72		142,718,729.72	2.82	7,135,936.49
No. 5	141,800,505.54		141,800,505.54	2.80	7,090,025.28
Total	1,470,369,262.19		1,470,369,262.19	29.06	73,518,463.11

(5) Financing Receivables

1. Financing Receivables by Category

Item	Ending Balance	Ending Balance of Prior Year
Notes Receivable	**108,419,367.97**	219,184,600.13
Total	**108,419,367.97**	219,184,600.13

2. Changes in Financing Receivables and Fair Value Changes During the Reporting Period

Item	Ending Balance of Prior Year	Additions During the Reporting Period	Derecognized During the Reporting Period	Ending Balance	Cumulative Loss Allowance Recognized in Other Comprehensive Income
Notes Receivable	219,184,600.13	863,775,745.59	974,540,977.75	**108,419,367.97**	
Total	219,184,600.13	863,775,745.59	974,540,977.75	**108,419,367.97**	/

3. No financing receivables pledged by the Company at the end of the period

4. Financing receivables endorsed or discounted by the Company and not yet due as at the balance sheet date

Item	Amount Derecognized at Period End	Amount Not Derecognized at Period End
Bank acceptance bills	**581,046,108.30**	
Total	**581,046,108.30**	

(6) Prepayments

1. Prepayments by Aging

	Ending Balance		Ending Balance of Prior Year	
Aging	**Amount**	**Percentage (%)**	Amount	Percentage (%)
Within 1 year	**276,100,939.62**	**96.49**	295,671,426.56	99.12
1 to 2 years	**7,502,076.97**	**2.62**	1,951,490.63	0.65
2 to 3 years	**1,954,528.89**	**0.68**	585,079.17	0.20
Over 3 years	**595,194.34**	**0.21**	83,721.89	0.03
Total	**286,152,739.82**	**100.00**	298,291,718.25	100.00

2. Top five prepayments at the end of the period by prepayment counterparty

Prepayment Counterparty	Ending Balance	Percentage of Total Ending Balance of Prepayments (%)
No. 1	**49,946,597.73**	17.45
No. 2	**28,041,040.39**	9.80
No. 3	**23,010,746.87**	8.04
No. 4	**13,200,355.74**	4.61
No. 5	**12,716,275.56**	4.44
Total	**126,915,016.29**	44.34

(7) Other Receivables

Item	Ending Balance	Ending Balance of Prior Year
Interest Receivable		
Dividends Receivable		
Other Receivables	**69,280,703.06**	70,551,711.67
Total	**69,280,703.06**	70,551,711.67

1. Interest Receivable: None

2. Dividends Receivable: None

3. Other Receivables

(1) By Aging

Aging	Ending Balance	Ending Balance of Prior Year
Within 1 year	**46,230,260.22**	41,925,342.88
1 to 2 years	**16,275,165.30**	22,694,537.33
2 to 3 years	**1,014,639.95**	1,018,953.58
Over 3 years	**9,785,225.50**	10,214,912.03
Subtotal	**73,305,290.97**	75,853,745.82
Less: Allowance for credit losses	**4,024,587.91**	5,302,034.15
Total	**69,280,703.06**	70,551,711.67

(2) By Loss Allowance Method

	Ending Balance					Ending Balance of Prior Year				
	Carrying Amount		Loss Allowance			Carrying Amount		Loss Allowance		
Category	Amount	Percentage (%)	Amount	Provision Rate (%)	Carrying Amount	Amount	Percentage (%)	Amount	Provision Rate (%)	Carrying Amount
Loss allowance measured on an individual basis	248,849.13	0.34	248,849.13	100.00						
Loss allowance measured on a collective basis by credit risk characteristics	73,056,441.84	99.66	3,775,738.78	5.17	69,280,703.06	75,853,745.82	100.00	5,302,034.15	6.99	70,551,711.67
Including: Others	73,056,441.84	99.66	3,775,738.78	5.17	69,280,703.06	75,853,745.82	100.00	5,302,034.15	6.99	70,551,711.67
Total	73,305,290.97	100.00	4,024,587.91	/	69,280,703.06	75,853,745.82	100.00	5,302,034.15	/	70,551,711.67

Loss Allowance Measured on a Collective Basis by Credit Risk Characteristics:

Grouping Basis:

	Ending Balance		
Name	Other Receivables	Loss Allowance	Provision Rate (%)
Deposits	30,601,081.10	1,530,054.06	5.00
Tax recoverable	12,908,088.68	645,404.45	5.00
Others	29,547,272.06	1,600,280.28	5.42
Total	73,056,441.84	3,775,738.78	/

(3) Loss Allowance

Loss Allowance	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses (Not Credit-impaired)	Stage 3 Lifetime Expected Credit Losses (Credit-impaired)	Total
Ending Balance of Prior Year	5,302,034.15			**5,302,034.15**
Opening Balance Transferred During Reporting Period	5,302,034.15			**5,302,034.15**
— Transferred to Stage 2				
— Transferred to Stage 3				
— Transferred Back to Stage 2				
— Transferred Back to Stage 1				
Provision Recognized in Reporting Period				
Reversal in Reporting Period	2,273,046.57			**2,273,046.57**
Transfers-out in Reporting Period				
Write-offs in Reporting Period				
Acquisition of subsidiaries	812,970.63		248,849.13	**1,061,819.76**
Foreign currency exchange	-66,219.43			**-66,219.43**
Ending Balance	3,775,738.78		248,849.13	**4,024,587.91**

(4) Movements in Loss Allowance During the Reporting Period

Category	Ending Balance of Prior Year	Changes for the Period: Recovery or Reversal	Changes for the Period: Acquisition of subsidiaries	Changes for the Period: Foreign Currency Exchange	Ending Balance
Allowance for credit losses	5,302,034.15	2,273,046.57	1,061,819.76	-66,219.43	**4,024,587.91**
Total	5,302,034.15	2,273,046.57	1,061,819.76	-66,219.43	**4,024,587.91**

(5) No Actual Write-off of Other Receivables During the Reporting Period

(6) Classification by Nature of Amounts

Nature of Receivable	Ending Carrying Amount	Carrying Amount at End of Prior Year
Deposits	**30,849,930.23**	31,215,961.44
Temporary payments	**6,159,116.08**	987,537.62
Collection and payment on behalf	**3,154,045.70**	7,045,103.58
Tax recoverable	**12,908,088.68**	20,690,707.98
Receivables for disposal of long-term assets	**2,670,000.00**	4,170,000.00
Others	**17,564,110.28**	11,744,435.20
Total	**73,305,290.97**	75,853,745.82

(7) Top Five Other Receivables by Debtor Based on Period-end Balances

Entity Name	Nature of Receivable	Ending Balance	Aging	Percentage of Total Ending Balance of Other Receivables (%)	Loss Allowance at the End of the Reporting Period
Carsem Semiconductor (Suzhou) Co., Ltd.	Deposits	**14,937,827.54**	1 to 2 years	20.38	746,891.38
Tax bureau	Tax receivable	**12,908,088.68**	Within 1 year	17.61	645,404.43
Zhang Xiaoyu	Temporary payments	**5,000,000.00**	Within 1 year	6.82	250,000.00
Shenzhen Meisheng Yungu Incubation Management Co., Ltd.	Deposits	**2,603,097.00**	Over 3 years	3.55	130,154.85
Huaqin Co., Ltd.	Deposits	**2,000,000.00**	Within 1 year	2.73	100,000.00
Total	/	**37,449,013.22**	/	51.09	1,872,450.66

(8) Inventories

1. Inventory Classification

	Ending Balance			Ending Balance of Prior Year		
Category	**Carrying Amount**	**Inventory Write-down Allowance/ Impairment Allowance for Contract Fulfillment Costs**	**Carrying Value**	Carrying Amount	Inventory Write-down Allowance/ Impairment Allowance for Contract Fulfillment Costs	Carrying Value
Work in progress	**5,033,307,841.33**	**427,032,986.77**	**4,606,274,854.56**	5,182,435,904.93	486,402,905.22	4,696,032,999.71
Finished goods	**5,189,241,738.36**	**608,043,930.72**	**4,581,197,807.64**	4,517,030,072.27	617,766,566.14	3,899,263,506.13
Technical service cost				3,691,867.14	567,108.65	3,124,758.49
Total	**10,222,549,579.69**	**1,035,076,917.49**	**9,187,472,662.20**	9,703,157,844.34	1,104,736,580.01	8,598,421,264.33

2. Inventory Write-downs and Impairment Allowance for Contract Fulfillment Costs

		Increase in Reporting Period		Decrease in Reporting Period		
Category	Ending Balance of Prior Year	Provision Recognized	Acquisition of subsidiaries	Reversed or Written Off	Foreign Currency Exchange	**Ending Balance**
Work in progress	486,402,905.22	35,811,921.29	1,754,718.15	83,774,568.34	13,161,989.55	**427,032,986.77**
Finished goods	617,766,566.14	92,620,238.67	1,339,364.72	86,219,502.02	17,462,736.79	**608,043,930.72**
Technical service cost	567,108.65			567,108.65		
Total	1,104,736,580.01	128,432,159.96	3,094,082.87	170,561,179.01	30,624,726.34	**1,035,076,917.49**

(9) Non-current Assets Due Within One Year

Item	Ending Balance	Ending Balance of Prior Year
Sales by installment	**3,283,035.41**	3,232,875.92
Prepayments for goods	**12,548,327.04**	3,874,278.21
Total	**15,831,362.45**	7,107,154.13

(10) Other Current Assets

Item	Ending Balance	Ending Balance of Prior Year
VAT input tax	**154,300,777.01**	191,575,846.83
VAT input tax under certification	**62,302,501.69**	1,192,412.32
VAT input tax to be obtained	**20,775,886.74**	16,731,377.15
Prepaid taxes	**8,854,535.98**	9,798,222.58
Advances on agency business	**436,249,575.11**	
H-share issuance costs		44,634,347.93
Others	**2,221,397.84**	653,229.19
Total	**684,704,674.37**	264,585,436.00

(11) Long-term Equity Investments

1. Details of Long-term Equity Investments

			Changes for the Period								
Investee	Closing Balance of Prior Year (Carrying Amount)	Closing Impairment Allowance of Prior Year	Additional Investment	Reduction in Investment	Investment Gains or Losses Recognized Under the Equity Method	Adjustments to Other Comprehensive Income	Other Changes in Equity	Cash Dividends or Profits Declared	Recognition of Impairment Allowance	**Ending Balance (Carrying Amount)**	Ending Impairment Allowance
Associates											
Jiangsu Weida Semiconductor Co., Ltd.	20,920,416.76				-46,974.37					**20,873,442.39**	
Silicon Kaiser integrated circuit Co., Ltd.	27,323,592.62				129,844.42					**27,453,437.04**	
Ningbo Siwave Electronics Co., Ltd.	94,634,534.86				417,576.98					**95,052,111.84**	
Xinghao Communication Technologies (Zhejiang) Co., Ltd.	265,936,273.79				6,514,050.85	399,285.77			50,083,657.82	**222,765,952.59**	**50,083,657.82**
Shanghai Weicheng Apartment Management Co., Ltd.	851,699.43				475,921.72			300,000.00		**1,027,621.15**	
Shanghai Pudong Haiwang Private Equity Management Co., Ltd.	18,808,026.17				9,358,137.24					**28,166,163.41**	
Chongqing Chuangyuan Zhihang Technology Co., Ltd.	299,335,241.58				-54,223,475.59					**245,111,765.99**	
Huahui OmniVision (Xi'an) Technology Co., Ltd.	4,094,627.77				-753,516.81					**3,341,110.96**	
Total	731,904,412.98				-38,128,435.56	399,285.77		300,000.00	50,083,657.82	**643,791,605.37**	**50,083,657.82**

Note: In July 2026, the anti-dilution rights of the financial investors of Xinghao Communication Technologies (Zhejiang) Co., Ltd. ("Xinghao Communication") were triggered, as a third-party investor subscribed for additional shares at a price lower than that of the previous financing round. Following the anti-dilution adjustment, the value per share of Xinghao Communication decreased to RMB3.83. Meanwhile, the Company converted its receivable of RMB120 million due from Xinghao Communication into equity shares at a conversion price of RMB3.83 per share. Upon completion of the debt-to-equity conversion, the Company's equity interest in Xinghao Communication amounted to 48.59%.

(12) Investments in Other Equity Instruments

1. Details of Investments in Other Equity Instruments

Item	Ending Balance of Prior Year	Accumulated Gains or Losses Recognised in Other Comprehensive Income at Prior Year-end	Additions During the Period	Changes in Fair Value During the Period: Changes Relating to Investments Held at Period-end	Changes in Fair Value During the Period: Changes Relating to Investments Derecognized During the Period	Changes in Fair Value During the Period: Subtotal	Disposals During the Period	Other Movements	**Ending Balance**	Cumulative Gains or Losses Reclassified from Other Comprehensive Income to Retained Earnings During the Period	Accumulative Gains or Losses Recognised in Other Comprehensive Income at Period-end	Reason for Designation
Equity Investments in Unlisted Companies	4,072,955.13	3,947,212.87	1,000,000,000.00						**1,004,072,955.13**		**3,947,212.87**	Not held for trading
Total	4,072,955.13	3,947,212.87	1,000,000,000.00						**1,004,072,955.13**		**3,947,212.87**	

(13) Other Non-current Financial Assets

Item	**Ending Balance**	Ending Balance of Prior Year
Financial assets measured at fair value through profit or loss	**4,437,135,814.03**	3,656,012,172.91
Including: Equity Investments in Unlisted Companies	**1,637,201,067.40**	632,571,604.19
Investment funds	**2,799,934,746.63**	3,023,440,568.72
Total	**4,437,135,814.03**	3,656,012,172.91

(14) Investment Properties

1. Investment Properties Measured Using the Cost Model

Item	Buildings	Total
1. Gross Carrying Amount		
(1) Closing Balance of Prior Year	292,730,314.34	292,730,314.34
(2) Additions for the Period		
— Acquired Externally		
(3) Reductions for the Period	2,941,944.90	2,941,944.90
— Foreign Currency Exchange	2,941,944.90	2,941,944.90
(4) Ending Balance	289,788,369.44	289,788,369.44
2. Accumulated Depreciation and Amortization		
(1) Closing Balance of Prior Year	70,001,806.09	70,001,806.09
(2) Additions for the Period	3,384,960.09	3,384,960.09
— Provided or Amortized	3,384,960.09	3,384,960.09
(3) Reductions for the Period	665,797.81	665,797.81
— Foreign Currency Exchange	665,797.81	665,797.81
(4) Ending Balance	72,720,968.37	72,720,968.37
3. Impairment Allowance		
(1) Closing Balance of Prior Year		
(2) Additions for the Period		
— Provided		
(3) Reductions for the Period		
— Disposals		
(4) Ending Balance		
4. Carrying Amount		
(1) Carrying Amount at Period-end	217,067,401.07	217,067,401.07
(2) Carrying Amount at Prior Year-end	222,728,508.25	222,728,508.25

2. No Investment Properties for Which Title Certificates Have Not Yet Been Obtained

(15) Fixed Assets

1. Fixed Assets and Assets Pending Disposal

Item	Ending Balance	Ending Balance of Prior Year
Fixed assets	**3,394,079,817.06**	3,442,032,997.38
Disposal of fixed assets		
Total	**3,394,079,817.06**	3,442,032,997.38

2. Details of Fixed Assets

Item	Freehold Land	Buildings	Machinery	Vehicles	Equipment	Total
1. Gross Carrying Amount						
(1) Closing Balance of Prior Year	243,547,920.00	1,609,781,903.84	4,061,706,727.97	6,836,301.45	259,782,783.01	6,181,655,636.27
(2) Additions for the Period		14,183,390.20	322,054,044.75	173,921.11	20,129,179.43	356,540,535.49
— Additions			5,600,871.81	16,238.94	5,586,039.43	11,203,150.18
— Transferred from Construction in Progress		14,183,390.20	310,778,811.73	157,682.17	1,811,522.75	326,931,406.85
— Acquisition of subsidiaries			5,674,361.21		12,731,617.25	18,405,978.46
(3) Reductions for the Period	7,550,235.00	33,869,355.33	116,457,556.92	120,331.40	7,422,197.04	165,419,675.69
— Disposals or Write-offs			9,918,680.34		1,039,345.76	10,958,026.10
— Foreign Currency Exchange	7,550,235.00	33,869,355.33	106,538,876.58	120,331.40	6,382,851.28	154,461,649.59
(4) Ending Balance	235,997,685.00	1,590,095,938.71	4,267,303,215.80	6,889,891.16	272,489,765.40	6,372,776,496.07
2. Accumulated Depreciation						
(1) Closing Balance of Prior Year		266,769,138.29	2,233,645,826.75	4,967,975.98	190,617,157.28	2,696,000,098.30
(2) Additions for the Period		23,829,006.24	271,411,727.42	413,642.68	26,631,831.65	322,286,207.99
— Provided		23,829,006.24	269,161,343.25	413,642.68	16,897,472.08	310,301,464.25
— Acquisition of subsidiaries			2,250,384.17		9,734,359.57	11,984,743.74
(3) Reductions for the Period		6,906,638.14	70,087,810.59	95,471.89	6,126,655.97	83,216,576.59
— Disposals			9,811,246.69		1,033,540.04	10,844,786.73
— Foreign Currency Exchange		6,906,638.14	60,276,563.90	95,471.89	5,093,115.93	72,371,789.86
(4) Ending Balance		283,691,506.39	2,434,969,743.58	5,286,146.77	211,122,332.96	2,935,069,729.70

Item	Freehold Land	Buildings	Machinery	Vehicles	Equipment	Total
3. Impairment Allowance						
(1) Closing Balance of Prior Year			41,544,973.60	6,114.09	2,071,452.90	43,622,540.59
(2) Additions for the Period					4,408.72	4,408.72
— Provided						
— Acquisition of subsidiaries					4,408.72	4,408.72
(3) Reductions for the Period						
— Disposals						
(4) Ending Balance			41,544,973.60	6,114.09	2,075,861.62	43,626,949.31
4. Carrying Amount						
(1) Carrying Amount at Period-end	235,997,685.00	1,306,404,432.32	1,790,788,498.62	1,597,630.30	59,291,570.82	3,394,079,817.06
(2) Carrying Amount at Prior Year-end	243,547,920.00	1,343,012,765.55	1,786,515,927.62	1,862,211.38	67,094,172.83	3,442,032,997.38

(16) Construction in Progress

1. Construction in Progress and Construction Materials

	Ending Balance			Ending Balance of Prior Year		
Item	Carrying Amount	Impairment Allowance	Carrying Value	Carrying Amount	Impairment Allowance	Carrying Value
Construction in progress	**1,119,952,927.60**		**1,119,952,927.60**	1,124,835,082.69		1,124,835,082.69
Construction materials						
Total	**1,119,952,927.60**		**1,119,952,927.60**	1,124,835,082.69		1,124,835,082.69

2. Details of Construction in Progress

	Ending Balance			Ending Balance of Prior Year		
Item	Carrying Amount	Impairment Allowance	Carrying Value	Carrying Amount	Impairment Allowance	Carrying Value
Factory	**55,198,502.40**		**55,198,502.40**	54,883,623.65		54,883,623.65
Building and facilities	**385,696,054.03**		**385,696,054.03**	270,045,087.73		270,045,087.73
Information systems	**7,249,890.49**		**7,249,890.49**	127,150.00		127,150.00
Machinery to be installed	**671,808,480.68**		**671,808,480.68**	799,779,221.31		799,779,221.31
Total	**1,119,952,927.60**		**1,119,952,927.60**	1,124,835,082.69		1,124,835,082.69

3. Changes in Material Construction in Progress Projects During the Reporting Period

Item	Ending Balance of Prior Year	Increase in Reporting Period	Amount Transferred to Fixed Assets During the Reporting Period	Other Reductions During the Reporting Period	Foreign Currency Exchange	Ending Balance	Project Progress	Cumulative Capitalized Interest	Including: Amount of Interest Capitalized During the Reporting Period	Capitalization Rate of Interest for the Reporting Period (%)	Source of Funds
Factory	54,883,623.65	2,048,596.12			-1,733,717.37	**55,198,502.40**	Normal				Self-financing
Building and facilities	270,045,087.73	138,078,002.81	14,183,390.20	8,097,091.13	-146,555.18	**385,696,054.03**	Normal				Self-financing
Information systems	127,150.00	12,068,020.08	1,760,085.42	3,067,198.69	-117,995.48	**7,249,890.49**	Normal				Self-financing
Machinery to be installed	799,779,221.31	197,775,280.36	310,987,931.23	1,550,971.03	-13,207,118.73	**671,808,480.68**	Normal				Self-financing
Total	1,124,835,082.69	349,969,899.37	326,931,406.85	12,715,260.85	-15,205,386.76	**1,119,952,927.60**					

(17) Right-of-use Assets

1. Details of Right-of-use Assets

Item	Buildings	Machinery	Vehicle	Total
1. Gross Carrying Amount				
(1) Closing Balance of Prior Year	360,632,338.35	617,965.28	3,894,644.80	365,144,948.43
(2) Additions for the Period	57,178,695.28		880,624.47	58,059,319.75
— New Leases	46,278,795.04		880,624.47	47,159,419.51
— Acquisition of subsidiaries	10,899,900.24			10,899,900.24
(3) Reductions for the Period	89,087,821.32	19,157.56	284,235.78	89,391,214.66
— Disposals	83,591,298.95		152,021.07	83,743,320.02
— Foreign Currency Exchange	5,496,522.37	19,157.56	132,214.71	5,647,894.64
(4) Ending Balance	328,723,212.31	598,807.72	4,491,033.49	333,813,053.52
2. Accumulated Depreciation				
(1) Closing Balance of Prior Year	224,830,590.67	408,061.48	503,802.66	225,742,454.81
(2) Additions for the Period	34,530,704.80	43,774.73	871,961.38	35,446,440.91
— Provided	31,714,835.49	43,774.73	871,961.38	32,630,571.60
— Acquisition of subsidiaries	2,815,869.31			2,815,869.31
(3) Reductions for the Period	68,723,427.08	13,339.84	178,979.73	68,915,746.65
— Disposals	66,065,070.51		152,021.07	66,217,091.58
— Foreign Currency Exchange	2,658,356.57	13,339.84	26,958.66	2,698,655.07
(4) Ending Balance	190,637,868.39	438,496.37	1,196,784.31	192,273,149.07
3. Impairment Allowance				
(1) Closing Balance of Prior Year				
(2) Additions for the Period				
— Provided				
— Acquisition of subsidiaries				
(3) Reductions for the Period				
— Disposals				
(4) Ending Balance				
4. Carrying Amount				
(1) Carrying Amount at Period-end	138,085,343.92	160,311.35	3,294,249.18	141,539,904.45
(2) Carrying Amount at Prior Year-end	135,801,747.68	209,903.80	3,390,842.14	139,402,493.62

(18) Intangible Assets

1. Details of Intangible Assets

Item	Land Use Right	Software	Technology	Trademark	Internally Generated Technology	Total
1. Gross Carrying Amount						
(1) Closing Balance of Prior Year	430,006,052.01	163,411,489.55	2,618,057,480.89	476,251,449.03	3,018,975,931.28	6,706,702,402.76
(2) Additions for the Period		6,820,118.94	225,769,194.36	57,660,000.00	362,223,040.56	652,472,353.86
— Additions		2,365,361.17	1,660,776.00			4,026,137.17
— Internal R&D					362,223,040.56	362,223,040.56
— Acquisition of subsidiaries		1,387,559.08	224,108,418.36	57,660,000.00		283,155,977.44
— Transferred from Construction in Progress		3,067,198.69				3,067,198.69
(3) Reductions for the Period	8,865,056.66	12,634,043.88	63,079,579.06	12,289,560.00	97,516,158.26	194,384,397.86
— Disposals		10,383,988.28	4,850,000.00			15,233,988.28
— Foreign Currency Exchange	8,865,056.66	2,250,055.60	58,229,579.06	12,289,560.00	97,516,158.26	179,150,409.58
(4) Ending Balance	421,140,995.35	157,597,564.61	2,780,747,096.19	521,621,889.03	3,283,682,813.58	7,164,790,358.76
2. Accumulated Amortization						
(1) Closing Balance of Prior Year	77,894,624.03	134,384,346.49	2,122,759,401.25	430,322,741.97	1,848,555,540.62	4,613,916,654.36
(2) Additions for the Period	5,769,984.56	9,991,283.77	78,158,604.87	9,106,904.70	207,270,689.69	310,297,467.59
— Provided	5,769,984.56	8,762,249.87	61,854,079.76	9,106,904.70	207,270,689.69	292,763,908.58
— Acquisition of subsidiaries		1,229,033.90	16,304,525.11			17,533,559.01
(3) Reductions for the Period	2,085,067.52	11,581,320.14	58,907,141.24	12,238,801.27	58,791,168.57	143,603,498.74
— Disposals		9,947,711.69	4,850,000.00			14,797,711.69
— Foreign Currency Exchange	2,085,067.52	1,633,608.45	54,057,141.24	12,238,801.27	58,791,168.57	128,805,787.05
(4) Ending Balance	81,579,541.07	132,794,310.12	2,142,010,864.88	427,190,845.40	1,997,035,061.74	4,780,610,623.21
3. Impairment Allowance						
(1) Closing Balance of Prior Year					97,273,891.84	97,273,891.84
(2) Additions for the Period					6,564,386.55	6,564,386.55
— Provided					6,564,386.55	6,564,386.55
(3) Reductions for the Period					3,118,990.36	3,118,990.36
— Foreign Currency Exchange					3,118,990.36	3,118,990.36
(4) Ending Balance					100,719,288.03	100,719,288.03
4. Carrying Amount						
(1) Carrying Amount at Period-end	339,561,454.28	24,803,254.49	638,736,231.31	94,431,043.63	1,185,928,463.81	2,283,460,447.52
(2) Carrying Amount at Prior Year-end	352,111,427.98	29,027,143.06	495,298,079.64	45,928,707.06	1,073,146,498.82	1,995,511,856.56

At the end of the period, intangible assets internally developed through the Company's in-house R&D accounted for 51.94% of the balance of intangible assets.

2. No Land Use Rights for Which Title Certificates Have Not Yet Been Obtained

(19) Development Costs

Item	Ending Balance of Prior Year	Increase in Reporting Period: Internal Development Expenditures	Decrease in Reporting Period: Recognized as Intangible Assets	Decrease in Reporting Period: Transferred to profit or loss for the period	Decrease in Reporting Period: Foreign Currency Exchange	**Ending Balance**
CIS solutions	1,369,188,676.77	464,116,102.22	330,688,567.37	5,157,396.82	44,466,720.83	**1,452,992,093.97**
Display solutions	31,796,794.21	7,143,133.14	31,534,473.19		601,528.79	**6,803,925.37**
Total	1,400,985,470.98	471,259,235.36	362,223,040.56	5,157,396.82	45,068,249.62	**1,459,796,019.34**

(20) Goodwill

1. Changes in Goodwill

Name of Investee or Transaction Giving Rise to Goodwill	Ending Balance of Prior Year	Increase in Reporting Period: Business Combinations	Increase in Reporting Period: Others	Decrease in Reporting Period: Disposal	Decrease in Reporting Period: Foreign Currency Exchange	**Ending Balance**
Gross Carrying Amount						
CIS solutions	2,325,652,501.87	134,112,631.89				**2,459,765,133.76**
Display solutions	849,184,647.08				18,581,521.39	**830,603,125.69**
Analog solutions	681,234,536.43	236,174,122.46				**917,408,658.89**
Subtotal	3,856,071,685.38	370,286,754.35			18,581,521.39	**4,207,776,918.34**
Impairment Allowance						
Display solutions	237,494,662.19					**237,494,662.19**
Subtotal	237,494,662.19					**237,494,662.19**
Carrying Amount	3,618,577,023.19	370,286,754.35			18,581,521.39	**3,970,282,256.15**

2. *Information on the Composition of the Asset Group or Group of Asset Groups to Which Goodwill Is Allocated and the Related Operating Segments*

Name	composition of the related asset group or group of asset groups and the basis therefor	Related Operating Segment And the Basis Therefor	Whether Consistent With Prior Years
CIS solutions	Note 1	Semiconductor design and sales	Yes
Display solutions	Note 2	Semiconductor design and sales	Yes
Analog solutions	Note 3	Semiconductor design and sales	Yes

Note 1: CIS solutions: Omnivision Technology (Beijing) Limited Corp., OmniVision Celepixel Sensor (Shanghai) Co., Ltd. and Shanghai Dao Sensing Technology Co., Ltd. (acquired during the reporting period) only retain their R&D functions, which are carried out according to the instructions and arrangements of Beijing OmniVision Technologies Company Limited. Their original supply chain and sales functions are integrated into Beijing OmniVision Technologies Company Limited, thereby achieving unified management, resource optimization, and efficiency improvement of CIS solutions. These entities collectively constitute the CIS solution asset groups.

Note 2: Display solutions: TDDI chip business, OmniVision Touch & Display Technology (Shenzhen) Co., Ltd. ("OTDSZ"), and CerebrEX (Zhuhai) Co., Ltd. jointly constitute the Company's display solution. Although their products cover different market segments, they share production, R&D, and sales resources and cannot be separated. As the minimum profit-making units, TDDI chip business, OTDSZ, and CerebrEX (Zhuhai) Co., Ltd. constitute the display solution asset groups.

Note 3: Analog solutions: The goodwill of this business line is arising from the acquisitions of Hunan Silicon Internet of Things Technology Co., Ltd. and Chengdu ET Microelectronics Co., Ltd. (acquired during the reporting period). Both entities generate cash flows independently, each forming a separate cash-generating unit to which goodwill is allocated.

(21) Long-term Prepaid Expenses

Item	Ending Balance of Prior Year	Increase in Reporting Period	Amortization Amount in Reporting Period	Reduction on Disposals	Foreign Currency Exchange	Ending Balance
Leasehold improvement	52,294,505.78	7,198,120.39	5,865,655.73	2,964,612.14	-1,595,474.20	**49,066,884.10**
Land improvement	14,993,538.77		339,937.94		-459,460.47	**14,194,140.36**
Software licenses	38,845,786.20	23,251,218.23	11,044,476.50		-1,396,172.19	**49,656,355.74**
Renovation costs	27,054,320.44	3,037,599.38	3,420,097.30			**26,671,822.52**
Other	4,363,859.23	8,113,029.30	2,484,465.82		-221,402.96	**9,771,019.75**
Total	137,552,010.42	41,599,967.30	23,154,633.29	2,964,612.14	-3,672,509.82	**149,360,222.47**

(22) Deferred Tax Assets and Deferred Tax Liabilities

1. Deferred Tax Assets Before Offsetting

	Ending Balance		Ending Balance of Prior Year	
Item	Deductible Temporary Differences	Deferred Tax Assets	Deductible Temporary Differences	Deferred Tax Assets
Provision for asset impairments	**326,403,118.82**	**56,458,162.55**	355,605,450.62	57,029,976.68
Change in fair value	**2,700,000.00**	**405,000.00**	2,700,000.00	405,000.00
Unrealized profit from internal transactions	**1,455,479,119.99**	**338,322,818.32**	1,798,239,276.50	344,736,390.09
Deductible losses	**1,026,793,724.21**	**191,931,883.34**	791,863,008.16	157,565,950.90
Share-based payments	**159,781,364.45**	**26,538,096.74**	176,231,927.80	30,288,928.98
Government grants	**4,363,975.03**	**545,496.88**	97,372.55	14,605.88
Interest for uncertain taxes	**134,193,464.54**	**25,139,657.57**	123,542,602.32	25,943,946.49
Accrued expenses	**370,455,937.12**	**48,373,063.40**	423,972,889.11	66,842,957.36
Depreciation and amortization of long-term assets	**23,977,835.28**	**3,623,417.26**	25,235,932.78	3,820,229.29
Lease liabilities	**157,463,321.92**	**29,200,483.01**	160,533,628.17	29,890,774.92
Others	**517,638,067.33**	**75,264,524.90**	407,484,581.05	61,289,876.20
Total	**4,179,249,928.69**	**795,802,603.97**	4,265,506,669.06	777,828,636.79

2. *Deferred Tax Liabilities Before Offsetting*

	Ending Balance		Ending Balance of Prior Year	
Item	**Taxable Temporary Differences**	**Deferred Tax Liabilities**	Taxable Temporary Differences	Deferred Tax Liabilities
Appreciation from asset valuation in business combinations not under common control	**805,169,282.89**	**116,486,370.12**	583,643,523.31	82,927,502.35
Fair value adjustments on financial assets measured at fair value	**1,115,280,722.81**	**190,013,782.28**	1,127,099,609.96	198,508,003.08
Depreciation and amortization of long-term assets	**517,738,011.73**	**95,391,439.05**	517,733,303.71	95,318,560.83
Capitalised development expenditure	**2,218,801,546.17**	**460,608,436.93**	1,998,292,933.16	415,360,194.21
GILTI Tax	**6,108,263.73**	**1,282,735.38**	6,303,684.41	1,323,773.73
Right-of-use assets	**152,010,766.13**	**28,252,979.74**	151,619,305.32	28,469,389.53
Others	**369,055,115.15**	**55,530,396.80**	374,787,914.51	55,837,996.12
Total	**5,184,163,708.61**	**947,566,140.30**	4,759,480,274.38	877,745,419.85

3. *Deferred Tax Assets or Liabilities Presented on a Net Basis after Offsetting*

	Ending Balance		End of Prior Year	
Item	**Amount of Deferred Tax Assets and Liabilities Offset**	**Balance of Deferred Tax Assets or Liabilities After Offsetting**	Amount of Deferred Tax Assets and Liabilities Offset	Balance of Deferred Tax Assets or Liabilities After Offsetting
Deferred tax assets	**275,426,532.70**	**520,376,071.27**	248,666,580.24	529,162,056.55
Deferred tax liabilities	**275,426,532.70**	**672,139,607.60**	248,666,580.24	629,078,839.61

4. Details of Unrecognized Deferred Tax Assets

Item	Ending Balance	Ending Balance of Prior Year
Deductible temporary differences	**896,964,848.03**	840,378,077.57
Deductible losses	**2,173,676,838.60**	1,283,397,597.53
Total	**3,070,641,686.63**	2,123,775,675.10

5. Deductible tax losses for which deferred tax assets have not been recognized will expire in the following years

Year	Ending Balance	Ending Balance of Prior Year	Remarks
2026	**194,506,242.80**	185,402,240.47	
2027	**266,873,908.75**	75,174,498.86	
2028	**240,596,062.82**	135,489,748.54	
2029	**116,054,050.42**	111,415,833.56	
2030	**133,615,013.13**	166,005,149.91	
2031	**84,624,470.53**	45,350,606.24	
After 2032	**1,137,407,090.15**	564,559,519.95	
Total	**2,173,676,838.60**	1,283,397,597.53	

(23) Other Non-current Assets

Item	Ending Balance			Ending Balance of Prior Year		
	Carrying Amount	**Impairment Allowance**	**Carrying Value**	Carrying Amount	Impairment Allowance	Carrying Value
Prepayment for equipment	**86,602,250.92**		**86,602,250.92**	57,028,158.83		57,028,158.83
Deposits and prepayments	**46,926,774.28**		**46,926,774.28**	54,152,755.39		54,152,755.39
Prepayment for business combination				20,000,000.00		20,000,000.00
Total	**133,529,025.20**		**133,529,025.20**	131,180,914.22		131,180,914.22

(24) Assets with Restricted Ownership or Rights of Use

Item	Ending Balance				End of Prior Year			
	Carrying Amount	**Carrying Value**	**Type of Restriction**	**Details of Restriction**	Carrying Amount	Carrying Amount	Type of Restriction	Details of Restriction
Cash and bank balances	**21,422,600.00**	**21,422,600.00**	**Mortgage, pledge**	**Guarantee and deposits**	20,955,239.42	20,955,239.42	Mortgage	Guarantee and deposits
Total	**21,422,600.00**	**21,422,600.00**			20,955,239.42	20,955,239.42		

(25) Short-term Borrowings

1. Classification of Short-term Borrowings

Item	Ending Balance	Ending Balance of Prior Year
Credit borrowings	**2,915,830,836.61**	1,847,200,000.00
Guaranteed borrowings	**10,000,000.00**	
Pledged borrowings	**6,811,950.80**	
Discounting of notes receivable	**348,571,715.69**	230,550,453.44
Interest payable on short-term borrowings	**1,677,947.48**	1,235,059.22
Total	**3,282,892,450.58**	2,078,985,512.66

2. No Short-term Borrowings Overdue and Unpaid

(26) Accounts Payable

1. Details of Accounts Payable by Aging Based on the Initial Recognition Date

Item	Ending Balance	Ending Balance of Prior Year
Within 1 year	**2,222,274,588.44**	2,216,114,045.52
1 to 2 years	**824,658.74**	16,031,039.82
2 to 3 years	**169.10**	25,857.17
Over 3 years	**2,260,731.87**	2,331,042.13
Total	**2,225,360,148.15**	2,234,501,984.64

2. No Material Accounts Payable Overdue or Aged Over One Year

(27) Advances from Customers

1. Details of Advances from Customers

Item	Ending Balance	Ending Balance of Prior Year
Within 1 year	**2,311,559.34**	
1 to 2 years		
2 to 3 years		
Over 3 years		
Total	**2,311,559.34**	

2. No Material Advances from Customers Overdue or Aged Over One Year

(28) Contract Liabilities

1. Details of Contract Liabilities

Item	Ending Balance	Ending Balance of Prior Year
Within 1 year	**282,673,517.71**	122,731,364.06
1 to 2 years	**32,824,271.36**	71,710,588.39
2 to 3 years	**18,370,780.98**	40,419,691.79
Over 3 years	**42,716,545.53**	5,423,434.31
Total	**376,585,115.58**	240,285,078.55

2. Material Contract Liabilities Aged Over One Year

Item	Ending Balance	Reasons for Non-repayment or Carryforward
Customer 1	**39,270,355.33**	Projects Not Yet Completed
Customer 2	**27,243,600.00**	Projects Not Yet Completed
Customer 3	**10,556,895.00**	Projects Not Yet Completed
Total	**77,070,850.33**	/

(29) Employee Benefits Payable

1. Details of Employee Benefits Payable

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Foreign Currency Exchange	Ending Balance
Short-term employee benefits	333,692,949.02	1,629,298,262.19	1,687,288,657.20	-7,476,457.58	**268,226,096.43**
Post-employment benefits — defined contribution plans	10,844,359.26	89,129,694.17	87,850,200.10	-179,284.15	**11,944,569.18**
Termination benefits	4,691,562.54	16,315,948.68	6,068,692.68	-137,567.64	**14,801,250.90**
Other benefits due within 1 year					
Total	349,228,870.82	1,734,743,905.04	1,781,207,549.98	-7,793,309.37	**294,971,916.51**

2. Short-term Employee Benefits

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Foreign Currency Exchange	Ending Balance
(1) Wages, bonuses, allowances and subsidies	215,544,745.28	1,397,149,660.03	1,453,245,572.48	-4,000,919.88	**155,447,912.95**
(2) Employee welfare expenses		31,742,638.19	31,742,638.19		
(3) Social insurance contributions	6,226,828.93	49,343,857.56	48,640,273.70	-103,312.24	**6,827,100.55**
Including: medical insurance	5,978,124.90	46,881,654.93	46,199,482.24	-98,551.29	**6,561,746.30**
Work-related injury insurance	230,933.95	2,025,602.55	2,004,663.54	-4,760.95	**247,112.01**
Maternity insurance	17,770.08	436,600.08	436,127.92		**18,242.24**
(4) Housing provident fund	12,555,033.83	73,480,978.86	68,814,712.24	-462,720.41	**16,758,580.04**
(5) Trade union funds and employee education expenses	147,473.12	1,587,090.59	1,580,787.89		**153,775.82**
(6) Short-term paid absences	84,541,217.34	9,255,591.86	13,632,083.14	-2,551,927.28	**77,612,798.78**
(7) Short-term profit-sharing plans					
(8) Other	14,677,650.52	66,738,445.10	69,632,589.56	-357,577.77	**11,425,928.29**
Total	333,692,949.02	1,629,298,262.19	1,687,288,657.20	-7,476,457.58	**268,226,096.43**

3. Defined Contribution Plans

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Foreign Currency Exchange	Ending Balance
Basic pension insurance	10,519,262.22	86,236,625.08	84,997,666.95	-173,932.71	**11,584,287.64**
Unemployment insurance	325,097.04	2,893,069.09	2,852,533.15	-5,351.44	**360,281.54**
Total	10,844,359.26	89,129,694.17	87,850,200.10	-179,284.15	**11,944,569.18**

(30) Taxes Payable

Tax Items	Ending Balance	Ending Balance of Prior Year
Value-added tax	**20,372,976.19**	4,313,143.71
Corporate income tax	**304,223,620.86**	316,165,775.05
Individual income tax	**13,245,007.44**	14,004,644.69
Property tax	**3,697,183.95**	5,244,326.80
Stamp duty	**2,160,416.05**	1,593,012.17
Other	**2,952,965.88**	1,643,268.92
Total	**346,652,170.37**	342,964,171.34

(31) Other Payables

Item	Ending Balance	Ending Balance of Prior Year
Interest payable		
Dividends payable	**5,046,470.00**	5,046,470.00
Other payables	**1,306,857,152.88**	1,325,998,627.82
Total	**1,311,903,622.88**	1,331,045,097.82

1. *Interest Payable: None*

2. *Dividends Payable*

Item	Ending Balance	Ending Balance of Prior Year
Dividends payable to non-controlling interests	**5,046,470.00**	5,046,470.00
Total	**5,046,470.00**	5,046,470.00

3. *Other Payables*

(1) Presented by Nature of Payable

Item	Ending Balance	Ending Balance of Prior Year
Payables for rebate	**958,150,944.33**	1,029,477,027.74
Payables for long-term assets	**110,093,873.17**	163,713,422.40
Payables for commission	**23,916,181.62**	28,606,052.25
Accruals	**28,296,957.02**	43,623,760.07
Temporary payment	**92,957,856.13**	6,269,174.28
Deposits	**8,231,510.62**	16,307,373.02
Other	**85,209,829.99**	38,001,818.06
Total	**1,306,857,152.88**	1,325,998,627.82

(2) No Material Other Payables Aged Over One Year or Overdue

(32) Non-current Liabilities Due Within One Year

Item	Ending Balance	Ending Balance of Prior Year
Long-term borrowings due within 1 year	**2,999,373,192.06**	3,289,825,983.96
Bonds payable due within 1 year	**2,613,517,222.58**	2,552,632,601.34
Provisions due within 1 year	**8,657,409.91**	9,924,489.88
Lease liabilities due within 1 year	**44,899,763.42**	53,519,378.09
Other non-current liabilities due within 1 year	**100,000,000.00**	99,030,000.00
Total	**5,766,447,587.97**	6,004,932,453.27

(33) Other Current Liabilities

Item	Ending Balance	Ending Balance of Prior Year
VAT to be offset	**4,513,588.21**	2,334,587.82
Notes receivable not derecognized	**6,308,777.36**	1,792,419.94
Total	**10,822,365.57**	4,127,007.76

(34) Long-term Borrowings

Item	Ending Balance	Ending Balance of Prior Year
Credit borrowings	**2,082,849,999.97**	1,468,274,999.98
Guaranteed borrowings	**453,022,825.66**	149,446,215.81
Total	**2,535,872,825.63**	1,617,721,215.79

(35) Bonds Payable

1. Details of Bonds Payable

Item	Ending Balance	Ending Balance of Prior Year
Convertible bonds	**2,613,517,222.58**	2,552,632,601.34
Less: Other current liabilities due within 1 year	**2,613,517,222.58**	2,552,632,601.34
Total	**0**	0

2. Explanation of Other Financial Instruments Classified as Financial Liabilities

(1) Basic Information on Convertible Corporate Bonds Outstanding at the End of the Period

Financial Instruments Outstanding	Issue Date	Accounting Classification	Dividend Rate or Interest Rate	Issue Price	Quantity	Amount	Maturity Dates or Renewal Details	Conversion Terms	Conversion Details
Will Convertible Bonds (113616)	2020/12/28	Bonds Payable	Note 1	100.00	24,400,000	2,440,000,000.00	2026/12/27	Note 2	Note 3
Total	/	/	/	100.00	24,400,000	2,440,000,000.00	/	/	/

Note 1: The coupon rate of the aforesaid convertible corporate bonds is 0.20% for the first year, 0.40% for the second year, 0.60% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.00% for the sixth year.

Note 2: The conversion period starts from July 5, 2021 to December 27, 2026.

Note 3: As at June 30, 2026, the conversion price was RMB159.02 per share. Convertible Bonds with an aggregate principal amount of RMB7,659,000.00 were converted into 35,411 shares of the Company.

(2) Schedule of Changes in Convertible Corporate Bonds Outstanding at the End of the Period

Bond Name	Issue Amount	Ending Balance of Prior Year	Interest Accrued at Face Value	Amortization of Premium or Discount	Repaid in Reporting Period	Others in Reporting Period	Conversion in Reporting Period	Ending Balance	Whether in Default
Will Convertible Bonds (113616)	2,156,448,518.79	2,552,632,601.34	24,323,360.00	36,623,450.99		1,007.25	61,182.50	**2,613,517,222.58**	No
Less: Due within 1 year		2,552,632,601.34						**2,613,517,222.58**	
Total	2,156,448,518.79		24,323,360.00	36,623,450.99		1,007.25	61,182.50		

(36) Lease Liabilities

Item	Ending Balance	Ending Balance of Prior Year
Lease payment	**167,219,234.30**	170,630,918.27
Less: Unrecognized financing expenses	**19,041,921.19**	21,825,871.29
Due within 1 year	**44,899,763.42**	53,519,378.09
Total	**103,277,549.69**	95,285,668.89

(37) Provisions

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Foreign Currency Exchange	Ending Balance
Uncertain taxes	472,803,347.70	49,474,402.28	9,826,296.49	-13,151,141.46	**499,300,312.03**
Onerous contracts	9,924,489.88	2,563,089.45	3,537,854.25	-292,315.17	**8,657,409.91**
Subtotal	482,727,837.58	52,037,491.73	13,364,150.74	-13,443,456.63	**507,957,721.94**
Less: Due within 1 year	9,924,489.88	8,657,409.91	9,924,489.88		**8,657,409.91**
Total	472,803,347.70	43,380,081.82	3,439,660.86	-13,443,456.63	**499,300,312.03**

Note 1: Uncertain taxes

The Company's subsidiaries claimed research and development credits at the US federal level and in the State of California, and have entered into some transfer pricing arrangements among subsidiaries, including intercompany loans, cost sharing arrangements, foreign permanent establishments, intellectual property transfers, and amortization deductions related to the assessed value increases arising from certain intellectual property transfers. As at June 30, 2026, the Company has made the best estimates of the potential tax risks and the provisions for uncertain tax positions were recognized in income tax expense.

Note 2: Onerous contracts

The Company's subsidiaries entered irrevocable purchase contracts with certain wafer foundries. The estimated costs required to fulfil these contractual obligations exceed the expected economic benefits, due to a decline in the estimated net realizable value of the finished products. As at June 30, 2026, the Company has recognized the relevant provision for inventory write-down in respect of these outstanding unfulfilled portions of these purchase contracts. The amount of expected contract loss in excess of the recognized provision for inventory write-down is recognized as provision for onerous contracts. The portion of the onerous-contract provision due within one year is included in other non-current liabilities due within one year.

(38) Deferred Income

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Foreign Currency Exchange	Ending Balance
Government grants related to assets Government grants related to income	45,690,625.84	10,206,682.38	4,663,659.44	-582,817.24	**50,650,831.54**
Total	45,690,625.84	10,206,682.38	4,663,659.44	-582,817.24	**50,650,831.54**

(39) Other Non-current Liabilities

Item	Ending Balance	Ending Balance of Prior Year
Contingent consideration	**100,000,000.00**	99,030,000.00
Less: Due within one year	**100,000,000.00**	99,030,000.00
Total		

Note: In February 2023, the Company entered into an equity purchase agreement with the shareholders of Hunan Silicon Internet of Things Technology Co., Ltd. ("**SIT**") to acquire 100% equity of SIT for a total consideration not exceeding RMB1.2 billion, comprising a fixed consideration of RMB900 million and a maximum contingent consideration of RMB300 million. The contingent consideration was determined pursuant to the terms of the agreement between the Company and the selling shareholders, based on the comprehensive achievement of a series of key business metrics of SIT over the subsequent three years, including R&D project progress, product performance, and stability of the core team. The contingent consideration was recognized as a financial liability measured at fair value through profit or loss, with the fair value of RMB256 million at its initial recognition. As at June 30, 2026, the fair value of the contingent consideration financial liability was RMB100 million, with the full balance presented as non-current liabilities due within one year.

(40) Share Capital

		Increase (+)/Decrease (−) during the Period			
Item	Ending Balance of Prior Year	Issuance of New Shares	Other	Subtotal	Ending Balance
Shares	1,209,759,889.00	51,660,607.00		51,660,607.00	**1,261,420,496.00**

Note 1: During the reporting period, a total of 919,155 share options under 2023 Share-based Incentive Plan were exercised by employees with the proceeds of RMB71,694,173.05. Upon exercise of these share options, the share capital increased by RMB919,155.00, and capital reserve increased by RMB70,775,018.05. All exercise proceeds were received in RMB.

Note 2: During the reporting period, "Will Convertible Bonds" with a principal amount of RMB57,000.00 were converted into 352 A shares of the Company. In addition, the Company repurchased RMB1,000.00 of "Will Convertible Bonds" during the reporting period.The conversion and repurchase resulted in an increase in share capital of RMB352.00 and an increase in capital reserve of RMB65,415.78.

Note 3: The Company issued H Shares and was listed on The Stock Exchange of Hong Kong Limited. The number of H Shares issued in this offering was 50,741,100 shares at an offer price of HK$104.80 per share. The gross proceeds from the offering amounted to HK$5,317,667,280, which was equivalent to RMB4,777,922,036.82. After deducting share issue expenses of RMB100,425,070.58 (excluding value-added tax), the net proceeds from the offering amounted to RMB4,677,496,966.24, of which RMB50,741,100.00 was recognized as an increase in share capital and RMB4,626,755,866.24 was recognized as an increase in capital reserve.

(41) Other Equity Instruments

1. Basic Information on Preferred Shares, Perpetual Bonds, and Other Financial Instruments Outstanding at the End of the Period

Financial Instruments Outstanding	Issue Date	Accounting Classification	Dividend Rate or Interest Rate	Issue Price	Quantity	Amount	Maturity Dates or Renewal Details	Conversion Terms	Conversion Details
Will Convertible Bonds (113616)	2020/12/28	Bonds Payable	Note 1	100.00	24,400,000	2,440,000,000.00	2026/12/27	Note 2	Note 3
Total	/	/	/	100.00	24,400,000	2,440,000,000.00	/	Note 2	Note 3

Note 1: The coupon rate of the aforesaid convertible corporate bonds is 0.20% for the first year, 0.40% for the second year, 0.60% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.00% for the sixth year.

Note 2: The conversion period starts from July 5, 2021 to December 27, 2026.

Note 3: As at June 30, 2026, the conversion price was RMB159.02 per share. Convertible Bonds with an aggregate principal amount of RMB7,659,000.00 were converted into 35,411 shares of the Company.

2. Schedule of Changes in Preferred Shares, Perpetual Bonds, and Other Financial Instruments Outstanding at the End of the Period

	End of Prior Year		Increase in Reporting Period		Decrease in Reporting Period		Ending Balance	
Financial Instruments Outstanding	Quantity	Carrying Amount	Quantity	Carrying Amount	Quantity	Carrying Amount	**Quantity**	**Carrying Amount**
Will Convertible Bonds (113616)	24,323,940	232,974,864.81			580	5,555.24	**24,323,360**	**232,969,309.57**
Total	24,323,940	232,974,864.81			580	5,555.24	**24,323,360**	**232,969,309.57**

(42) Capital Reserve

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Ending Balance
Capital premium (Share premium)	10,593,644,974.15	4,697,596,300.07		**15,291,241,274.22**
Other capital reserve	572,246,408.83	81,086,627.98	5,230,309.48	**648,102,727.33**
Total	11,165,891,382.98	4,778,682,928.05	5,230,309.48	**15,939,344,001.55**

Note 1: During the reporting period, a total of 919,155 share options under 2023 Share-based Incentive Plan were exercised by employees with the proceeds of RMB71,694,173.05. Upon exercise of these share options, the share capital increased by RMB919,155.00, and capital reserve increased by RMB70,775,018.05. All exercise proceeds were received in RMB.

Note 2: During the reporting period, "Will Convertible Bonds" with a principal amount of RMB57,000.00 were converted into 352 A shares of the Company. In addition, the Company repurchased RMB1,000.00 of "Will Convertible Bonds" during the reporting period. The conversion and repurchase resulted in an increase in share capital of RMB352.00 and an increase in capital reserve of RMB65,415.78.

Note 3: The Company issued H Shares and was listed on The Stock Exchange of Hong Kong Limited. The number of H Shares issued in this offering was 50,741,100 shares at an offer price of HK$104.80 per share. The gross proceeds from the offering amounted to HK$5,317,667,280, which was equivalent to RMB4,777,922,036.82. After deducting share issue expenses of RMB100,425,070.58 (excluding value-added tax), the net proceeds from the offering amounted to RMB4,677,496,966.24, of which RMB50,741,100.00 was recognized as an increase in share capital and RMB4,626,755,866.24 was recognized as an increase in capital reserve.

Note 4: During the reporting period, the share-based payment expenses in respect of equity instruments granted to employees gave rise to an increase in capital reserve of RMB81,086,627.98.

Note 5: During the reporting period, as the exercise conditions for the granted share options were satisfied, the related share-based payment expenses were deducted as payroll expenses for tax purposes, resulting in a decrease in capital reserve of RMB5,230,309.48 in respect of deferred tax assets recognized for deductible losses.

(43) Treasury Shares

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Ending Balance
Share repurchase	348,056,924.73	621,413,178.40		**969,470,103.13**
Total	348,056,924.73	621,413,178.40		**969,470,103.13**

Note: On April 3, 2026, the Board of Directors of the Company reviewed and approved the Resolution on the Share Repurchase Plan of the Company. Pursuant to the resolution, the total funds for the share repurchase shall be not less than RMB800 million (inclusive) and not more than RMB1,000 million (inclusive), with the repurchase price not exceeding RMB100 per share (inclusive). The repurchase period shall not exceed three months from the date on which the Board of Directors approves this share repurchase plan. During the reporting period, the Company repurchased 6,794,000 shares for a total consideration of RMB621,413,178.40 (including transaction costs), which was accounted for as an increase in treasury shares.

(44) Other Comprehensive Income

		Reporting Period						
Item	Ending Balance of Prior Year	Amount Incurred Before Income Tax During the Reporting Period	Less: Amount Previously Recognized in Other Comprehensive Income and Reclassified to Profit or Loss During the Reporting Period	Less: Income Tax Expense	Net of Tax Attributable to the Company	Net of Tax Attributable to Non-controlling Shareholders	Less: Amount of Other Comprehensive Income Reclassified to Retained Earnings During the Reporting Period	**Ending Balance**
1. Other comprehensive income that will not be reclassified to profit or loss	-3,947,212.87							**-3,947,212.87**
Including: Changes in fair value of other equity instrument investments	-3,947,212.87							**-3,947,212.87**
2. Other comprehensive income that may be reclassified to profit or loss	422,923,690.43	-762,384,268.25			-762,156,564.35	-227,703.90		**-339,232,873.92**
Including: Other comprehensive income under the equity method that may be reclassified to profit or loss	-1,278,122.15	399,285.77			399,285.77			**-878,836.38**
Foreign currency exchange	424,201,812.58	-762,783,554.02			-762,555,850.12	-227,703.90		**-338,354,037.54**
Total Other Comprehensive Income	418,976,477.56	-762,384,268.25			-762,156,564.35	-227,703.90		**-343,180,086.79**

(45) Surplus Reserve

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	**Ending Balance**
Statutory surplus reserve	328,318,602.61			**328,318,602.61**
Discretionary surplus reserve				
Total	328,318,602.61			**328,318,602.61**

(46) Retained Earnings

Item	Reporting Period	Prior Period
Retained earnings at the end of the prior year before adjustment	**15,164,190,737.12**	11,867,916,685.90
Total adjustments to retained earnings at the beginning of the year (increase +, decrease -)		
Retained earnings at the beginning of the year after adjustment	**15,164,190,737.12**	11,867,916,685.90
Add: Net profit attributable to owners of the Company during the reporting period	**1,219,762,603.08**	2,027,879,812.52
Amount reclassified from other comprehensive income		-556.08
Less: Appropriation to statutory surplus reserve		
Appropriation to discretionary surplus reserve		
Appropriation to general risk reserve		
Dividend distribution	**125,490,465.07**	264,459,672.84
Ordinary share dividends converted into share capital		
Retained earnings at the end of the period	**16,258,462,875.13**	13,631,336,269.50

(47) Operating Revenue and Operating Costs

1. Operating Revenue and Operating Costs

	Reporting Period		Prior Period	
Item	**Revenue**	**Cost**	Revenue	Cost
Main business	**14,009,987,486.50**	**9,983,302,783.88**	13,940,177,421.88	9,697,489,699.29
Other business	**14,573,429.58**	**5,388,543.71**	15,637,717.84	4,630,552.68
Total	**14,024,560,916.08**	**9,988,691,327.59**	13,955,815,139.72	9,702,120,251.97

Details of Operating Revenue:

Item	Reporting Period	Prior Period
Revenue from customer contracts	**14,014,551,217.61**	13,944,143,022.74
Lease income	**10,009,698.47**	11,672,116.98
Total	**14,024,560,916.08**	13,955,815,139.72

2. Disaggregated Information on Operating Revenue and Operating Costs

	Reporting Period		Prior Period	
Category	**Operating Revenue**	**Operating Costs**	Operating Revenue	Operating Costs
Type of business:				
Semiconductor design and sales	**10,671,048,367.45**	**6,990,563,661.65**	11,572,019,805.22	7,557,522,731.77
Semiconductor distribution	**3,263,184,202.13**	**2,989,047,255.05**	2,314,116,240.58	2,139,501,090.70
Technical services	**75,754,916.92**	**3,691,867.18**	54,041,376.08	465,876.82
Lease income	**10,009,698.47**	**4,409,336.01**	11,672,116.98	4,324,999.31
Others	**4,563,731.11**	**979,207.70**	3,965,600.86	305,553.37
Total	**14,024,560,916.08**	**9,988,691,327.59**	13,955,815,139.72	9,702,120,251.97
Recognized at a point in time	**14,014,551,217.61**	**9,984,281,991.58**	13,944,143,022.74	9,697,795,252.66
Recognized over time	**10,009,698.47**	**4,409,336.01**	11,672,116.98	4,324,999.31
Total	**14,024,560,916.08**	**9,988,691,327.59**	13,955,815,139.72	9,702,120,251.97

(48) Taxes and Surcharges

Item	**Reporting Period**	Prior Period
Urban maintenance and construction tax	**4,270,127.43**	2,260,026.09
Property tax	**11,081,572.24**	8,783,527.88
Land use tax	**371,103.24**	370,364.77
Stamp duties	**6,821,261.17**	4,513,227.46
Education surcharge	**3,512,778.90**	1,824,456.82
Others	**7,828.73**	3,358.46
Total	**26,064,671.71**	17,754,961.48

(49) Selling Expenses

Item	Reporting Period	Prior Period
Employee benefits	**215,881,747.89**	196,506,491.02
Share-based payments	**12,288,568.78**	16,514,305.97
Depreciation and amortization	**6,989,446.81**	10,022,749.53
Travel expenses	**14,164,552.02**	15,078,142.58
Entertainment expenses	**10,221,480.95**	8,955,507.07
Marketing expenses	**9,179,828.15**	10,012,987.53
Others	**14,724,237.79**	12,235,710.05
Total	**283,449,862.39**	269,325,893.75

(50) Administrative Expenses

Item	Reporting Period	Prior Period
Employee benefits	**186,800,550.95**	153,888,670.47
Depreciation and amortization	**56,175,228.29**	80,435,578.31
Professional service fees	**60,053,826.36**	45,271,125.57
Licenses fee	**23,750,414.79**	21,841,689.03
Share-based payments	**7,198,064.51**	9,227,724.62
Office expenses	**7,295,045.64**	7,940,743.11
Others	**27,585,201.73**	20,886,581.49
Total	**368,858,332.27**	339,492,112.60

(51) Research and Development Expenses

Item	Reporting Period	Prior Period
Employee benefits	**755,854,401.56**	690,804,489.82
Share-based payments	**54,932,529.93**	72,166,036.78
Depreciation and amortization	**304,496,081.27**	294,042,251.00
Licenses fee	**111,902,190.51**	117,265,256.50
Material used for R&D	**96,004,533.24**	70,754,780.65
Professional service fees for R&D	**82,713,338.25**	59,606,790.13
Other professional service fees	**24,905,581.98**	22,512,397.95
Others	**42,110,641.23**	37,535,222.04
Total	**1,472,919,297.97**	1,364,687,224.87

(52) Finance Expenses

Item	Reporting Period	Prior Period
Interest expense	**149,086,028.35**	149,526,563.07
Including: Interest expense on lease liabilities	**3,898,310.50**	3,595,380.37
Less: Interest income	**241,826,858.12**	194,190,705.49
Foreign exchange gains or losses	**147,784,780.33**	27,270,992.03
Others	**2,959,934.77**	10,979,810.21
Total	**58,003,885.33**	-6,413,340.18

(53) Other Income

Item	Reporting Period	Prior Period
Government grants	**22,353,212.20**	25,039,187.89
Additional deduction of VAT input tax	**6,057,923.40**	5,829,037.26
Handling fee for withholding Individual income tax	**1,727,948.89**	2,602,444.22
Total	**30,139,084.49**	33,470,669.37

(54) Investment Income

Item	Reporting Period	Prior Period
Share of post-tax profits of equity accounted associates	**-38,128,435.56**	-3,960,139.94
Investment gain on disposal of long-term equity investments		-369,197.84
Investment gain of financial assets held for trading during the holding period	**3,787,919.18**	
Investment gain on disposal of financial assets held for trading	**23,423,073.89**	268,395.16
Dividend income of investments in other equity instruments		2,699,103.90
Investment income of other non-current financial assets	**3,217,863.09**	15,331,941.65
Interest on discounting of bills	**-2,749,939.08**	-1,895,413.23
Others		58,264.62
Total	**-10,449,518.48**	12,132,954.32

(55) Gains from Changes in Fair Value

Sources of Gains from Changes in Fair Value	Reporting Period	Prior Period
Financial assets held for trading	**-88,441,669.86**	
Other non-current financial assets	**11,499,839.91**	52,907,982.67
Financial liabilities held for trading	**-970,000.00**	-3,590,000.00
Total	**-77,911,829.95**	49,317,982.67

(56) Credit Impairment Losses

Item	Reporting Period	Prior Period
Credit Loss on notes receivable	**244,818.21**	45,389.67
Credit Loss on accounts receivable	**65,024,402.14**	32,863,976.60
Credit Loss on other receivables	**-2,273,046.57**	1,484,136.69
Total	**62,996,173.78**	34,393,502.96

(57) Asset Impairment Losses

Item	Reporting Period	Prior Period
Inventory write-downs and impairment loss on contract fulfillment costs	**128,432,159.96**	128,461,465.84
Impairment loss on long-term equity investments	**50,083,657.82**	
Impairment loss on intangible assets	**6,564,386.55**	15,258,096.86
Impairment loss on development costs	**5,157,396.83**	3,038,813.39
Impairment loss on onerous contracts	**-974,764.80**	-8,160,631.79
Total	**189,262,836.36**	138,597,744.30

(58) Gains on Disposal of Assets

Item	Reporting Period	Prior Period	Amount Included in Non-recurring Profit or Loss for Reporting Period
Gains on disposal of fixed assets	**-2,391,925.01**	23,849.47	-2,391,925.01
Gains on disposal of right-of-use assets	**1,792,633.32**	-5,803.16	**1,792,633.32**
Total	**-599,291.69**	18,046.31	-599,291.69

(59) Non-operating Income

Item	Reporting Period	Prior Period	Amount Included in Non-recurring Profit or Loss for Reporting Period
Rebate from depositary bank	**1,275,320.71**		1,275,320.71
Compensation	**963,316.59**	394,417.07	963,316.59
Others	**2,463,851.00**	970,802.95	2,463,851.00
Total	**4,702,488.30**	1,365,220.02	4,702,488.30

(60) Non-operating Expenses

Item	Reporting Period	Prior Period	Amount Included in Non-recurring Profit or Loss for Reporting Period
Losses on scrapping of non-current assets	**42,796.53**	9,208.72	42,796.53
Fines	**858,195.04**	1,691.05	858,195.04
Compensation	**220,648.49**	21,300.00	220,648.49
Others	**112,770.13**	79,546.18	112,770.13
Total	**1,234,410.19**	111,745.95	1,234,410.19

(61) Income Tax Expense

1. Income Tax Expense Reconciliation

Item	Reporting Period	Prior Period
Current income tax expense	**291,188,827.78**	351,524,857.59
Deferred income tax expense	**24,863,572.11**	-179,867,545.82
Total	**316,052,399.89**	171,657,311.77

2. Reconciliation of Accounting Profit to Income Tax Expense

Item	Reporting Period
Total Profit	**1,518,961,051.16**
Income tax expense calculated at the applicable tax rate	**227,844,157.67**
Effect of different tax rates applicable to subsidiaries	**-16,603,585.85**
Effect of adjustments to income tax for prior periods	**9,181,023.58**
Effect of non-taxable income	**2,403,730.89**
Additional deductions for R&D expenses	**-44,677,676.94**
Effect of non-deductible costs, expenses and losses	**11,079,753.62**
GILTI Tax	**31,916,185.74**
Uncertain taxes	**45,101,094.16**
Effect of using deductible tax losses for which deferred tax assets had not been recognized in prior periods	**-16,307,794.09**
Effect of deductible temporary differences or tax losses for which deferred tax assets were not recognized in the reporting period	**42,928,570.11**
Others	**23,186,940.99**
Income Tax Expense	**316,052,399.89**

(62) Earnings per Share

1. Basic Earnings per Share

Basic earnings per share are calculated by dividing the consolidated net profit attributable to owners of the Company by the weighted average number of ordinary shares of the Company outstanding:

Item	Reporting Period	Prior Period
Consolidated net profit attributable to owners of the Company	**1,219,762,603.08**	2,027,879,812.52
Weighted average number of ordinary shares outstanding of the Company	**1,251,678,821.17**	1,200,822,513.67
Basic Earnings per Share	**0.97**	1.69
Including: Basic earnings per share from continuing operations	**0.97**	1.69
Basic earnings per share from discontinued operations		

2. Diluted Earnings per Share

Diluted earnings per share are calculated by dividing the diluted consolidated net profit attributable to owners of the Company by the diluted weighted average number of ordinary shares of the Company outstanding:

Item	Reporting Period	Prior Period
Consolidated net profit attributable to owners of the Company (diluted)	**1,219,762,603.08**	2,027,879,812.52
Weighted average number of ordinary shares outstanding of the Company (diluted)	**1,253,740,823.31**	1,205,076,728.33
Diluted Earnings per Share	**0.97**	1.68
Including: Diluted earnings per share from continuing operations	**0.97**	1.68
Diluted earnings per share from discontinued operations		

(63) Cash Flow Statement Items

1. Cash Related to Operating Activities

(1) Other Cash Received Related to Operating Activities

Item	Reporting Period	Prior Period
Lease income	**13,041,565.94**	12,059,222.85
Government grants and other income	**30,445,534.57**	47,015,449.04
Interest income	**240,741,404.91**	195,765,579.68
Non-operating income	**2,410,903.85**	1,341,554.42
Others	**11,883,391.20**	10,347,153.00
Total	**298,522,800.47**	266,528,958.99

(2) Other Cash Paid Related to Operating Activities

Item	Reporting Period	Prior Period
Expenses for operation	**268,711,622.12**	184,483,248.69
Non-operating expenses	**1,075,607.37**	102,537.23
Finance expenses	**2,151,776.19**	10,870,362.60
Payment for restricted cash		4,067,576.26
Payments for agency procurement	**436,249,575.11**	
Others	**57,297,410.11**	17,022,461.38
Total	**765,485,990.90**	216,546,186.16

2. Cash Related to Investing Activities

(1) Other Cash Received Related to Investing Activities

Item	Reporting Period	Prior Period
Recover the prepaid funds for the house and land purchase		9,750,400.00
Total		9,750,400.00

(2) Other Cash Paid Related to Investing Activities

Item	Reporting Period	Prior Period
Prepayments for business combination		20,000,000.00
Payment for restricted cash		12,915,672.00
The cash of a disposed subsidiary		1,998,465.19
Total		34,914,137.19

(3) Material Cash Received Related to Investing Activities

Nature	Reporting Period	Prior Period
Disposal of wealth management products	**327,198,895.69**	210,311,052.78
Disposal of financial assets held for trading	**50,959,715.46**	
Disposal of other equity instruments investment		8,098.95
Disposal of other non-current financial assets	**150,614,170.17**	51,851,984.51
Total	**528,772,781.32**	262,171,136.24

(4) Material Cash Paid Related to Investing Activities

Nature	Reporting Period	Prior Period
Investment in financial assets held for trading	**632,374,740.12**	
Investment in other non-current financial assets	**1,920,237,971.38**	217,060,965.72
Purchase of wealth management products	**281,000,000.00**	210,000,000.00
Total	**2,833,612,711.50**	427,060,965.72

3. *Cash Related to Financing Activities*

(1) Other Cash Paid Related to Financing Activities

Item	Reporting Period	Prior Period
Payment for issuance cost	**10,114,967.89**	1,628,802.27
Payment for restricted cash	**10,422,600.00**	
Payment for acquisition of non-controlling interests		6,000,000.00
Payment for lease payment	**36,527,919.69**	38,913,125.55
Payment for share repurchase	**621,413,178.40**	
Payment for repurchase of convertible bonds	**1,007.25**	
Repayment of debts to former shareholders by subsidiaries	**325,681,383.02**	
Total	**1,004,161,056.25**	46,541,927.82

(2) Changes in Liabilities Arising from Financing Activities

		Increase in Reporting Period		Decrease in Reporting Period		
Item	Ending Balance of Prior Year	Cash Changes	Non-cash Changes	Cash Changes	Non-cash Changes	**Ending Balance**
Short-term borrowings	2,078,985,512.66	2,384,741,417.97		951,500,000.00	229,334,480.05	**3,282,892,450.58**
Long-term borrowings	4,907,547,199.75	2,397,864,088.73		1,769,894,140.29	271,130.50	**5,535,246,017.69**
Bonds payable	2,552,632,601.34		60,946,810.99	1,007.25	61,182.50	**2,613,517,222.58**
Lease liabilities	148,805,046.98		39,798,496.32	40,426,230.19		**148,177,313.11**

(64) Supplementary Information to the Cash Flow Statement

1. Supplementary Information to the Cash Flow Statement

Supplementary Information	Reporting Period	Prior Period
1. Reconciliation of Net Profit to Cash Flows from Operating Activities		
Net Profit	**1,202,908,651.27**	2,020,392,602.94
Add: Credit Impairment Losses	**62,996,173.78**	34,393,502.96
Asset Impairment Losses	**189,262,836.36**	138,597,744.30
Depreciation of Fixed Assets	**313,686,424.34**	276,064,651.04
Depreciation of Right-of-use Assets	**32,630,571.60**	34,455,022.83
Amortization of Intangible Assets	**291,667,988.60**	303,259,213.35
Amortization of Long-term Prepaid Expenses	**22,433,811.67**	24,442,813.70
Loss on Disposal of Fixed Assets, Intangible Assets, and Other Long-term Assets (Gains are presented with a "-" sign)	**599,291.69**	-18,046.31
Loss on Write-off of Fixed Assets (Gains are presented with a "-" sign)	**42,796.53**	9,208.72
Loss from Changes in Fair Value (Gains are presented with a "-" sign)	**77,911,829.95**	-49,317,982.67
Finance Costs (Income is presented with a "-" sign)	**309,382,824.82**	176,797,555.10
Investment Losses (Income is presented with a "-" sign)	**10,449,518.48**	-12,132,954.32
Decrease in Deferred Tax Assets (Increases are presented with a "-" sign)	**-34,474,302.98**	-191,006,663.09
Increase in Deferred Tax Liabilities (Decreases are presented with a "-" sign)	**58,992,467.38**	1,272,240.34
Decrease in Inventories (Increases are presented with a "-" sign)	**-924,668,281.71**	-1,147,411,800.97
Decrease in Operating Receivable Items (Increases are presented with a "-" sign)	**-1,372,187,588.13**	-912,024,427.10
Increase in Operating Payable Items (Decreases are presented with a "-" sign)	**52,729,954.26**	1,050,842,562.83
Other	**113,535,276.40**	139,535,004.01
Net Cash Flows from Operating Activities	**407,900,244.31**	1,888,150,247.66
2. Significant Investing and Financing Activities Not Involving Cash Receipts or Payments		
Debt Converted into Capital		
Convertible Corporate Bonds Due Within One Year		
Right-of-use Assets Obtained by Assuming Lease Liabilities		

Supplementary Information	**Reporting Period**	Prior Period
3. Net Changes in Cash and Cash Equivalents		
Ending Balance of Cash	**14,914,793,052.37**	11,183,571,155.10
Less: Beginning Balance of Cash	**12,799,853,505.74**	10,152,782,025.45
Add: Ending Balance of Cash Equivalents		
Less: Beginning Balance of Cash Equivalents		
Net Increase in Cash and Cash Equivalents	**2,114,939,546.63**	1,030,789,129.65

2. Net Cash Paid for Acquiring Subsidiaries During the Reporting Period

	Amount
Cash or cash equivalents paid during the reporting period for business combinations that occurred in prior periods	**223,090,171.00**
Including: Chengdu ET Microelectronics Co., Ltd.	**57,000,000.00**
Shanghai Dao Sensing Technology Co., Ltd.	**166,090,171.00**
Less: Cash and cash equivalents held by the subsidiary on the acquisition date	**23,778,652.70**
Including: Chengdu ET Microelectronics Co., Ltd.	**19,607,790.30**
Shanghai Dao Sensing Technology Co., Ltd.	**4,170,862.40**
Net cash paid for acquiring subsidiaries	**199,311,518.30**

3. Composition of Cash and Cash Equivalents

Item	Ending Balance	Ending Balance of Prior Year
I. Cash	**14,914,793,052.37**	12,799,853,505.74
Including: Cash on Hand	**186,741.36**	238,481.07
Balances with Banks Available on Demand	**14,864,719,538.07**	12,765,527,159.39
Other Monetary Funds Available on Demand	**49,886,772.94**	34,087,865.28
II. Cash Equivalents		
Including: Bond investments maturing within three months		
III. Ending Balance of Cash and Cash Equivalents	**14,914,793,052.37**	12,799,853,505.74
Including: Cash and cash equivalents held but not available for use by the Company or other subsidiaries within the Group		

Monetary Funds Not Included in Cash and Cash Equivalents:

Item	Ending Balance	Ending Balance of Prior Year	Reasons for not being classified as cash and cash equivalents
Balances with banks	**10,422,600.00**		Restricted for use
Other monetary funds	**11,000,000.00**	20,955,239.42	Restricted for use
Total	**21,422,600.00**	20,955,239.42	/

VI. R&D Expenditures

(1) R&D Expenditures

Item	Reporting Period	Prior Period
Employee benefits	**1,053,623,466.82**	923,493,154.96
Depreciation and amortization	**304,496,081.27**	294,042,251.00
Material costs used for R&D	**269,494,703.34**	190,092,425.70
Licenses fee	**111,902,190.51**	117,265,256.50
Professional service fees for R&D	**82,713,338.25**	67,322,735.57
Other professional service fees	**24,905,581.98**	22,512,397.95
Share-based payments	**54,932,529.93**	72,166,036.78
Others	**42,110,641.23**	37,535,222.04
Total	**1,944,178,533.33**	1,724,429,480.50
Including: Expensed R&D Expenditures	**1,472,919,297.97**	1,364,687,224.87
Capitalized R&D Expenditures	**471,259,235.36**	359,742,255.63

(2) Development Costs

		Increase in Reporting Period	Decrease in Reporting Period			
Item	Ending Balance of Prior Year	Internal Development Expenditures	Recognized as Intangible Assets	Transferred to Profit or Loss	Foreign Currency Exchange	**Ending Balance**
CIS solutions	1,369,188,676.77	464,116,102.22	330,688,567.37	5,157,396.82	44,466,720.83	**1,452,992,093.97**
Display solutions	31,796,794.21	7,143,133.14	31,534,473.19		601,528.79	**6,803,925.37**
Total	1,400,985,470.98	471,259,235.36	362,223,040.56	5,157,396.82	45,068,249.62	**1,459,796,019.34**

VII. Changes in the Scope of Consolidation

(1) Business Combinations Not Under Common Control

1. Business combinations not under common control occurring during the reporting period

Name Of The Acquiree	Date of Acquisition of Equity Interest	Acquisition Cost of Equity Interest	Percentage of Equity Interest Acquired (%)	Method of Acquiring Equity Interest	Acquisition Date	Basis for Determining the Acquisition Date	Revenue of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period	Cash flows of the acquiree from the acquisition date to the end of the period
Chengdu ET Microelectronics Co., Ltd.	February 2026	122,000,000.00	71.76	Cash and Bank Balances	February 1, 2026	Acquisition of Control	10,812,798.13	-30,386,347.23	-18,504,466.38
Shanghai Dao Sensing Technology Co., Ltd.	June 2026	182,180,342.00	58.77	Cash and Bank Balances	June 1, 2026	Acquisition of Control	10,416,053.08	-789,506.78	57,422,614.44

Note 1: Chengdu ET Microelectronics Co., Ltd. includes its subsidiary, Yishengsi Microelectronics (Shanghai) Co., Ltd.

Note 2: Shanghai Dao Sensing Technology Co., Ltd. includes its subsidiaries Dao Sensing (Nanjing) Microelectronics Technology Co., Ltd., Shanghai Dao Sensing Intelligent Sensing Semiconductor Co., Ltd., Dao Sensing (Beijing) Microelectronics Technology Co., Ltd., Dao Sensing (Shenzhen) Microelectronics Technology Co., Ltd., as well as the shareholding platform Shanghai Zuogan Technology Partnership (Limited Partnership).

2. Consideration Transferred and Goodwill

	Chengdu ET Microelectronics Co., Ltd.	Shanghai Dao Sensing Technology Co., Ltd.
Combination Cost		
— Cash	122,000,000.00	182,180,342.00
Total Consideration Transferred	122,000,000.00	182,180,342.00
Less: Share of the Fair Value of Identifiable Net Assets Acquired	-114,174,122.46	48,067,710.11
Goodwill/Excess of the Share of the Fair Value of Identifiable Net Assets Acquired over the Consideration Transferred	236,174,122.46	134,112,631.89

3. Identifiable Assets and Liabilities of the Acquiree on the Acquisition Date

	Chengdu ET Microelectronics Co., Ltd.		Shanghai Dao Sensing Technology Co., Ltd.	
	Fair Value on the Acquisition Date	Carrying Amount on the Acquisition Date	Fair Value on the Acquisition Date	Carrying Amount on the Acquisition Date
Assets:	262,005,918.28	91,137,948.97	216,376,448.55	117,134,630.18
Cash and Bank Balances	19,607,790.30	19,607,790.30	4,170,862.40	4,170,862.40
Financial Assets Held for Trading			45,832,479.08	45,832,479.08
Receivables	59,607,866.14	59,607,866.14	41,888,797.49	41,888,797.49
Inventories	1,624,153.21	1,632,025.17	15,408,377.37	14,264,114.87
Other Current Assets	5,098,782.15	5,098,782.15	4,126,395.07	4,126,395.07
Fixed Assets	4,189,542.00	581,291.27	2,227,284.00	929,728.13
Intangible Assets	168,822,418.43	1,554,827.89	96,800,000.00	
Other Non-current Assets	3,055,366.05	3,055,366.05	5,922,253.14	5,922,253.14
Liabilities:	421,101,020.00	395,470,824.60	134,583,039.74	119,696,766.98
Borrowings	10,321,162.77	10,321,162.77	5,024,000.00	5,024,000.00
Payables	385,149,661.83	385,149,661.83	114,672,766.98	114,672,766.98
Deferred Tax Liabilities	25,630,195.40		14,886,272.76	
Net Assets	-159,095,101.72	-304,332,875.63	81,793,408.81	-2,562,136.80
Less: Non-controlling Interests	-44,920,979.26	-85,929,300.43	33,725,698.70	-1,055,864.22
Net Assets Acquired	-114,174,122.46	-218,403,575.20	48,067,710.11	-1,506,272.58

(2) No Business Combinations Under Common Control

(3) No Reverse Acquisition Occurring During the Reporting Period

(4) No Subsidiaries Disposed of During the Reporting Period.

(5) Changes in the Scope of Consolidation Due to Other Reasons

During the reporting period, Shenzhen Dongyi Electronics Co., Ltd. and Hongkong Eastyi Electronic Limited were deregistered and excluded from the scope of consolidation.

VIII. Interests in Other Entities

(1) Interests in Subsidiaries

1. Composition of the Group

Name of Subsidiary	Registered Capital	Principal Place of Business	Nature of Business	Company Type	Shareholding (%) Direct	Shareholding (%) Indirect	Acquisition Method
Will Semiconductor Limited	HKD68.60 million USD11.00 million	Hong Kong, PRC	Semiconductor sales	Not applicable	100.00		Establishment
OmniVision TDDI Ontario LP	USD110.2508 million	Canada	Semiconductor design	Not applicable		100.00	Establishment
OmniVision IC Group Co., Ltd. Shanghai	CNY1 billion	Mainland China	Semiconductor design and sales	Limited company	100.00		Establishment
HK Waching Electronic (Group) Limited	HKD100 million	Hong Kong, PRC	Semiconductor sales	Not applicable		100.00	Business combination under common control
Beijing Jinghongzhi Technology Co., Ltd.	CNY430 million	Mainland China	Semiconductor sales	Limited company	100.00		Business combination under common control
Shenzhen Jinghongzhi Electronics Co., Ltd.	CNY40 million	Mainland China	Semiconductor sales	Limited company		100.00	Business combination under common control
Shenzhen Jinghongzhi Logistics Co., Ltd.	CNY80 million	Mainland China	Semiconductor sales	Limited company		100.00	Establishment
OmniVision Technologies, Inc.	USD1	U.S.	Semiconductor design and sales	Not applicable		100.00	Business combination under common control
OmniVision Technologies Singapore Pte. Ltd.	USD0.5 million	Singapore	Semiconductor design and sales	Not applicable		100.00	Business combination under common control
OmniVision International Ontario LP	USD100	Canada	Semiconductor design	Not applicable		100.00	Establishment

Note: The listed subsidiaries are the significant subsidiaries of the Group.

(2) No transactions resulting in changes in ownership interests in subsidiaries without loss of control

(3) Interests in Joint Arrangements or Associates

1. Joint Ventures or Associates

Name of Joint Venture or Associate	Principal Place of Business	Nature of Business	Shareholding (%)		Accounting Treatment for Investments in Joint Ventures or Associates
			Direct	Indirect	
Jiangsu Weida Semiconductor Co., Ltd.	Jiangsu, PRC	Semiconductor design and sales	25.00		Equity method
Silicon Kaiser integrated circuit Co., Ltd.	Shanghai, PRC	Semiconductor design and sales	39.00		Equity method
Ningbo Siwave Electronics Co., Ltd.	Zhejiang, PRC	Semiconductor design and sales	36.59		Equity method
Xinghao Communication Technologies (Zhejiang) Co., Ltd.	Zhejiang, PRC	Semiconductor design and sales	48.44		Equity method
Chongqing Chuangyuan Zhihang Technology Co., Ltd.	Chongqing, PRC	Semiconductor design and sales	24.00		Equity method
Huahui OmniVision (Xi'an) Technology Co., Ltd.	Shaanxi, PRC	Semiconductor design and sales	40.00		Equity method
Shanghai Weicheng Apartment Management Co., Ltd.	Shanghai, PRC	Management services		30.00	Equity method
Shanghai Pudong Haiwang Private Equity Management Co., Ltd.	Shanghai, PRC	Investment management		26.00	Equity method

2. Aggregate Financial Information of Individually Immaterial Joint Ventures and Associates

	Ending Balance/ Reporting Period	Closing Balance of Prior Year/Prior Period
Associates:		
Aggregate carrying amount of investments	**643,791,605.37**	731,904,412.98
Aggregate amount of the following items calculated based on ownership percentage		
— Net Profit	**-38,128,435.56**	-3,960,139.94
— Other Comprehensive Income	**399,285.77**	162,443.49
— Total Comprehensive Income	**-37,729,149.79**	-3,797,696.45

(4) No Material Joint Operations

(5) No Interests in Structured Entities Not Included in the Consolidated Financial Statements

IX. Government Grants

(1) Government Grants Recognized in Profit or Loss

Type	**Reporting Period**	Prior Period
Government grants related to assets	**4,663,659.44**	3,836,104.61
Government grants related to income	**17,689,552.76**	21,203,083.28
Total	**22,353,212.20**	**25,039,187.89**

(2) Liability Items Related to Government Grants

Liability item	Ending Balance of Prior Year	Amount of Grants Newly Received During the Reporting Period	Amount Transferred to Other Income During the Reporting Period	Foreign Currency Exchange	**Ending Balance**	Asset-related/ Income-related
Deferred income	45,690,625.84	10,206,682.38	4,663,659.44	-582,817.24	**50,650,831.54**	Assets-related
Deferred income						Income-related

(3) No Repayment of Government Grants

X. Risks Related to Financial Instruments

(1) Various Risks Arising from Financial Instruments

In the course of its operations, the Company is exposed to various financial risks: credit risk, liquidity risk, and market risk. The Board of Directors of the Company is fully responsible for risk management and ultimately responsible for the risk management objectives and policies.

The overall objective of the Company's risk management is to minimize the potential adverse impact on the Company's financial performance due to the unpredictability of financial markets without unduly affecting the Company's competitiveness and resilience, and to formulate risk management policies that minimize risks.

1. Credit Risk

Credit risk is the risk of financial loss to the Company arising from a counterparty's failure to perform its contractual obligations.

The Company manages credit risk on a portfolio basis. The Company's credit risk arises principally from cash and bank balances, notes receivable, accounts receivable, financing receivables, other receivables and long-term receivables.

The Company's cash and bank balances consist principally of balances maintained with state-owned banks and other large and medium-sized listed banks with sound reputations and high credit ratings. The Company believes there is no significant credit risk associated with such balances and that material losses arising from bank default are highly unlikely.

In addition, for notes receivable, accounts receivable, financing receivables, other receivables, and similar items, the Company has established relevant policies to control its exposure to credit risk. The Company assesses customers' credit quality based on their financial position, the availability of third-party guarantees, credit history, and other factors such as current market conditions, and sets corresponding credit terms. The Company regularly monitors customers' credit records. For customers with poor credit records, the Company may use measures such as written collection notices, shortened credit periods, or cancellation of credit terms to ensure that the Company's overall credit risk remains within a controllable range.

2. Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's policy is to ensure that it has sufficient cash to settle liabilities as they fall due. Liquidity risk is centrally managed by the Company's finance department. The finance department ensures, through monitoring cash balances, marketable securities that can be readily liquidated, and rolling forecasts of cash flows for the next 12 months, that the Company has sufficient funds to repay liabilities under all reasonably foreseeable circumstances. At the same time, it continuously monitors the Company's compliance with the provisions of borrowing agreements and obtains commitments from major financial institutions to provide adequate standby funding to meet short-term and long-term financing needs.

3. Market Risk

Market risk arising from financial instruments is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including foreign exchange risk, interest rate risk, and other price risk.

(1) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises mainly from bank loans.

Interest-bearing financial instruments with fixed rates and floating rates expose the Company to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the mix of fixed-rate and floating-rate instruments in light of market conditions and maintains an appropriate mix through periodic review and monitoring. When necessary, the Company uses interest rate swaps to hedge interest rate risk. There were no interest rate swap arrangements during the first half of 2026 or in 2025.

(2) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's significant subsidiaries are located in the United States and Singapore, and their principal transactions are settled in U.S. dollars. The Company's foreign exchange risk arises mainly from financial assets and liabilities denominated in foreign currencies such as U.S. dollars and Hong Kong dollars. The Company continuously monitors the volume of foreign currency transactions and foreign currency-denominated assets and liabilities to minimize its exposure to foreign exchange risk. When appropriate, the Company may enter into forward foreign exchange contracts or currency swap contracts to manage this risk. During the first half of 2026 and in 2025, however, the Company did not enter into any forward foreign exchange contracts or currency swap contracts to hedge its foreign exchange exposure.

(3) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from foreign exchange risk or interest rate risk.

The Company's other price risk arises mainly from various equity instrument investments and reflects the risk of changes in equity instrument prices.

(2) Transfers of Financial Assets

1. Details of Transfers of Financial Assets

Method of Transfer of Financial Assets	Transferred Financial Assets		Details of derecognition	Basis For Determining Derecognition
	Nature	Amount		
Transfer of discounted and endorsed notes	Notes Receivable	354,880,493.05	Recognition	Certain risks may remain with the Company.
Transfer of endorsed notes	Financing Receivables	581,046,108.30	Derecognition	Substantially all the risks and rewards of ownership have been transferred.
Total		935,926,601.35		

2. Financial Assets Derecognized Due to Transfer

Item	Method of Transfer of Financial Assets	Amount Derecognized	Gains or Losses Related to Derecognition
Financing receivables	Transfer of endorsed notes	581,046,108.30	
Total		581,046,108.30	

3. Transferred Financial Assets with Continuing Involvement

Item	Method of Transfer of Financial Assets	Type of Continuing Involvement	Amount of Assets Arising from Continuing Involvement	Amount of Liabilities Arising from Continuing Involvement
Notes receivable	Discounted notes	Short-term Borrowings	348,571,715.69	348,571,715.69
Notes receivable	Transfer of endorsed notes	Other Current Liabilities	6,308,777.36	6,308,777.36
Total			354,880,493.05	354,880,493.05

XI. Fair Value Disclosure

Inputs used in fair value measurement are categorized into three levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be obtained on the measurement date.

Level 2 inputs are inputs other than Level 1 inputs that are observable for the related asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the related assets or liabilities.

The level within the fair value hierarchy to which the result of a fair value measurement is categorized is determined based on the lowest level input that is significant to the fair value measurement as a whole.

(1) Ending Fair Value of Assets and Liabilities Measured at Fair Value

	Fair Value at Period End			
Item	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	Total
I. Recurring Fair Value Measurement				
◆Financial Assets Held for Trading	**546,819,370.13**	**95,930,171.11**		**642,749,541.24**
◆Financing Receivables		**108,419,367.97**		**108,419,367.97**
◆Investments in Other Equity Instruments			**1,004,072,955.13**	**1,004,072,955.13**
◆Other Non-current Financial Assets			**4,437,135,814.03**	**4,437,135,814.03**
Total Assets Measured at Fair Value on a Recurring Basis	**546,819,370.13**	**204,349,539.08**	**5,441,208,769.16**	**6,192,377,678.37**
◆Trading Financial Liabilities			**100,000,000.00**	**100,000,000.00**
(1) Contingent consideration			**100,000,000.00**	**100,000,000.00**
Total Liabilities Measured at Fair Value on a Recurring Basis			**100,000,000.00**	**100,000,000.00**

(2) Basis for determining quoted prices for recurring and non-recurring Level 1 fair value measurements

For financial assets held for trading measured at recurring and non-recurring Level 1 fair value, the Company determines the fair value of the measurement items based on the quoted market price.

(3) Qualitative and quantitative information on valuation techniques and significant inputs used for recurring and non-recurring Level 2 fair value measurements

Financial Assets Held for Trading: The fair value is determined based on the quoted market prices in active markets adjusted for a liquidity discount where applicable.

Financing receivables: The financing receivables measured at fair value mainly consist of bank acceptance bills intended for discounting or endorsement. Due to the short remaining maturities, the carrying amount approximates the fair value, and therefore the Company uses the carrying amount as its fair value.

(4) Qualitative and quantitative information on valuation techniques and significant inputs used for recurring and non-recurring Level 3 fair value measurements

The Company determines the fair value of the measurement items by considering the liquidity risk based on the publicly available market quotations.

XII. Related Parties and Related Party Transactions

(1) Information on the Company's Ultimate Beneficial Owner

Ultimate beneficial owner	Relevant Relation	Nationality	Shareholding amount	Percentage of Equity Interest Held in the Company (%)	Percentage of Voting Rights Held in the Company (%)
YU Renrong	Ultimate beneficial owner	P. R. China	378,576,912	30.01	30.01

Note: As at June 30, 2026, Mr. Yu Renrong, the ultimate beneficial owner of the Company, held 303,472,250 A shares of the Company and indirectly held 74,132,662 A shares of the Company through Shaoxing Weihao Equity Investment Funds Management Partnership (Limited Partnership), which is controlled by Mr. Yu Renrong. In addition, Mr. Yu Xiaorong, a close relative of Mr. Yu Renrong, held 972,000 A shares of the Company. In total, Mr. Yu Renrong held 378,576,912 A shares of the Company, accounting for 30.01% of the Company's total shareholding and voting rights.

(2) Information on the Company's Subsidiaries

For information on the Company's subsidiaries, see "VIII. Interests in Other Entities" in these notes.

(3) Information on the Company's Joint Ventures and Associates

For the Company's significant joint ventures or associates, see "VIII. Interests in Other Entities" in these Notes.

Other joint ventures or associates that had related party transactions with the Company during the reporting period, or that had balances arising from related party transactions with the Company in prior periods, are set out below:

Name of Joint Venture or Associate	Relationship with the Company
Jiangsu Weida Semiconductor Co., Ltd.	Associate
Shanghai Weicheng Apartment Management Co., Ltd.	Associate
Xinghao Communication Technologies (Zhejiang) Co., Ltd. and its subsidiaries	Associate

(4) Other Related Parties

Name of Other Related Party	Relationship of Other Related Party with the Company
Shenzhen Tianqin Huizhi Technology Co., Ltd.	Disposed by the Company in April 2025

(5) Related Party Transactions

1. *Related Party Transactions Involving the Purchase and Sale of Goods and the Rendering and Receipt of Services*

Schedule of Purchases of Goods/Receipt of Services

Related Parties	Contents of related party transaction	Reporting Period	Prior Period
Jiangsu Weida Semiconductor Co., Ltd.	Chips	**3,833,127.04**	4,500,498.57
Xinghao Communication Technologies (Zhejiang) Co., Ltd.	Chips	**900,481.70**	4,158,050.57
Shenzhen Tianqin Huizhi Technology Co., Ltd.	Chips		8,547,249.19

Schedule of Sales of Goods/Rendering of Services

Related Parties	Contents of related party transaction	Reporting Period	Prior Period
Jiangsu Weida Semiconductor Co., Ltd.	Chips	**83,185.84**	301,592.92
Xinghao Communication Technologies (Zhejiang) Co., Ltd.	Services	**417,031.41**	501,140.45

2. *Related Party Leases*

The Company as Lessor:

Name of Lessee	Class of Leased Assets	Lease Income Recognized During the Reporting Period	Lease Income Recognized in the Prior Period
Shanghai Weicheng Apartment Management Co., Ltd.	Buildings	**3,107,185.64**	4,356,589.58
Xinghao Communication Technologies (Zhejiang) Co., Ltd.	Buildings		19,200.00

3. Related Party Guarantees

The Company and its subsidiaries as guarantors

Guarantor	Guaranteed Party	Guarantee Amount	Guarantee Start Date	Guarantee Expiry Date
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	15,027,674.26	2025/5/28	2030/5/26
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	12,393,857.79	2025/6/13	2030/5/26
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	7,963,114.16	2025/7/25	2030/5/26
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	11,905,133.16	2025/8/28	2030/5/26
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	13,077,015.43	2025/12/16	2030/5/26
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	12,234,896.20	2025/11/20	2030/5/26
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	21,748,163.22	2026/1/5	2030/5/26
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	52,094,802.50	2026/1/26	2030/5/26
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	14,780,000.00	2026/2/6	2030/5/26
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	100,000,000.00	2026/4/1	2030/5/26
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	19,227,398.47	2026/4/14	2030/5/26
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	15,054,127.66	2026/5/19	2030/5/26
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	16,010,948.02	2025/8/6	2030/8/6
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	10,041,025.95	2025/8/14	2030/8/6
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	5,676,829.50	2025/8/21	2030/8/6
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	22,097,000.00	2025/9/4	2030/8/6

Guarantor	Guaranteed Party	Guarantee Amount	Guarantee Start Date	Guarantee Expiry Date
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	12,079,721.26	2025/10/13	2030/8/6
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	15,208,140.36	2025/10/20	2030/8/6
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	17,933,220.00	2026/4/17	2030/8/6
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	86,526,376.88	2026/4/17	2030/8/6
Shanghai Dao Sensing Technology Co., Ltd.	Shanghai Dao Sensing Intelligent Sensing Semiconductor Co., Ltd.	5,000,000.00	2025/12/29	2029/12/26
	Total	486,079,444.82	/	/

4. Compensation of Key Management Personnel

Item	Reporting Period	Prior Period
Employee compensation (including share-based payments)	**10.5787 million**	8.3138 million

(6) Outstanding Balances with Related Parties, Including Receivables and Payables

1. Receivable Items

		Ending Balance		Ending Balance of Prior Year	
Item	Related Parties	**Carrying Amount**	**Loss Allowance**	Carrying Amount	Loss Allowance
Accounts Receivable					
	Xinghao Communication Technologies (Zhejiang) Co., Ltd.	**107,751,389.89**	**75,971,864.85**	87,585,364.74	54,143,897.42
Other Receivables					
	Xinghao Communication Technologies (Zhejiang) Co., Ltd.	**442,053.29**	**22,102.65**		
Long-term Receivables (note)					
	Xinghao Communication Technologies (Zhejiang) Co., Ltd.	**3,283,035.41**		3,232,875.92	

Note: Long-term receivables are undiscounted amounts of receivables and include portions due within one year.

2. Payable Items

Item	Related Parties	**Ending Carrying Amount**	Carrying Amount at End of Prior Year
Accounts Payable			
	Jiangsu Weida Semiconductor Co., Ltd.	**862,366.60**	419,812.83
	Shenzhen Tianqin Huizhi Technology Co., Ltd.	**483,182.92**	483,182.92
Advances from Customers			
	Shanghai Weicheng Apartment Management Co., Ltd.	**2,311,559.34**	
Other Payables			
	Shanghai Weicheng Apartment Management Co., Ltd.	**1,194,574.54**	1,194,574.54

(7) Commitments of Related Parties

The following are commitments related to related parties that had been contracted for but did not yet need to be recognized on the balance sheet as at the balance sheet date:

Item	Related Parties	Ending Balance	Ending Balance of Prior Year
Leases — Lease out	Shanghai Weicheng Apartment Management Co., Ltd.	**81,507,261.38**	84,684,143.23

Note: The Company entered into a lease agreement with Shanghai Weicheng Apartment Management Co., Ltd., as lessee, to lease the property held by the Company at Floors 3-8, Building C, Tower 1, 3000 Longdong Avenue, Pudong New Area, Shanghai, the PRC, for the lessee's operation and management. Under the lease agreement, the lease term runs from February 18, 2021 to February 17, 2036, with the lease fees payable after the balance sheet date amounting to RMB81,507,261.38.

XIII. Share-based Payments

(1) General Information on Share-based Payments

	Equity Instruments Granted During The Reporting Period		Equity Instruments Exercised During The Reporting Period		Equity Instruments Vested During The Reporting Period		Equity Instruments Forfeited During The Reporting Period	
Category of Grantees	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
2023 Share Options			919,155.00	23,833,689.15				
2025 Share Options								
Total			919,155.00	23,833,689.15				

Share options or other equity instruments outstanding at the end of the period

	Stock Options Outstanding At The End of The Period		Other Equity Instruments Outstanding At The End of The Period	
Category of Grantees	Range of Exercise Prices	Remaining Contractual Term	Range of Exercise Prices	Remaining Contractual Term
2023 Share Options	RMB77.91/share	3.3 to 15.3 months		
2025 Share Options	RMB138.57/share	9 to 33 months		

(2) Details of equity-settled share-based payments

Method for determining the fair value of equity instruments on the grant date	Fair value of equity instruments granted at grant date
Significant parameters used in determining the fair value of equity instruments on the grant date	The fair value of share options was determined using the Black-Scholes option pricing model, with important parameters such as the annualized volatility of the Shanghai Stock Exchange Index, the yield on China government bonds, and the most recent dividend rate.
Basis for determining the number of equity instruments that may vest	On each balance sheet date throughout the vesting period, the Company makes its best estimate of the number of equity instruments expected to vest, based on subsequent information such as the latest change in the number of eligible employees and the expected fulfillment of service conditions and performance conditions.
Reasons for significant differences between estimates made during the reporting period and those made during the prior period	None
Cumulative amount of equity-settled share-based payments recognized in capital reserve	1,855,355,585.18

(1) 2023 Share Options

The 2023 Share Option Incentive Plan was approved at the Third Extraordinary General Meeting held on October 10, 2023. The Company granted 19,987,450 share options to 2,856 employees on October 10, 2023 at the initial exercise price of RMB78.97 per share. The share option would be exercisable in three tranches within 36 months commencing upon the expiration of 12 months from the grant date.

(2) 2025 Share Options

The 2025 Share Option Incentive Plan was approved at the First Extraordinary General Meeting held on March 31, 2025. The Company granted 19,983,400 share options to 3,361 employees on March 31, 2025 at the initial exercise price of RMB139.39 per share. The share option would be exercisable in three tranches within 36 months commencing upon the expiration of 12 months from the grant date.

For each of the aforementioned share-based incentive plans, in addition to meeting the grant conditions, both of the following requirements shall be fulfilled before the grantees' share options can be exercised: 1) the company-level performance assessment requirements; 2) the individual-level performance assessment requirements for the incentive recipients. In the event that, prior to the exercise of the share options, the Company undertakes any event such as a conversion of capital reserves into share capital, distribution of share dividends, share split, rights issue, and share consolidation, the number and exercise price of the relevant share options shall be adjusted.

(3) The Company has no cash-settled share-based payment arrangements.

(4) Share-based Payments Expense

	Reporting Period			Prior Period		
Grantees	Equity-settled Share-based Payments	Cash-settled Share-based Payments	Total	Equity-settled Share-based Payments	Cash-settled Share-based Payments	Total
2023 Share Options	**27,466,258.56**		**27,466,258.56**	71,258,183.93		71,258,183.93
2025 Share Options	**53,976,909.65**		**53,976,909.65**	36,326,286.58		36,326,286.58
Total	**81,443,168.21**		**81,443,168.21**	107,584,470.51		107,584,470.51

(5) Modifications and Cancellations of Share-based Payments: None

XIV. Commitments and Contingencies

(1) Material Commitments

As at June 30, 2026, the Company had capital expenditure commitments contracted for but not yet recognized in the financial statements of RMB771.1173 million for buildings, machinery and equipment and RMB158.0288 million for software use rights.

(2) Contingencies

1. Guarantee matters

Related party guarantees are detailed in Note XII(V)3, “Related Party Guarantees.” The Company has no external guarantees.

2. Endorsement and Discounting of Bills Receivable

As at June 30, 2026, the balance of bills receivable endorsed or discounted by the Company and not yet due on the balance sheet date amounted to RMB935,926,601.35.

3. Litigation matters

(1) Greenthread, LLC Litigation Matters

On May 10, 2023, Greenthread, LLC, a U.S. patent licensing company, filed a patent infringement lawsuit (Case No. 2:23-cv-00212) in the U.S. District Court for the Eastern District of Texas, alleging that OVUS has infringed upon six of its patents. On February 3, 2026, the United States Patent and Trademark Office rejected all Greenthread’s requests for reexamination, and the relevant patent claims were consequently invalid. Greenthread filed an appeal with the United States Court of Appeals for the Federal Circuit on April 7, 2026, and the appeal is currently pending.

The management of the Company believes that the allegations above lack factual basis and will resolutely defend against them. Based on the legal opinions of the lawyers engaged by the management and the progress of this case, the management currently believes that it is not reasonably reliable to predict the potential losses based on the current status of the lawsuit. As at June 30, 2026, the Company did not accrue any provision for this lawsuit.

(2) Arbitration Involving Non-controlling Shareholders of a Subsidiary

In April 2025, several non-controlling shareholders of the Company’s subsidiary, OTDSZ, filed an arbitration application with the Shanghai Arbitration Commission, requesting the Company to repurchase their equity interests held in OTDSZ. The arbitration hearing was held on July 18, 2025. As at the date when the financial statements were authorized for issue, the arbitration tribunal had not yet rendered an award. Based on the legal opinions of the lawyers engaged by the Company’s management and the progress of this case, the Company’s management believes that the outcome of this arbitration cannot be reasonably and reliably predicted at the current stage. Accordingly, the Company had not recognized any provision for this arbitration as at June 30, 2026.

XV. Events after the Balance Sheet Date

1. Share Repurchases

The Company convened meetings of the Board of Directors and the Shareholders' General Meeting on March 30, 2026 and May 7, 2026, respectively, at which the Proposal on Changing the Purpose of Repurchased Shares and Cancelling Such Shares was reviewed and approved. The Company agreed to cancel 3,921,163 A shares held in its special securities account for share repurchase. On July 3, 2026, the cancellation of 3,921,163 repurchased shares was completed, with a corresponding reduction in the Company's registered capital.

On April 3, 2026, the Proposal on the Company's Share Repurchase Plan was reviewed and approved. The Company completed this repurchase program on July 1, 2026, with an aggregate of 8,750,205 A shares repurchased at a total consideration of RMB813 million. On August 4, 2026, the Board of Directors reviewed and approved the Proposal on Changing the Purpose of Repurchased Shares and Cancelling Such Shares. The Company proposes to re-designate the purpose of the 8,750,205 repurchased shares as "cancellation and reduction of registered capital". This matter shall take effect only upon review and approval by the Company's Shareholders' General Meeting.

2. H-Share Equity Incentive Scheme

The 2026 H Share Incentive Plan was approved at the first Extraordinary General Meeting held on July 15, 2026. On the same date, the Board of Directors resolved to grant a total of 6 million H Shares to 2,965 grantees pursuant to the 2026 H Share Incentive Plan. The subscription price of the granted H Shares is nil, and the closing price of the Company's H Shares on the grant date was HK$85 per share. The granted H Shares shall vest in three tranches over a 36-month period, following the expiry of a 12-month waiting period from the grant date.

3. Profit Distribution

As at the date on which these financial statements were authorized for issue, no interim profit distribution plan for 2026 had been proposed or approved by the Board of Directors.

4. Other Events after the Balance Sheet Date

Except for the matters disclosed above, as at the date on which these financial statements were authorized for issue, the Company had no other material events after the balance sheet date requiring disclosure.

XVI. Other Material Matters

(1) Segment Information

1. Basis for Determining Reportable Segments and Related Accounting Policies

The Company's operations are organized and managed separately according to the nature of the business and the products and services provided. Each operating segment represents a business unit that provides products and services exposed to risks and returns that differ from those of other operating segments. The Company's principal operating segments are as follows: (1) the Semiconductor Design Segment; and (2) the Semiconductor Distribution Segment. Management reviews the operating results of each business unit separately for purposes of resource allocation and performance assessment. Segment performance is measured by reported segment profit, which is consistent with total profit of the Company.

Transfer pricing between segments is determined based on market value.

2. Financial Information on Reportable Segments

Item	Semiconductor Design	Semiconductor Distribution	Inter-segment Eliminations	Total
Revenue	10,964,823,218.96	4,755,497,071.06	1,695,759,373.94	**14,024,560,916.08**
Cost of Sales	7,189,147,470.13	4,468,303,231.40	1,668,759,373.94	**9,988,691,327.59**
Taxes and surcharges	20,128,088.75	5,936,582.96		**26,064,671.71**
Expenses	2,102,215,898.73	97,020,161.69	16,004,682.46	**2,183,231,377.96**
Total profit	1,413,191,341.18	116,765,027.52	10,995,317.54	**1,518,961,051.16**
Net profit	1,114,205,949.41	101,267,883.30	12,565,181.44	**1,202,908,651.27**

(2) Share pledge matters

As at June 30, 2026, Mr. Yu Renrong, the ultimate beneficial owner of the Company, held 303,472,250 A shares of the Company and pledged 171,790,000 A shares in aggregate. Shaoxing Weihao Equity Investment Fund Partnership (Limited Partnership), controlled by Mr Yu Renrong, held 74,132,662 A shares of the Company and had 15,856,000 A shares pledged in aggregate.

1. Mr. Yu Renrong pledged 8.60 million A shares of the Company to Huaneng Guicheng Trust Co., Ltd. for share-pledged financing, with a pledge period from March 16, 2026, to March 15, 2027.

2. Mr. Yu Renrong pledged 13.20 million A shares of the Company to Yunnan International Trust Co., Ltd. for share-pledged financing, with a pledge period from July 3, 2025, to July 9, 2026.

3. Mr. Yu Renrong pledged 44.03 million A shares of the Company to CITIC Securities Co., Ltd. for share-pledged financing, with a pledge period from July 23, 2025, to July 23, 2026.

4. Mr. Yu Renrong pledged 10.33 million A shares of the Company to CITIC Securities Co., Ltd. for share-pledged financing, with a pledge period from September 17, 2025, to September 17, 2026.

5. Mr. Yu Renrong pledged 5.44 million A shares of the Company to Zhongyuan Trust Co., Ltd. for share-pledged financing, with a pledge period from August 21, 2025, to July 26, 2026.

6. Mr. Yu Renrong pledged 7.10 million A shares of the Company to Zhongyuan Trust Co., Ltd. for share-pledged financing, with a pledge period from September 3, 2025, to August 16, 2026.

7. Mr. Yu Renrong pledged 10.60 million A shares of the Company to Xizang Trust Co., Ltd. for share-pledged financing, with a pledge period from August 28, 2025 to August 28, 2026.

8. Mr. Yu Renrong pledged 8.00 million A shares of the Company to Xizang Trust Co., Ltd. for share-pledged financing, with a pledge period from October 20, 2025, to October 20, 2026.

9. Mr. Yu Renrong pledged 8.25 million A shares of the Company to Xizang Trust Co., Ltd. for share-pledged financing, with a pledge period from November 18, 2025, to November 18, 2026.

10. Mr. Yu Renrong pledged 5.40 million A shares of the Company to Hangzhou Industrial and Commercial Trust Co., Ltd. for share-pledged financing, with a pledge period from October 17, 2025, to October 17, 2026.

11. Mr. Yu Renrong pledged 6.98 million A shares of the Company to Shanghai Pudong Technology Financial Services Co., Ltd. for share-pledged financing, with a pledge period from December 18, 2024, to December 18, 2026.

12. Mr. Yu Renrong pledged 7.50 million A shares of the Company to Bohai International Trust Co., Ltd. for share-pledged financing, with a pledge period from January 15, 2025, to January 14, 2027.

13. Mr. Yu Renrong pledged 3.50 million A shares of the Company to Shanghai International Trust Co., Ltd. for share-pledged financing, with a pledge period from October 21, 2025, to February 19, 2027.

14. Mr. Yu Renrong pledged 8.40 million A shares of the Company to Industrial International Trust Co., Ltd. for share-pledged financing, with a pledge period from July 8, 2025, to July 7, 2027.

15. Mr. Yu Renrong pledged 4.30 million A shares of the Company to Industrial International Trust Co., Ltd. for share-pledged financing, with a pledge period from July 28, 2025, to July 16, 2027.

16. Mr. Yu Renrong pledged 10.00 million A shares of the Company to Shanghai Pudong Development Bank Co., Ltd. for share-pledged financing, with a pledge period from September 3, 2025, to September 3, 2028.

17. Mr. Yu Renrong pledged 10.16 million A shares of the Company to Shanghai Pudong Development Bank Co., Ltd. for share-pledged financing, with a pledge period from September 29, 2025, to September 28, 2028.

18. Shaoxing Weihao Equity Investment Fund Partnership (Limited Partnership), which is controlled by Mr. Yu Renrong, has pledged 1.26 million A shares of the Company to Industrial Bank Co., Ltd. for share-pledged financing, with the pledge period from January 25, 2022, to September 29, 2026.

19. Shaoxing Weihao Equity Investment Fund Partnership (Limited Partnership), which is controlled by Mr. Yu Renrong, has pledged 5.226 million A shares of the Company to Ping An Bank Co., Ltd. for share-pledged financing, with a pledge period from April 27, 2022, to April 26, 2029.

20. The Shaoxing Weihao Equity Investment Fund Partnership (Limited Partnership), which is controlled by Mr. Yu Renrong, has pledged 9.37 million A shares of the Company to Ping An Bank Co., Ltd. for share-pledged financing, with a pledge period from August 25, 2022, to April 26, 2029.

XVII. Notes to Major Items of the Company's Financial Statements

(1) Accounts Receivable

1. Accounts Receivable by Aging Based on Initial Recognition Date

Aging	Ending Balance	Ending Balance of Prior Year
Within 1 year	**1,257,328,256.59**	1,306,520,507.10
1 to 2 years	**70,896,540.59**	20,544,054.41
2 to 3 years	**19,733,481.66**	35,487,596.97
Over 3 years	**73,912,141.54**	55,913,262.81
Subtotal	**1,421,870,420.38**	1,418,465,421.29
Less: Allowance for credit losses	**89,017,166.43**	78,193,202.61
Total	**1,332,853,253.95**	1,340,272,218.68

2. *Accounts Receivable by Loss Allowance Method*

	Ending Balance					Ending Balance of Prior Year				
	Carrying Amount		Loss Allowance			Carrying Amount		Loss Allowance		
		Percentage		Provision Rate			Percentage			
Category	Amount	(%)	Amount	(%)	Carrying Amount	Amount	(%)	Amount	Provision Rate (%)	Carrying Amount
Loss allowance measured on an individual basis										
Loss allowance measured on a collective basis by credit risk characteristics	1,421,870,420.38	100.00	89,017,166.43	6.26	1,332,853,253.95	1,418,465,421.29	100.00	78,193,202.61	5.51	1,340,272,218.68
Including: amounts from related parties	1,230,950,074.33	86.57			1,230,950,074.33	1,239,922,217.13	87.41			1,239,922,217.13
Amounts by age portfolio	190,920,346.05	13.43	89,017,166.43	46.63	101,903,179.62	178,543,204.16	12.59	78,193,202.61	43.80	100,350,001.55
Total	1,421,870,420.38	100.00	89,017,166.43	/	1,332,853,253.95	1,418,465,421.29	100.00	78,193,202.61	/	1,340,272,218.68

Loss Allowance Measured on a Collective Basis by Credit Risk Characteristics:

Grouping Basis:

	Ending Balance		
Name	Accounts Receivable	Loss Allowance	Provision Rate (%)
Amounts from related parties	1,230,950,074.33		
Amounts by age portfolio	190,920,346.05	89,017,166.43	46.63
Total	1,421,870,420.38	89,017,166.43	/

3. *Movements in Loss Allowance During the Reporting Period*

		Changes for the Period			
Category	Ending Balance of Prior Year	Provision Recognized	Recovery or Reversal	Write-off	Ending Balance
Loss allowance	78,193,202.61	10,823,963.82			89,017,166.43
Total	78,193,202.61	10,823,963.82			89,017,166.43

4. There was no actual write-off of accounts receivable during the reporting period

5. Top Five Accounts Receivable and Contract Assets by Debtor Based on Period-end Balances

Entity Name	Ending Balance of Accounts Receivable	Ending Balance of Contract Assets	Ending Balance of Accounts Receivable and Contract Assets	Percentage of Total Ending Balance of Accounts Receivable and Contract Assets (%)	Ending Balance of Loss Allowance for Accounts Receivable and Impairment Allowance for Contract Assets
No. 1	1,090,914,168.16		1,090,914,168.16	76.72	
No. 2	117,105,972.82		117,105,972.82	8.24	85,326,447.78
No. 3	91,347,390.86		91,347,390.86	6.42	
No. 4	38,835,537.43		38,835,537.43	2.73	
No. 5	28,709,505.59		28,709,505.59	2.02	1,435,475.28
Total	1,366,912,574.86		1,366,912,574.86	96.13	86,761,923.06

(2) Other Receivables

Item	Ending Balance	Ending Balance of Prior Year
Interest receivable		
Dividends receivable	**500,851,850.00**	703,241,850.00
Other receivables	**2,115,864,170.02**	1,906,164,269.67
Total	**2,616,716,020.02**	2,609,406,119.67

1. *Interest Receivable: None*

2. *Dividends Receivable*

(1) Details of Dividends Receivable

Item (or Investee)	Ending Balance	Ending Balance of Prior Year
Beijing Jinghongzhi Technology Co., Ltd.	**48,600,000.00**	48,600,000.00
Omnivision Technology (Beijing) Limited Corp.	**54,946,710.00**	54,946,710.00
Beijing Vision Source Technology Development Co., Ltd.	**50,500,000.00**	66,500,000.00
Zhejiang Will Equity Investment Co., Ltd.		94,300,000.00
Hunan Silicon Internet of Things Technology Co., Ltd.	**40,000,000.00**	100,000,000.00
Will Semiconductor Limited	**306,595,140.00**	306,595,140.00
Shaoxing Weihao Business Management Partnership (Limited Partnership)	**210,000.00**	32,300,000.00
Total	**500,851,850.00**	703,241,850.00

3. *Other Receivables*

(1) By Aging

Aging	Ending Balance	Ending Balance of Prior Year
Within 1 year	**672,622,443.39**	673,273,211.14
1 to 2 years	**413,508,971.10**	198,654,373.76
2 to 3 years	**384,432,199.59**	477,486,675.61
Over 3 years	**645,817,008.66**	558,908,379.89
Subtotal	**2,116,380,622.74**	1,908,322,640.40
Less: Allowance for Credit Losses	**516,452.72**	2,158,370.73
Total	**2,115,864,170.02**	1,906,164,269.67

(2) By Loss Allowance Method

	Ending Balance					Ending Balance of Prior Year				
	Carrying Amount		Loss Allowance			Carrying Amount		Loss Allowance		
Category	Amount	Percentage (%)	Amount	Provision Rate (%)	Carrying Amount	Amount	Percentage (%)	Amount	Provision Rate (%)	Carrying Amount
Loss allowance measured on an individual basis										
Loss allowance measured on a collective basis by credit risk characteristics	2,116,380,622.74	100.00	516,452.72	0.02	2,115,864,170.02	1,908,322,640.40	100.00	2,158,370.73	0.11	1,906,164,269.67
Including: amounts from related parties	2,108,061,568.31	99.61			2,108,061,568.31	1,895,165,225.90	99.31			1,895,165,225.90
Other	8,319,054.43	0.39	516,452.72	6.21	7,802,601.71	13,157,414.50	0.69	2,158,370.73	16.40	10,999,043.77
Total	2,116,380,622.74	100.00	516,452.72	/	2,115,864,170.02	1,908,322,640.40	100.00	2,158,370.73	/	1,906,164,269.67

Loss Allowance Measured on a Collective Basis by Credit Risk Characteristics:

Grouping Basis:

	Ending Balance		
Name	Other Receivables	Loss Allowance	Provision Rate (%)
Amounts due from related parties	2,108,061,568.31		
Deposits	2,083,822.20	104,191.11	5.00
Tax recoverable	4,256,384.75	212,819.25	5.00
Others	1,978,847.48	199,442.36	10.08
Total	2,116,380,622.74	516,452.72	/

(3) Loss Allowance

Loss Allowance	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses (Not Credit-impaired)	Stage 3 Lifetime Expected Credit Losses (Credit-impaired)	Total
Ending Balance of Prior Year	2,158,370.73			**2,158,370.73**
Opening Balance Transferred During Reporting Period	2,158,370.73			**2,158,370.73**
— Transferred to Stage 2				
— Transferred to Stage 3				
— Transferred Back to Stage 2				
— Transferred Back to Stage 1				
Provision Recognized in Reporting Period				
Reversal in Reporting Period	1,641,918.01			**1,641,918.01**
Recovery in Reporting Period				
Write-off in Reporting Period				
Other Changes				
Ending Balance	516,452.72			**516,452.72**

(4) Movements in Loss Allowance During the Reporting Period

		Changes for the Period			
Category	Ending Balance of Prior Year	Provision Recognized	Recovery or Reversal	Write-off	**Ending Balance**
Loss allowance	2,158,370.73		1,641,918.01		**516,452.72**
Total	2,158,370.73		1,641,918.01		**516,452.72**

(5) There was no actual write-off of other receivables during the reporting period

(6) Classification by Nature of Amounts

Nature of Receivable	**Ending Carrying Amount**	Carrying Amount at End of Prior Year
Amounts due from related parties	**2,108,061,568.31**	1,895,165,225.90
Deposits	**2,083,822.20**	2,083,822.20
Tax recoverable	**4,256,384.75**	7,575,529.65
Others	**1,978,847.48**	3,498,062.65
Total	**2,116,380,622.74**	1,908,322,640.40

(7) Top Five Other Receivables by Debtor Based on Period-end Balances

Entity Name	Nature of Receivable	Ending Balance	Aging	Percentage of Total Ending Balance of Other Receivables (%)	Loss Allowance at the End of the Reporting Period
Shaoxing Weihao Business Management Partnership (Limited Partnership)	Amounts from related parties	827,080,000.00	Within 3 years	39.08	
Zhejiang Will Equity Investment Co., Ltd.	Amounts from related parties	657,889,972.00	Within 3 years	31.09	
Chengdu ET Microelectronics Co., Ltd.	Amounts from related parties	328,035,906.25	Within 1 year	15.50	
OmniVision Touch & Display Technology (Shenzhen) Co., Ltd.	Amounts from related parties	236,130,126.94	Within 3 years	11.16	
OmniVision IC Group Co., Ltd. Shanghai	Amounts from related parties	53,323,623.12	Within 3 years	2.52	
Total	/	2,102,459,628.31	/	99.35	

(3) Long-term Equity Investments

	Ending Balance			Ending Balance of Prior Year		
Item	Carrying Amount	Impairment Allowance	Carrying Amount	Carrying Amount	Impairment Allowance	Carrying Amount
Investments in subsidiaries	**23,291,761,802.94**	**408,903,580.62**	**22,882,858,222.32**	22,706,669,989.05		22,706,669,989.05
Investments in associates and joint ventures	**1,880,732,751.51**	**50,083,657.82**	**1,830,649,093.69**	1,886,748,524.50		1,886,748,524.50
Total	**25,172,494,554.45**	**458,987,238.44**	**24,713,507,316.01**	24,593,418,513.55		24,593,418,513.55

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2026

(All amounts are stated in Renminbi unless otherwise specified)

1. Investments in Subsidiaries

			Changes for the Period					
Investee	Closing Balance of Prior Year (Carrying Amount)	Closing Impairment Allowance of Prior Year	Additional Investment	Reduction in Investment	Impairment allowance recognized during the reporting period	Share-based payments	**Ending Balance (Carrying Amount)**	**Ending Impairment Allowance**
Shanghai Weixi Microelectronics Co., Ltd.	100,000,000.00						**100,000,000.00**	
Will Semiconductor Limited	146,643,021.32					1,648,838.39	**148,291,859.71**	
Beijing Jinghongzhi Technology Co., Ltd.	669,921,144.31					2,669,356.67	**672,590,500.98**	
Shenzhen Dongyi Electronics Co., Ltd.	9,886,440.00			9,886,440.00				
Shanghai Wiz Semiconductor Ltd.	408,903,580.62				408,903,580.62			**408,903,580.62**
Wuhan Will Semiconductor Co., Ltd.	21,242,031.53					423,989.87	**21,666,021.40**	
Shanghai Simpli Semiconductor Co., Ltd.	18,000,000.00						**18,000,000.00**	
Shanghai Heart Link Electronic Technology Co., Ltd.	10,704,722.62						**10,704,722.62**	
Hefei Weihao Semiconductor Technology Co., Ltd.	67,391,328.60					48,110.23	**67,439,438.83**	
Beijing OmniVision Technologies Company Limited	13,990,746,049.78					51,294,791.06	**14,042,040,840.84**	
Shenzhen Xinneng Investment Co., Ltd.	1,009,191,890.00						**1,009,191,890.00**	
Shenzhen Xinli Investment Co., Ltd.	678,227,360.00						**678,227,360.00**	
Shaoxing Weihao Semiconductor Technology Co., Ltd.	168,194,057.57						**168,194,057.57**	
Beijing Vision Source Technology Development Co., Ltd.	342,390,296.03						**342,390,296.03**	
Omnivision Technology (Beijing) Limited Corp.	252,600,757.20					3,253,342.14	**255,854,099.34**	
OmniVision Analog Integrated Circuit (Beijing) Co., Ltd.	67,068,157.90					440,933.97	**67,509,091.87**	
OmniVision Integrated Circuit (Chengdu) Co., Ltd.	104,671,637.95					650,875.72	**105,322,513.67**	
OmniVision Celepixel Sensor (Shanghai) Co., Ltd.	434,000,000.00						**434,000,000.00**	
Zhejiang Will Equity Investment Co., Ltd.	500,000,000.00						**500,000,000.00**	
Shanghai Will Real Estate Co., Ltd.	23,800,000.00						**23,800,000.00**	
OmniVision Touch & Display Technology (Shenzhen) Co., Ltd.	328,090,575.53					118,336.23	**328,208,911.76**	
OmniVision IC Group Co., Ltd. Shanghai	652,532,240.74		396,500,000.00			13,152,743.05	**1,062,184,983.79**	
Shaoxing Weihao Business Management Partnership (Limited Partnership)	475,000,000.00						**475,000,000.00**	
OmniVision North Integrated Circuit Co., Ltd.	65,307,599.77					2,638,513.67	**67,946,113.44**	
Shaoxing OmniVision Micro Display Technology Co., Ltd.	1,000,263,097.58					138,422.89	**1,000,401,520.47**	
Hunan Silicon Internet of Things Technology Co., Ltd.	1,047,450,000.00						**1,047,450,000.00**	
Changsha Silicon IoT Project Management Consulting Partnership Enterprise (Limited Partnership)	114,444,000.00						**114,444,000.00**	
Chengdu ET Microelectronics Co., Ltd.			122,000,000.00				**122,000,000.00**	
Total	22,706,669,989.05		518,500,000.00	9,886,440.00	408,903,580.62	76,478,253.89	**22,882,858,222.32**	**408,903,580.62**

2. Investments in Associates and Joint Ventures

Investee	Closing Balance of Prior Year (Carrying Amount)	Closing Impairment Allowance of Prior Year	Changes for the Period						**Ending Balance (Carrying Amount)**	**Ending Impairment Allowance**
			Additional Investment	Investment Gains or Losses Recognized Under the Equity Method	Adjustments to Other Comprehensive Income	Other Changes in Equity	Cash Dividends or Profits Declared	Impairment Allowance Recognized		
Associates										
Jiangsu Weida Semiconductor Co., Ltd.	20,920,416.76			-46,974.37					**20,873,442.39**	
OmniVision Semiconductor (Shanghai) Co., Ltd.	1,253,211,968.28		20,460,000.00	18,334,772.24		2,752,663.52			**1,294,759,404.04**	
Silicon Kaiser integrated circuit Co., Ltd.	27,323,592.62			129,844.42					**27,453,437.04**	
Ningbo Siwave Electronics Co., Ltd	15,926,403.70			417,576.98					**16,343,980.68**	
Xinghao Communication Technologies (Zhejiang) Co., Ltd.	265,936,273.79			6,514,050.85	399,285.77			50,083,657.82	**222,765,952.59**	**50,083,657.82**
Chongqing Chuangyuan Zhihang Technology Co., Ltd.	299,335,241.58			-54,223,475.59					**245,111,765.99**	
Huahui OmniVision (Xi'an) Technology Co., Ltd.	4,094,627.77			-753,516.81					**3,341,110.96**	
Total	1,886,748,524.50		20,460,000.00	-29,627,722.28	399,285.77	2,752,663.52		50,083,657.82	**1,830,649,093.69**	**50,083,657.82**

(4) Operating Revenue and Operating Costs

1. Operating Revenue and Operating Costs

Item	Reporting Period		Prior Period	
	Revenue	**Cost**	Revenue	Cost
Main business	**786,093,058.78**	**560,922,290.98**	827,019,426.92	612,793,020.22
Other business	**55,050,075.11**	**3,113,951.24**	1,547,093,105.46	16,777,985.04
Total	**841,143,133.89**	**564,036,242.22**	2,374,112,532.38	629,571,005.26

(5) Investment Income

Item	Reporting Period	Prior Period
Share of post-tax profits of equity accounted associates	**-29,627,722.28**	2,433,749.06
Investment gain on disposal of long-term equity investments	**-1,095,327.68**	
Investment gain on disposal of financial assets held for trading	**84,568.00**	
Investment income of other non-current financial assets		10,394,633.83
Interest on discounting of bills	**-549,402.34**	-758,332.44
Others	**-38,239.59**	-42,657.62
Total	**-31,226,123.89**	12,027,392.83

XVIII. Supplementary Information

(1) Breakdown of Non-recurring Profit or Loss for the Reporting Period

Item	Amount	Explanation
Gains or losses on disposal of non-current assets, including the portion attributable to reversal of previously recognized asset impairment allowances	-642,088.22	
Government grants recognized in profit or loss for the period, other than grants closely related to the Company's ordinary business, granted in accordance with government policies and standards, and having an ongoing impact on the Company's profit or loss	22,353,212.20	
Other than effective hedging activities related to the Company's ordinary business, gains or losses arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses on disposal of financial assets and financial liabilities	-47,482,973.79	
Other non-operating income and expenses other than the items above	3,510,874.64	
Other profit or loss items that meet the definition of non-recurring profit or loss		
Subtotal	-22,260,975.17	
Income tax effect	418,252.99	
Effect on non-controlling interests (net of tax)	13,903.99	
Total	-22,693,132.15	

(2) Return on Net Assets and Earnings per Share

Profit for the Reporting Period	Weighted Average Return On Net Assets (%)	Earnings Per Share (RMB)	
		Basic Earnings per Share	Diluted Earnings per Share
Net profit attributable to owners of the Company	3.73	0.97	0.97
Net profit attributable to owners of the Company after deducting non-recurring profit or loss	3.80	0.99	0.99

OmniVision Integrated Circuits Group, Inc.

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