NOVOSENSE
纳芯微电子

SUZHOU NOVOSENSE MICROELECTRONICS CO., LTD.
蘇州納芯微電子股份有限公司

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

Stock Code: 2676

INTERIM REPORT
2026

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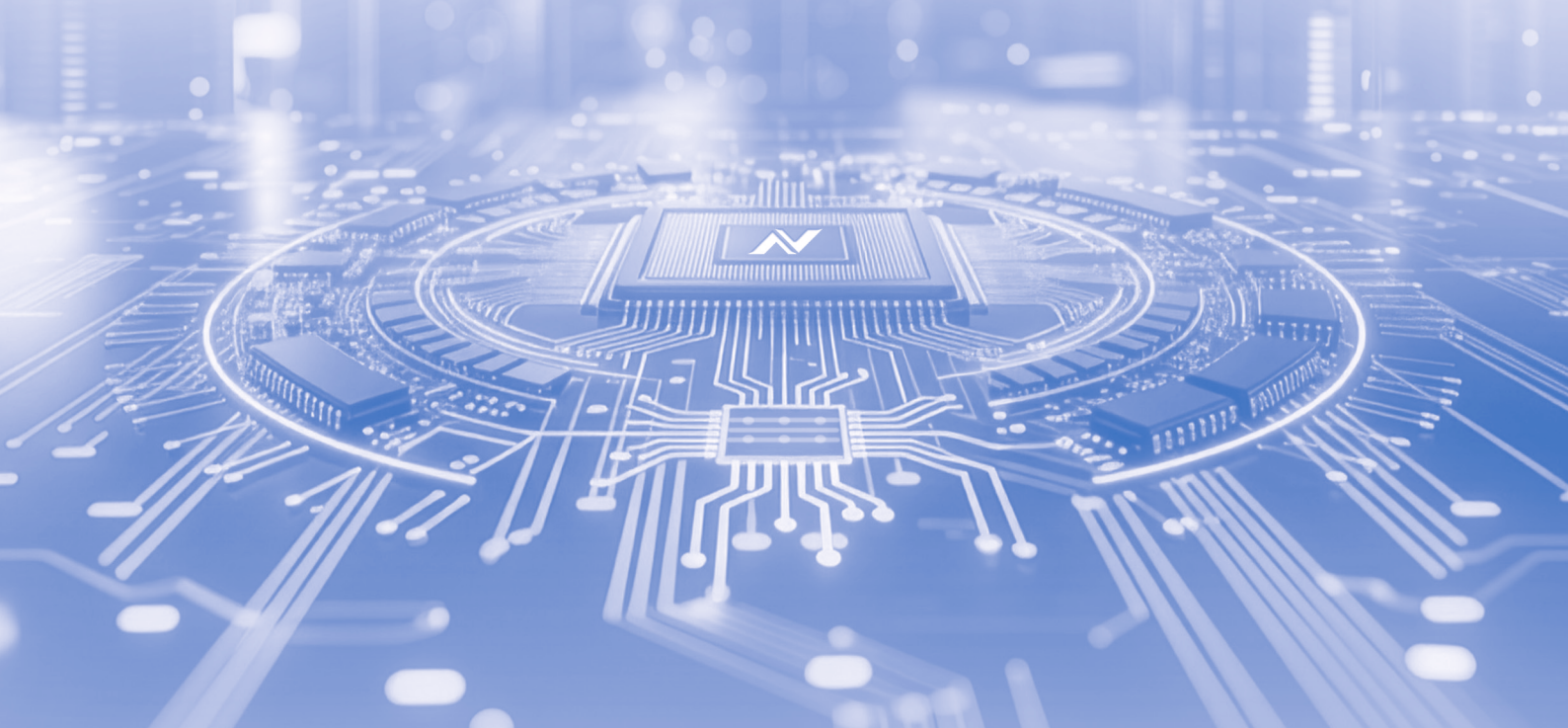


COMPANY INFORMATION

BOARD OF DIRECTORS[1]

Mr. Wang Shengyang (Executive Director and Chairman)
Mr. Sheng Yun (Executive Director)
Mr. Wang Yifeng (Executive Director)
Mr. Jiang Chaoshang (Executive Director)
Mr. Wu Jie (Non-executive Director)
Mr. Zhang Shuai (Non-executive Director)
Ms. Du Linlin (Independent non-executive Director)
Dr. Zhang Limin (Independent non-executive Director)
Dr. Leng Qunwen (Independent non-executive Director)

JOINT COMPANY SECRETARIES

Ms. Wang Yifei
Mr. Cheng Ching Kit

AUTHORIZED REPRESENTATIVES

Mr. Jiang Chaoshang
Mr. Cheng Ching Kit

REGISTERED OFFICE AND HEADQUARTERS IN THE PRC

No. 9, Dongdangtian Alley
Suzhou Industrial Park
Jiangsu Province
China

COMPANY'S WEBSITE

www.novosns.com

SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS

Audit Committee

Ms. Du Linlin (Chairperson)
Dr. Zhang Limin
Dr. Leng Qunwen

Remuneration and Appraisal Committee

Dr. Leng Qunwen (Chairperson)
Ms. Du Linlin
Dr. Zhang Limin

Nomination Committee

Dr. Zhang Limin (Chairperson)
Ms. Du Linlin
Mr. Wu Jie

Strategy and ESG Committee

Mr. Wang Shengyang (Chairperson)
Mr. Sheng Yun
Mr. Wang Yifeng
Dr. Leng Qunwen
Mr. Wu Jie

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

COMPANY TELEPHONE

+86 (512) 6260 1802 823

Note:

1. On August 6, 2026, Dr. Hong Zhiliang, Dr. Chen Xichan and Mr. Wang Ruwei retired as independent non-executive Directors; Dr. Zhang Limin and Dr. Leng Qunwen was appointed as independent non-executive Directors; and Mr. Zhang Shuai was appointed as a non-executive Director.

COMPANY INFORMATION

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

COMPLIANCE ADVISOR

Somerley Capital Limited
20/F China Building
29 Queen's Road Central
Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

STOCK CODE

Shanghai Stock Exchange 688052.SH
The Stock Exchange of Hong Kong Limited 2676.HK

DEFINITIONS

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

Definition	Definition Content
"A Share(s)"	domestic share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in Renminbi
"Articles of Association" or "Articles"	the articles of association of Suzhou Novosense Microelectronics Co., Ltd., as amended from time to time
"Audit Committee"	the audit committee of the Board
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Board"	the board of Directors of the Company
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
"China" or "PRC"	the People's Republic of China
"code provision(s)"	the code provisions of Part 2 of the Corporate Governance Code
"Company" or "we"	Suzhou Novosense Microelectronics Co., Ltd. (蘇州納芯微電子股份有限公司), a company established in the PRC on May 17, 2013, the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 688052), and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2676)
"controlling shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of the Company
"domestic"	mainland of PRC (for the purpose of this report only, excluding Hong Kong, Macao and Taiwan)
"Global Offering"	the offering of H Shares by the Company for subscription, details of which are set out in the Prospectus

"Group"	the Company and its consolidated subsidiaries
"H Share(s)"	overseas listed foreign ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	International Financial Reporting Standards, including standards, amendments and interpretations issued by the International Accounting Standards Board and International Accounting Standards and interpretations issued by the International Accounting Standards Committee
"Listing Date"	December 8, 2025, the date on which the H Shares of the Company were listed and commenced trading on the Main Board of the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Naxin No.1"	Suzhou Naxin No.1 Information Consulting Partnership Enterprise (Limited Partnership) (蘇州納芯壹號信息諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on September 27, 2020.
"Naxin No.2"	Suzhou Naxin No.2 Information Consulting Partnership Enterprise (Limited Partnership) (蘇州納芯貳號信息諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on September 17, 2020.
"Naxin No.3"	Suzhou Naxin No.3 Information Consulting Partnership Enterprise (Limited Partnership) (蘇州納芯叁號信息諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on September 25, 2020.
"PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法)
"PRC Securities Law"	the Securities Law of the PRC (中華人民共和國證券法)

DEFINITIONS

"Prospectus"	the prospectus of the Company dated November 28, 2025 in connection with the Global Offering
"Renminbi" or "RMB"	Renminbi, the lawful currency of China
"Reporting Period" or "this period"	January 1, 2026 to June 30, 2026
"Ruixi Information Consulting"	Suzhou Ruixi Information Consulting Partnership Enterprise (Limited Partnership) (蘇州瑞矽信息諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on December 2, 2019.
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai Naxi"	Shanghai Naxi Microelectronics Co., Ltd. (上海納矽微電子有限公司), a subsidiary of our Company established in the PRC on June 24, 2016
"Share(s)"	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of Shares(s)
"STAR Market of the Shanghai Stock Exchange"	the Science and Technology Innovation Board of the Shanghai Stock Exchange
"STAR Market Listing Rules"	the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange
"substantial shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Suzhou Nashwey"	Suzhou Nashwey Semiconductor Co., Ltd. (蘇州納希微半導體有限公司), a subsidiary of our Company established in the PRC on December 30, 2021
"Suzhou Naxing"	Suzhou Naxing Venture Capital Management Co., Ltd. (蘇州納星創業投資管理有限公司), a subsidiary of our Company established in the PRC on February 14, 2022
"Tele-Sight Technology"	Tele-Sight Technology International Limited (遠景科技國際有限公司), a subsidiary of our Company incorporated in Hong Kong on July 23, 2015
"treasury shares"	has the meaning ascribed to it under the Hong Kong Listing Rules
"year-on-year"	compared with the same period of the previous year
"%"	percent

GLOSSARY OF TECHNICAL TERMS

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

"ADC"	analog-to-digital converter, a device used to convert continuous analog signals into discrete digital signals
"AEC-Q"	standards established by the Automotive Electronics Council
"Analog Signal"	a voltage, current or physical quantity that continuously and infinitely varies in accordance with some time-varying parameter
"Automotive-grade"	a chip that is specifically designed, manufactured and qualified to meet the stringent requirements and standards of the automotive industry
"BMS"	battery management system
"CAGR"	compound annual growth rate
"CAN"	controller area network, a communication protocol
"CMOS"	complementary metal-oxide semiconductor
"DAC"	digital-to-analog converter, a device used to convert digital signals into analog signals
"DC"	direct current
"Digital Signal"	a signal that represents data as a sequence of discrete values
"fabless"	a business model where the entity focuses on R&D and design of ICs and outsources manufacturing to third parties
"GaN"	gallium nitride, a binary III/V direct bandgap semiconductor well-suited for high-power transistors capable of operating at high temperatures
"Hall effect"	refers to the generation of a voltage difference across an electrical conductor when a magnetic field is applied perpendicular to the current, the foundation of many magnetic sensing technologies
"IC" or "Integrated circuit"	a set of electronic circuits on one small plate of semiconductor material (a chip)

DEFINITIONS

"I^2C"	a synchronous, multi-master/multi-slave, single-ended, serial communication protocol
"IGBT"	insulated gate bipolar transistor, a three-terminal power semiconductor device primarily forming an electronic switch
"LDO"	low dropout regulator, a type of voltage regulator that can operate with a very small input-output differential voltage
"LED"	light-emitting diode, a semiconductor diode that emits light when conducting current and is used in electronic equipment
"LIN"	network protocol used for communication between components in modern vehicles
"MCU"	micro controller unit, a type of chip that contains a general-purpose processor core, input/output interfaces and other modules for a variety of applications
"MEMS"	micro-electro-mechanical-system, the technology of microscopic devices that are made up of components between 1 and 100 micrometres in size
"MOSFET"	metal-oxide-semiconductor field-effect transistor, a type of transistor used to amplify or switch electronic signals
"op-amp"	an analog circuit block that takes a differential voltage input and produces a single-ended voltage output
"R&D"	research and development
"Sensor"	a device that measures or detects physical world conditions, such as motion, heat or light, and converts the conditions into analog or digital representations
"SiC"	silicon carbide, a semiconductor material used in various electronic applications
"V"	volt, a unit for voltage
"VHS"	vertical Hall sensor, a Hall sensor structure optimized for detecting vertical magnetic fields

OVERVIEW OF MAJOR PRODUCTS AND BUSINESS

Novosense is an analog IC provider in China. As a fabless company, the Company provides a comprehensive portfolio of high-performance and reliable products and solutions for application sectors such as (i) automotive electronics, (ii) energy and industrial automation, and (iii) consumer electronics. The Company's three core product categories – sensor products, signal chain chips, and power management chips – collectively form a complete system chain that covers from (i) sensing, (ii) signal processing to (iii) system power supply and power drive, playing a critical role in enabling the connection and interaction between the physical and digital worlds.

The Company's products enable the connection and interaction between the physical and digital worlds:

- Sensor products serve as the starting point of the "physical world-digital world" chain. By detecting physical quantities or environmental changes (such as temperature, pressure, current, etc.) in the real world, sensor products convert this information into electronic signals for processing by the back-end of the electronic equipment systems;

- Signal chain chips are used to collect, amplify, transmit, and process electronic signals along the input-to-output path, ensuring the accuracy and integrity of electronic signals to meet the functional requirements of electronic equipment systems; and

- Power management chips are primarily used for the power supply and power drive of the electronic equipment systems, ensuring the stable power supply and efficient operation of the electronic equipment systems.

To better serve the end customers in different application sectors, the Company develops products to meet various specific functional requirements of electronic equipment systems. Through the synergistic application of sensor products, signal chain chips, and power management chips, Novosense is able to form specific solutions to help end customers achieve their desired specific functions or requirements.

Chinese companies have become a major source of R&D and innovation in many application sectors, such as the new energy vehicle sector. As a Chinese analog IC enterprise, the Company quickly responds to the needs of these end customers, and through deep cooperation with end customers, combines product design with specific application scenarios to develop innovative and differentiated products that are closer to the needs of end customers. The Company believes that this ability to conduct product R&D around the needs of end customers is the core of its competitive advantage.

BUSINESS OVERVIEW

INDUSTRY POSITION

The Company is a high-performance and reliable analog and mixed-signal chip design company. After a decade of development, the Company has abundant core technological reserves in three major product categories: sensor products, signal chain chips, and power management chips , and its products have been widely applied across application sectors such as automotive, energy and industrial automation, and consumer electronics.

As a company that achieved mass production of digital isolator chips relatively early in China, the Company now has a very comprehensive range of isolator categories. All of the Company's isolator chip categories have models that have passed automotive-grade certification, and their core technical indicators are comparable to, or surpass those of international competitors. The Company's isolators have successfully entered the supply systems of tier-one customers in industries such as automotive electronics, industrial automation, digital power, and photovoltaic and energy storage, and have achieved volume supply.

The Company is one of the early players to deploy automotive-grade chips in China. Its product applications cover key areas such as the three electric systems of NEVs, automotive lighting, automotive electronic control, body domain control, ICE vehicle power systems, thermal management, smart cabin, and chassis safety. In addition to isolator chips, its non-isolator products also include sensors , LED drivers , general-purpose interfaces , power path protection , wheel speed sensors, motor drivers , Class D audio amplifiers, real-time control MCUs, embedded processor MCU+, and SerDes interfaces. The Company's automotive-grade chips have been installed in volume by mainstream OEMs/Tier-1 automotive suppliers. From product definition and development to wafer packaging and delivery, the Company strictly adheres to automotive-grade processes and automotive-grade quality control systems. The Company has obtained the ISO 26262 functional safety management system certification and the IATF 16949 automotive industry quality management system certification.

Furthermore, the Company is capable of providing a complete category of IoT sensing chips. Currently, it has achieved coverage across multiple categories, including sensor signal conditioning ASICs such as pressure sensors , silicon microphones, acceleration sensors, current sensors, and infrared sensors, as well as temperature and humidity sensors, magnetic sensors , and pressure sensors.

The Company has been recognized by governments at various levels as a national specialized, refined, and innovative "Little Giant" enterprise, a leading technology talent enterprise, a high-tech enterprise, Jiangsu Province's most growth-oriented high-tech enterprise, Jiangsu Province Enterprise Technology Center, Jiangsu Province Analog and Mixed-Signal Chip Engineering Research Center, Suzhou Unicorn Enterprise, and Suzhou Top 100 Innovative Private Enterprises, and has undertaken multiple scientific and technological achievement transformation projects in Jiangsu Province. The Company has been recognized as a Gazelle Enterprise in Jiangsu Province and a Private Technology Enterprise in Jiangsu Province, and has won the "China Chip" award for five consecutive years. Its NSUC1610-Q1QNR won the 20th "China Chip" Excellent Product Award for "Automotive Chip Application," and the NSPAS5 series won the 20th "China Chip" Excellent Technology Innovation Award.

I. INDUSTRY CONDITIONS DURING THE REPORTING PERIOD

(1) Overview of the Analog IC Market

1) Global Semiconductor Market Overview

In the first half of 2026, the global semiconductor market continued its recovery momentum from 2025, sustaining growth driven by demand for AI computing power. According to the Spring forecast report released by the World Semiconductor Trade Statistics (WSTS) in 2026, the global semiconductor market size will reach US$1.51 trillion in 2026, representing a year-on-year increase of approximately 90% with the growth rate hitting a record high. Specifically, memory is projected to grow by approximately 250% year-on-year, logic ICs by 37%, microprocessors by 20%, analog ICs by 10%, discrete devices by 8%, and sensors and optoelectronic devices by 3%.

In terms of growth drivers, beyond stable demand from traditional sectors like industrial control, the continuous evolution of AI technology and the rapid development of autonomous driving and robots further stimulated demand for analog chips. Particularly, applications such as AI servers and automotive electronics continued to see strong demand for high-performance analog chips, a core foundation for the scaling up of analog ICs.

2) Domestic Semiconductor Market Overview

According to the data from the General Administration of Customs, China's integrated circuit exports reached US$177.28 billion in the first half of the year, representing a year-on-year increase of over 96%. Such export value set a new historical high for a half-year period and approached the full-year total for 2025 (US$202.04 billion); the export volume increased by 7% year-on-year to 179.44 billion units, and the average export price rose significantly year-on-year. In June, integrated circuit exports reached US$38.21 billion, accounting for nearly 10% of total exports and ranking as the top export category.

According to statistics from the China Business Industry Research Institute (中商產業研究院), the market size of China's analog chip sector reached approximately RMB220.3 billion in 2025 and is projected to reach RMB245.1 billion in 2026. Driven by continuous improvements in the product performance and reliability from domestic analog chips, the domestic substitution process has rapidly shifted from consumer electronics sectors to industrial and automotive markets requiring higher reliability. The rapid development of AI infrastructure, new energy vehicles, smart devices, 5G communications, and robots has boosted demand for analog chips such as power management and signal chain solutions. Particularly, advancements in AI servers and new energy vehicles have further fueled demand growth for products like power management integrated circuits. Domestic analog chip companies are expected to further increase their market share as the shift toward domestically produced alternatives accelerates.

(2) Sensor Market Overview

According to the statistics from the China Business Industry Research Institute, the Chinese sensor market size was RMB406.12 billion in 2024, representing a year-on-year increase of 11.43%; the market size reached approximately RMB452.53 billion in 2025 and is projected to reach RMB504.24 billion in 2026.

As downstream sectors such as new energy vehicles, industrial automation, smart homes, low-altitude economy, health monitoring and humanoid robots continue to expand, they have driven rapid growth in demand for magnetic sensors, pressure sensors and LiDAR. Automotive electronics is a key sector for domestic substitution of high-end sensors. The demand for magnetic sensors, pressure sensors, and LiDAR continues to grow rapidly as the penetration rate of Level 2 driver assistance increases and pilot programs for Level 3 autonomous driving advance.

(3) Major Downstream Market Overview

1) Automotive Electronics

According to statistics from the China Association of Automobile Manufacturers, automobile production and sales reached 14.993 million units and 15.017 million units respectively in the first half of 2026, representing year-on-year decreases of 4% and 4.1%; new energy vehicle production and sales reached 7.438 million and 7.446 million units respectively, growing 6.7% and 7.3% year-on-year. New energy vehicle sales accounted for 49.6% of total new vehicle sales. In June 2026, production and sales of new energy vehicles amounted to 1.598 million and 1.643 million units respectively, representing year-on-year increases of 26% and 23.6%, respectively. In terms of exports, cumulative automobile exports reached 5.096 million units in the first half of the year, representing a year-on-year increase of 65.3%; new energy vehicle exports reached 2.355 million units, representing a year-on-year increase of 1.2 times and accounting for more than 46% of total automobile exports.

In 2024, the domestic production rate for automotive analog chips in China was just 5%. To break free from reliance on imported analog chips, domestic automotive brands are actively promoting the localization of analog chips to ensure supply chain autonomy and control. Besides, intelligent technology has become a core development trend in the automotive industry. According to statistics and forecasts of Frost & Sullivan, the per-vehicle value of analog chips in smart new energy vehicles reached RMB1,500–2,800 in 2024 and is projected to rise to RMB2,200–4,000 by 2029.

According to data from the Ministry of Industry and Information Technology (the "**MIIT**"), in the first half of 2026, the penetration rate of passenger vehicles with Level 2 combined driving assistance functions reached 70.5%, and the penetration rate of passenger vehicles with Navigate on Autopilot (NOA) functions reached 34.2%. The first batch of Level 3 conditionally automated vehicles began operating on public roads in specific areas. The continuous iteration of intelligent cockpit and autonomous driving functions, along with multi-sensor fusion solutions compensating for the shortcomings of pure vision solutions, are driving the demand for signal chain and power management chips. In the field of intelligent driving, analog chips perform critical functions such as radar/camera signal conditioning, sensor fusion, and high-voltage system isolation, ensuring real-time processing of multimodal data. As the penetration rate of Level 2 driver assistance increases and pilot programs for Level 3 autonomous driving advance, demand for supporting chips for high-end sensors, such as LiDAR and 4D imaging millimeter-wave radar will continue to grow.

2) Photovoltaics and Energy Storage

According to statistics from the National Energy Administration, as of the end of June 2026, the cumulative installed capacity of national power generation reached 4.04 billion kilowatts, representing a year-on-year increase of 10.8%; the installed capacity of solar power generation reached 1.27 billion kilowatts, representing a year-on-year increase of 15.8%; the installed capacity of wind power generation reached 0.68 billion kilowatts, representing a year-on-year increase of 18.5%. In the first half of the year, the newly installed capacity in China reached 72.07GW, representing a year-on-year decrease of approximately 66%. According to the China Photovoltaic Industry Association (中國光伏行業協會), the global newly installed capacity is expected to reach 612 GW in 2026, with a CAGR of 7% from 2026 to 2030, and the newly installed capacity is projected to rise to 864 GW by 2030.

Analog chips play a critical role in core renewable energy equipment such as photovoltaic inverters and energy storage converters. As photovoltaic inverters and energy storage converters continue to evolve toward higher efficiency, greater integration, and smaller form factors, analog chips have evolved significantly from single-function modules to multi-dimensional heterogeneous fusion architectures. Relying primarily on System-in-Package (SiP) technology, these chips integrate drive circuits, signal conditioning, digital interfaces, and power management units onto a single chip, while also incorporating passive components. This significantly reduces the number of external components, enhancing the reliability of photovoltaic equipment systems. Furthermore, the integrated design can incorporate intelligent sensing capabilities by integrating over-temperature, over-current, and over-voltage detection modules within the chip, enabling real-time fault monitoring and rapid response.

3) Industrial Automation

According to data from the MIIT, the value added of the equipment manufacturing sector grew by 6.4% year-on-year in the first half of the year, accounting for 20% of the total industrial value added of enterprises above designated size and contributing 23.5% to the growth of industrial value added of enterprises above designated size; production volume of industrial robots and service robots increased by 28% and 11.9%, respectively, compared to the same period last year.

The growth of "AI+" related industries continued to drive demand for automation equipment in high-end sectors such as semiconductors and electronics manufacturing, and pilot production lines for solid-state batteries and the expansion of lithium-ion battery production will also usher in a new cycle of equipment investment. In addition, the development of new quality productive forces, exemplified by the low-altitude economy and embodied intelligence, will open up entirely new growth opportunities for the industry. Meanwhile, the global expansion of industrial control solutions will become a key long-term growth driver for enterprises, with leading domestic companies accelerating their global footprint to drive incremental revenue growth.

4) AI Servers

According to data from Fortune Business Insights, the global AI server market is projected to reach US$262.22 billion by 2026, with a compound annual growth rate of 34.73% from 2024 to 2034. By the end of 2034, the market size is expected to exceed US$2,847.32 billion.

The AI server power management system is responsible for ensuring a stable power supply for AI servers. In primary and secondary power supply sections such as PSUs and UPSs, as server power consumption and voltage continue to increase, isolated power supplies, isolated sampling and isolated drivers play a critical role in providing safety protection through high-voltage and low-voltage electrical isolation, and the demand for these solutions continues to grow; in the tertiary power supply section that supplies power to GPU/CPU cores, multi-phase DrMOS solutions comprising multi-phase controllers and DrMOSs have become the mainstream approach. In addition, AI servers rely on ADCs/DACs to facilitate the conversion between analog and digital signals for data acquisition and output; Ethernet physical layer chips and fiber optic communication modules handle signal amplification, filtering, and transmission. As the liquid cooling technology rapidly gains traction, the demand for analog chips, including temperature sensors and fan drivers, continues to grow.

5) Humanoid Robots

According to data from the MIIT, the production volume of humanoid robots in China was approximately 20,000 units in 2025 and exceeded 40,000 units for the first half of 2026. Annual production is expected to exceed 100,000 units.

The demand for analog chips in humanoid robots spans multiple core areas such as power management, signal conversion and processing, communication interfaces, sensor signal processing, as well as motor drive and control. A single humanoid robot requires dozens of magnetic sensors, pressure sensors and inertial measurement units (IMU). With the continuous advancement of AI, 5G communications, and IoT technologies, humanoid robots are transitioning from proof-of-concept to commercial deployment, driving the gradual formation of a new supply chain ecosystem for biomimetic skin, various sensors and flexible materials.

6) Consumer Electronics

According to data on national economic performance for the first half of 2026 released by the State Council Information Office, the retail sales of smart wearable devices, including smart glasses, more than doubled, while retail sales of high-energy-efficiency home appliances increased by more than 30%. The ongoing evolution of consumer electronics toward 5G connectivity, smart functionality and wearable devices has driven an increase in the unit value and demand for analog chips such as power management and audio amplifiers.

II. MAIN BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

(I) Overview of Main Business

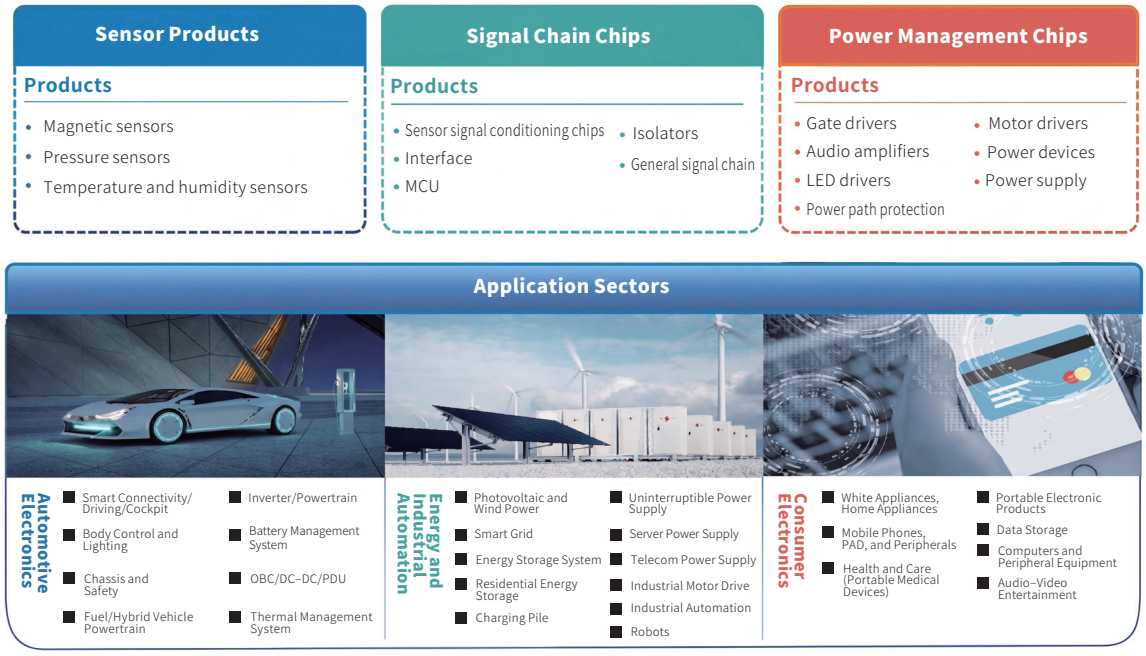
The Company is a high-performance, high-reliability analog and mixed-signal chip company. With the mission of "Sense & Drive the Future, Build a Green, Smart and Connected World with Semiconductors", the Company adheres to the corporate values of "Robust, Reliable, Keep Learning, Persist in Long-term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

The Company focuses on organizing product development around downstream application scenarios, concentrating on three core product categories: sensor products, signal chain chips, and power management chips. We provide a comprehensive portfolio of semiconductor products and solutions, which are widely applied in the automotive, energy and industrial automation and consumer electronics sectors. Currently, we can provide over 4,200 product models available for sale.

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

(II) Overview of Main Products and Services

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



(1) Sensor Products

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

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

(2) Signal Chain Products

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

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

Product Category	Key Products	Characteristics
Interface	CAN/LIN interfaces, I^2C interfaces, SerDes interfaces	Interface chips feature communication functions based on general and specific protocols, widely applied for signal transmission between electronic systems to enhance system performance and reliability.
General signal chain chips	Voltage references, amplifiers, data converters	Standard analog signal chain chips based on operational amplifiers (including general-purpose op-amps, precision op-amps, current amplifiers, etc.), general voltage references, general comparators, general analog switches, and discrete ADCs/DACs. Widely used as fundamental components of analog circuits in industrial and automotive applications.
MCU	Real-time control MCU/DSP, general-purpose MCU, embedded processor MCU+	Real-time control MCUs/DSPs utilize high-frequency, high-performance ARM cores combined with proprietary math acceleration cores, along with dedicated peripherals optimized for real-time control, to enhance system control real-time performance; MCU+ products, on the other hand, emphasize the high integration of analog peripherals and application-specific optimization. A single small MCU core integrates power management, interfaces, and analog circuits for motor drive power and driver stages, or signal processing front-end circuits for sensors. These products are applicable in scenarios such as photovoltaic energy storage, power modules, servo drives, automotive electronics, and smart home systems.

(3) Power Management Products

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

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

Product Category	Key Products	Characteristics
Power devices	SiC diodes and MOSFETs	Core components for controlling and converting electric energy in electronic systems, playing a crucial role in medium and high-power applications. Silicon Carbide (SiC) material, due to its inherent wide bandgap characteristics and excellent thermal conductivity, enables devices based on this material to deliver superior performance in high-efficiency energy conversion, fast switching speeds, high voltage endurance, and low conduction loss. Widely suitable for NEVs, PV, and energy storage systems.
LED drivers	Linear LED drivers, switching LED drivers	Supporting complete diagnostic protection, high constant current accuracy, and strong thermal dissipation. Primarily used in applications such as automotive tail lights, headlights, and interior ambient lighting.
Power supply	DC-DC, LDOs, voltage monitors, SBC, PMIC	Establishing a comprehensive product portfolio for automotive board-level power supply systems, covering general-purpose power solutions such as primary-side/secondary-side buck converters, LDOs, and boost converters, as well as highly integrated, application-specific power solutions including SBCs and PMICs.
Power path protection	High/low-side switches, electronic fuses	Suitable for driving various load types, including resistive, capacitive, and inductive loads, and supporting comprehensive diagnostic protection features. Primarily used in body control modules, vehicle control units, power distribution controllers, and BMS.

(III) DISCUSSION AND ANALYSIS OF OPERATIONS

The Company focuses on main business development, organizing product development around downstream application scenarios, concentrating on three core product directions: sensor products, signal chain chips, and power management chips. We provide an extensive range of semiconductor products and solutions widely applied in automotive, energy and industrial automation and consumer electronics, currently offering over 4,200 products. The Company's operating status during the Reporting Period is as follows:

1. Operating Performance

For the six months ended June 30, 2026, the Company achieved an operating revenue of RMB2,540.4 million, representing a year-on-year increase of 66.7%, the net profit attributable to shareholders of the listed company for the current period was RMB67.6 million, the net loss attributable to shareholders of the listed company for the current period, after deducting non-recurring profit or loss, was RMB47.9 million. Specific details are as follows:

From the perspective of the quarterly data, the Company's operating revenue grew from RMB1,141.4 million in the first quarter to RMB1,399.1 million in the second quarter, achieving consecutive quarter-on-quarter revenue growth for multiple quarters, and the overall operating results were in a trend of rapid growth. The revenue growth was mainly attributable to: (1) on the demand side, driven by a combination of multiple factors, including recovery in domestic demand, the accelerated overseas expansion of the PV, energy storage, and automotive sectors and the surge in AI infrastructure demand, led to rapid growth in customer demand in downstream sectors such as automotive electronics, server power supplies, photovoltaic and energy storage, industrial automation, which in turn drove a substantial increase in the shipment volume of the Company's related products; (2) on the product side, the Company continued to deploy product research and development around downstream application scenarios, constantly enriching its matrix of semiconductor products and solutions, and the number of product models available for sale continued to increase, with sales scale expanding steadily; and (3) on the market side, the Company steadily advanced the strategic expansion of its overseas business, with revenue contribution from overseas customers progressively increasing.

For the first quarter of 2026, the net loss attributable to shareholders of the listed company and the net loss attributable to shareholders of the listed company after deducting non-recurring profit or loss amounted to RMB35.737 million and RMB54.77 million, respectively. For the second quarter of 2026, the net profit attributable to shareholders of the listed company and the net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss amounted to RMB103.328 million and RMB6.881 million, respectively. The turnaround to profitability of both the net profit attributable to shareholders of the listed company and the net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss in the second quarter of 2026 was mainly attributable to simultaneous improvements on both the revenue and expense fronts: (1) on the revenue side, the growth in customer demand, the enrichment of the product matrix and the continued expansion of overseas business drove a substantial increase in the Company's shipment volume and revenue; and (2) on the expense side, the Company continued to deepen lean management and enhance organizational efficiency, resulting in a decrease in the proportion of total expenses to operating revenue, which in turn drove an improvement in profitability.

2. Research and Development

The Company consistently adhered to technological innovation and R&D investment. For the six months ended June 30, 2026, R&D expenses were RMB446.3 million, representing a year-on-year increase of 23.5%, which was primarily due to the Company's focus on the accumulation of talent and technology, continuously investing resources in R&D, talent building, and other aspects; as the Company's scale expanded, the total amount of R&D investment increased overall, primarily due to the increase in R&D personnel and their average compensation. As of June 30, 2026, the number of the Company's R&D personnel was 704, representing a year-on-year increase of 20%. For the six months ended June 30, 2026, the average remuneration of the Company's R&D personnel was RMB443,000 per person, representing a slight year-on-year increase of 0.90%. Specific details are as follows:

(1) Sensor Products. In the magnetic sensors direction, the high-precision vernier absolute encoder chip based on eddy current sensing principles and integrating a self-developed nonlinear self-calibration algorithm has entered volume production. The absolute angle encoder chip based on dual-track vernier magnetic sensing has completed customer sampling and verification. The second-generation inductive proximity sensor has completed end-customer validation, with its multi-point digital temperature calibration effectively enhancing customer production efficiency. The next-generation Hall sensor based on COT process has completed tape-out. For automotive acceleration sensors direction, the acceleration sensor designed for chassis Road Noise Cancellation (RNC) applications is capable of monitoring road noise in real time and feeding signals back to the cabin audio system for noise reduction. Development of this product is progressing smoothly. For pressure sensors direction, the ultra-low-power pressure sensor equipped with a configurable battery pack thermal runaway algorithm has completed customer sampling and testing, and is able to accommodate the differentiated requirements of various battery pack customers.

(2) Signal Chain Products. The Company's isolation product line comprehensively covers full-scenario application requirements ranging from compact space layouts to high-voltage sampling, with continuous iterative upgrades and the launch of multiple new products, including a "miniaturized" digital isolator, a next-generation isolated CAN chip, a wide-voltage isolated voltage sampling chip, an automotive-grade fully integrated isolated power supply chip, and an EMC-optimized high-voltage solid-state relay chip. Among them, the next-generation digital isolator has achieved mass shipment in both industrial and automotive markets. The Company's interface product line continues to expand its automotive-grade product portfolio, having launched its first automotive audio interface bus chip to meet the application requirements of automotive OEMs. In the high-speed interface direction, the automotive video SerDes interface chip was progressing smoothly.

In the general signal chain direction, the Company's products cover general operational amplifiers, current-sense amplifiers, and automotive-specific MCU+ analog products. The product series above are expected to gradually become new business growth drivers for the Company over the coming years. The Company's MEMS microphone ASIC product line business achieved steady growth. The Company has gradually grown into a significant market participant within this sub-sector. Going forward, the Company will continue to increase R&D investment in higher signal-to-noise ratio and lower power consumption silicon microphone ASIC products to further consolidate and enhance market competitiveness.

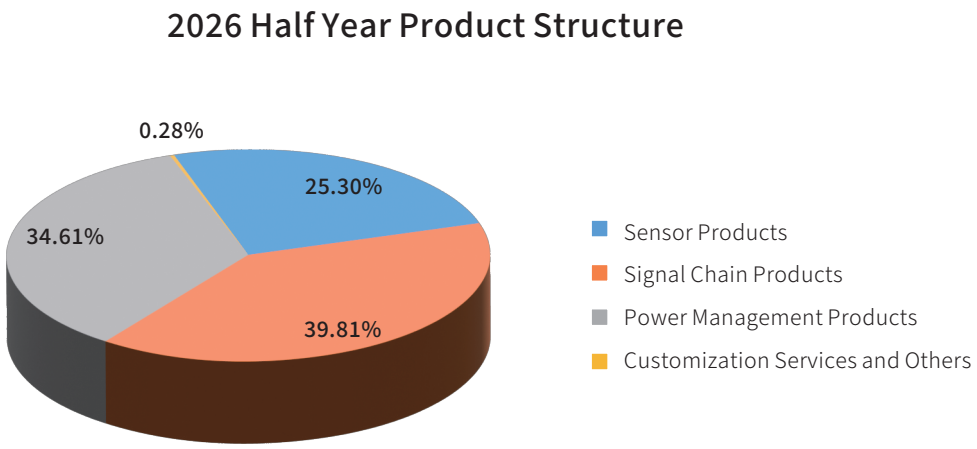
In the real-time control MCU direction, the Company has launched a real-time control MCU featuring a tri-core homogeneous M7 core with an integrated EtherCAT slave controller, which can be widely applied in industrial servo, robot joint, and other fields. During the reporting period, certain real-time control MCU products of the Company obtained ISO 26262 ASIL-B functional safety certification.

(3) Power Management Products. In the isolated gate driver direction, the Company's new-generation single/dual-channel isolated driver products, specifically developed for SiC power devices, have been successively volume-produced and rapidly achieved large-scale shipments in the automotive OBC, charging pile, and photovoltaic inverter markets. While the first-generation functional safety driver products are shipping at scale, the second-generation functional safety isolated gate driver chip has commenced sampling and testing with OEMs and secured multiple project design wins, further consolidating the Company's market share and competitive position in the automotive main drive sector. In the non-isolated gate driver direction, the medium/low-voltage GaN driver chip for AI server power supply applications has achieved volume shipment, and the power integrated chip for automotive LiDAR has completed testing and validation with key customers, further expanding the GaN-related gate driver and power integrated product matrix.

In the motor driver product direction, the Company's second-generation multi-channel integrated half-bridge driver chip has commenced volume production and delivery. The multi-channel pre-driver chip developed based on the Company's COT process has completed testing and introduction with multiple customers as well as project design wins. The high-current integrated H-bridge driver series has achieved large-scale shipments, and the Company has substantially achieved full coverage of DC motor driver products for vehicle body control systems. In the audio amplifier product direction, the first 4-channel 75W Class D audio amplifier has added multiple new customer introductions and project design wins.

In the LED driver segment, multi-channel products have ramped up to volume production and shipment, while customized products developed for key customers' systems have completed validation and been successfully introduced. Boost converter chips, constant current source step-down chips, and matrix control chips targeting automotive headlight lighting solutions have completed volume production and shipment, and have completed validation and introduction at multiple leading customers. In the power supply segment, the first SBC for ECU system and MCU power supply and the first PMIC designed specifically for automotive cameras have both completed introduction and validation with leading domestic and international customers in the industry. In the power path protection segment, the development of single-chip process technology for next-generation products is progressing smoothly, the high-side switch series continues to expand, and the related products have achieved large-scale ramp-up with market share continuing to increase.

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



3. Market Applications

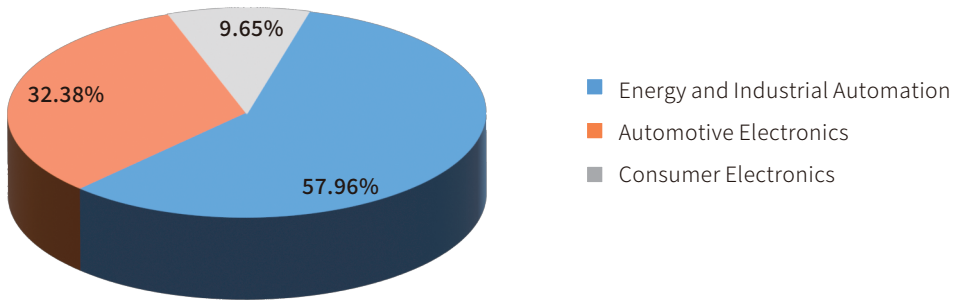
In the first half of 2026, the production and sales volume of new energy vehicles reached 7.438 million units and 7.446 million units, representing an increase of 6.7% and 7.3% year-on-year, respectively. The trends of automotive electrification and intelligence transformation continued to deepen, with the penetration rate of passenger vehicles equipped with L2 combined driving assistance functions reaching 70.5% and the penetration rate of Navigate on Autopilot functions reaching 34.2%. The 800V high-voltage fast charging platform has been comprehensively popularized, driving the automotive electronics business to maintain rapid growth. The Company can provide systematic solutions for automobiles, and provide a range of products covering sensor products, signal chain chips, and power management chips across sectors such as NEV battery, motor and electronic control systems, automotive lighting, electronic control, body domain control, fuel vehicle powertrains, thermal management, intelligent cockpits, and chassis safety. These include digital isolators, isolated drivers, isolated sampling, sensors, LED drivers, general interfaces, power path protection, wheel speed sensors, motor drivers, Class D audio amplifiers, real-time control MCUs, automotive SoC chips, SerDes interfaces, etc. During the Reporting Period, the Company's shipment volume in the automotive electronics sector reached 534 million units, with cumulative shipments exceeding 1.952 billion units.

In the energy and industrial automation sector, the industrial control field experienced steady growth alongside the recovery of the manufacturing industry. The PMI of manufacturing industry stood at 50.3% in June, remaining in the expansion range for 4 consecutive months, and the average PMI of the second quarter returned to the expansion range after 5 consecutive quarters of contraction. The PMI of high-tech manufacturing industry reached 53.5%, with continuous recovery in demand for industrial automation equipment and motor drives. The photovoltaic and new energy sector underwent profound adjustments in the first half of the year, with product prices across all links of the industrial chain continuously bottoming out, and the industry entered the stage of accelerated de-capacity. The power module sector benefited from downstream demand such as AI servers. The Company provides drivers, isolation chips, MCUs, and other products for server power supply primary and secondary PSUs. The high-voltage GaN driver chips and the medium/low-voltage GaN co-packaged products have achieved bulk shipments. Some products of the Company have achieved mass production shipments among domestic and international server power supply customers. For humanoid robots, the Company's magnetic encoders enable fine motion control in dexterous hands; various sensors, power products, and interfaces facilitate perception and communication functions; and the power battery BMS system can also utilize the Company's power products, current sensors, temperature sensors, etc. Overall, the energy and industrial automation market demonstrated a structural differentiation pattern characterized by industrial control recovery, photovoltaic sector under pressure, and strong growth of AI power supply business.

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

From the perspective of revenue structure by downstream application, revenue from the automotive electronics sector accounted for 32.38%, a slight decrease compared to 34.04% in the same period last year. Revenue from the energy and industrial automation sector accounted for 57.96%, a slight increase compared to 52.57% in the same period last year, which was primarily due to the rapid growth in the Company's revenue from energy storage and digital power solutions, driven by improved conditions in the downstream market. The Company's revenue share in the consumer electronics sector was 9.65%, a slight decrease compared to 13.38% in the same period last year.

Proportion of Downstream Application Sectors in 2026 Half Year



4. Internal Management

During the Reporting Period, in the face of an increasingly tight industry supply environment, the Company relied on long-term cooperation with suppliers to secure delivery requirements, and adhered to the strategy of "deepening strategic cooperation, locking in long-term agreements, and diversifying the layout", thereby laying the foundation for medium-to long-term business growth.

In terms of supply chain layout, the Company continued to deepen its dual circulation layout. On the wafer manufacturing front, the Company drove capacity expansion at core suppliers and entered into long-term capacity agreements, deepening existing cooperation as well as simultaneously introducing new suppliers, thereby strengthening the resilience of the supply system. In the packaging and testing sector, the Company combined investment in capacity expansion with outsourced cooperation, proactively deployed testing capacity and increased equipment investment, ensured seamless connection between product verification and volume delivery, optimized foundry costs and efficiency, and mitigated the impact of industry cyclical fluctuations.

In terms of platform technology research and development, the Company advanced the construction of its COT process platform, accelerated the iteration of BCD automotive-grade processes, and enhanced product competitiveness through Design-Technology Co-Optimization (DTCO). It also strengthened full-lifecycle supplier management, advanced the verification of localization of key raw materials in an orderly manner, and continuously increased the proportion of self-supply of critical materials.

In terms of operational management, the Company optimized its matrix organizational management model, and enhanced cross-departmental collaboration by leveraging the procurement expert team and the factory management group. It also advanced the digital transformation of supply chain processes, improved the S&OP and planning system, and enhanced management transparency and operational efficiency, thereby supporting procurement cost control and optimal resource allocation.

In terms of system certification, the Company's IATF16949 supporting site certification passed the first annual surveillance audit by SGS during the Reporting Period. The ISO 26262 functional safety management system has continuously maintained effective operation at the highest ASIL-D "Defined-Practiced" level. In terms of digital quality control, the Company continued to promote the digital upgrading of quality infrastructure. The Hazardous Substance Control System and the Lesson Learned Knowledge Base System have been successively completed and put into operation. The IMC-MQ Abnormal Material Management System has completed the launch review. The RFMEA system has completed a full upgrade from the professional version to the enterprise version. At present, the Company has built an integrated quality management framework covering five major systems including quality management, functional safety, environmental management, information security and laboratory capabilities, and its systematic automotive-grade delivery assurance capability has been continuously enhanced.

5. Talent Development

Adhering to the people-oriented principle, the Company activated the endogenous driving force of the organization through the dual drive of mechanism and culture, to support the achievement of long-term strategic goals. During the Reporting Period, the Company upheld the dual-channel career development mechanism of "business management + domain experts" to build a multi-level talent supply chain that aligns with the business strategy, focused on key talent groups to implement full-cycle targeted training covering new employee onboarding, backbone talent identification and manager capability transformation, and improved the expert appointment and assessment system. During the Reporting Period, the Company held the 9th NOVOSENSE Technology Conference, and regularly carried out technical salon activities to build a platform for technical exchange and innovation sharing for employees, driving the Company's long-term development with talent empowerment.

III. ANALYSIS OF CORE COMPETITIVE STRENGTHS

1. Core Technology and Research and Development Advantages

(1) Abundant Core Technology Reserves

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

(2) Outstanding Non-standard Product Design Capabilities

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

2. Quality Control Advantages

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

3. Product Category Advantages

After years of continuous development, the Company can provide a comprehensive suite of products from signal collection to processing and transmission, possesses a product matrix from power supply, drive to power path protection, and covers a variety of sensor products such as magnetic, pressure, and temperature and humidity sensors. The Company has built an extensive product portfolio around downstream application scenarios, with product coverage capabilities ranging from consumer-grade and industrial-grade to automotive-grade. The Company continues its research and development efforts and developed or launched multiple new products across the three main product directions during the Reporting Period. In terms of sensors, the eddy current absolute encoder IC and low-power pressure sensor, among others, achieved mass production, while the magnetic induction angle encoder and battery pack thermal runaway pressure sensor, among others, completed sampling; in terms of signal chain, the new-generation digital isolator achieved high-volume shipments, the automotive SerDes interface IC was progressing smoothly and the Company launched its first in-vehicle audio interface bus chip and a real-time control MCU featuring the M7 core; in terms of power management, the SiC isolated driver shipped at scale in the automotive OBC, charging pile and photovoltaic markets, the AI server GaN driver achieved volume shipments, and the second-generation functional safety driver, multi-channel pre-driver chip and Class D audio amplifier, among others, secured design wins. The SBC and PMIC have been successfully introduced and validated by leading customers in the industry, both domestically and internationally.

4. Customer Resource Advantages

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

5. Supply Chain Advantages

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

IV. OUTLOOK FOR THE COMPANY'S FUTURE DEVELOPMENT

Development Strategies of the Company

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

Key Operating Priorities in the Second Half of 2026

The Company will consistently adhere to the operating philosophy of long-termism, anchor the goal of becoming a "leading provider of comprehensive chip solutions in the energy and industrial automation and automotive electronics sectors", and take "centered on customers and based on organizational capabilities" as its core thread. In the second half of 2026, the Company will focus its efforts on key directions such as technological innovation and engineering capability upgrades, deepening layout in core markets and expanding into new fields, global layout, and strategic supply chain collaborative assurance, deepen its layout in high-value tracks, and strive to achieve steady revenue growth and continuously improve profitability. The major operating plans are as follows:

I. Increasing Investment in Forward-Looking Technological Innovation and Strengthening Engineering Capabilities

The Company will advance the construction of a tiered preliminary research mechanism coordinating advanced laboratories and product lines, and continuously deepen its efforts in the three major technical systems: circuit design, engineering, and system application platforms, encouraging innovative exploration oriented towards next-generation or forward-looking products. We will synchronously advance preliminary research on forward-looking technologies in various stages such as design process, packaging techniques, and testing methods, and continuously tackle key technologies such as the mass production of the next-generation isolation process platform, the iteration of the automotive-grade BCD process platform, and the development of magnetic sensor processes, to drive the continuous enhancement of product competitiveness through technological innovation. At the same time, the Company will continuously strengthen the construction of backend engineering capabilities such as packaging, testing, and product engineering, building full-process engineering advantages from design to mass production to provide solid support for product R&D and quality control. Through control measures such as testing screening, mass production data analysis, and Top BIN analysis, we will continuously explore room for process improvement, steadily improve product yield, systematically reduce the risk of defective products flowing out, and consolidate quality reputation and customer trust.

II. Deepen the foundation of core markets and accelerate strategic breakthroughs in new fields

The Company will continue to focus on the core markets of energy and industrial automation and automotive electronics, consolidating its leading position in energy and industrial automation and automotive NEV battery, motor and electronic control systems markets. In the energy and industrial automation sector, the Company will firmly grasp the opportunities of recovery and high-speed growth in downstream demand such as photovoltaic storage, industrial automation, and AI servers, steadily expanding market share for its leading products such as isolators, drivers, and sensors, and actively advancing the market expansion of new products such as high-performance power management chips. In the automotive electronics sector, we will continue to focus on advantageous applications such as the battery, motor and electronic control systems for new energy vehicles, continuously increasing the per-vehicle value, and deepen joint innovation and cooperation with leading customers in various application fields, driving the Company's transformation from a chip supplier to a system-level solutions provider. Especially in new fields such as intelligent driving and smart cockpits, we will increase investment in product cooperation, focusing on directions such as automotive power supplies, domain controllers, automotive audio, and ambient lighting drivers, to build a tiered market and business portfolio to lay a solid foundation for long-term sustainable development.

III. Accelerate Global Layout and Increase Overseas Market Share

Relying on the global system built by the A+H dual capital platform, the Company will take overseas markets as a key investment area and continue to advance its global market expansion. While consolidating the existing cooperation foundation with MNC customers, we will increase the layout of overseas sales networks and the construction of localized service teams, promoting the increase of product penetration among leading international customers. By deeply understanding the certification standards and supply chain requirements of overseas customers, we will accelerate the acquisition of overseas qualifications and mass production adoption for key product lines. We will continue to strengthen our overseas bases in Japan, South Korea, Germany, and other regions, refine our regional layout based on demand, and establish localized sales, technical support, and customer service systems to comprehensively enhance our response efficiency and overall service capabilities in overseas markets.

IV. Deepen Strategic Supply Chain Synergy and Ensure Long-Term Capacity Supply

The Company remains committed to prioritizing supply chain agility, security, and sustainability, and will carry out deep collaborative cooperation with strategic suppliers, establishing comprehensive strategic cooperative relationships from capacity planning and joint process innovation to supply priority. We will continue to use methods such as long-term supply-demand coordination, joint process innovation, and the establishment of dedicated production lines to ensure stable and sufficient capacity support during the high-speed growth stage of the Company's business. Guided by strategic foresight and operational resilience, the Company will, through refined operations, proactive capacity planning, and dynamic inventory strategies, obtain long-term and sufficient capacity assurance for future growth, effectively supporting the rapid expansion of its business scale and continued market growth.

FINANCIAL REVIEW

The following table sets forth the absolute amounts from the Company's interim condensed consolidated statements of profit or loss for the six months ended June 30, 2026 and 2025:

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Revenue	**2,540,419**	1,523,665
Cost of sales	**(1,797,204)**	(1,022,993)
Gross profit	**743,215**	500,672
Sales and marketing expenses	**(140,621)**	(109,975)
Administrative expenses	**(174,426)**	(143,234)
Research and development expenses	**(446,329)**	(361,282)
Impairment loss on trade and other receivables	**(16,157)**	(3,743)
Other net income	**110,121**	41,680
Operating profit/(Loss)	**75,803**	(75,882)
Finance costs	**(12,841)**	(11,328)
Share of impairment losses and provisions of associates and a joint venture	**(148)**	(2,392)
Profit/(Loss) before income tax	**62,814**	(89,602)
Income tax expense	**2,249**	11,592
Profit/(Loss) for the period	**65,063**	(78,010)
Attributable to: owners of the Company	**67,591**	(78,010)

REVENUE

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

	For the six months ended June 30,				
	2026		2025		
	RMB'000 (Unaudited)	% of Revenue	RMB'000 (Audited)	% of Revenue	Change
Sensor Products	**642,813**	**25.3%**	413,028	27.1%	55.6%
Signal Chain Chips	**1,011,287**	**39.8%**	585,789	38.4%	72.6%
Power Management Chips	**879,326**	**34.6%**	519,443	34.1%	69.3%
Others[1]	**6,993**	**0.3%**	5,405	0.4%	29.4%
Total	**2,540,419**	**100.0%**	1,523,665	100.0%	66.7%

Note:

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

For the six months ended June 30, 2026, the Company generated revenue of RMB2,540.4 million, representing a year-on-year increase of 66.7%. Specifically, revenue from sensor products reached RMB642.8 million, representing a year-on-year increase of 55.6%; revenue from signal chain chips reached RMB1,011.3 million, representing a year-on-year increase of 72.6%; revenue from power management chips reached RMB879.3 million, representing a year-on-year increase of 69.3%; and revenue from other businesses reached RMB7.0 million, representing a year-on-year increase of 29.4%.

By business segment, sensor products achieved a revenue of RMB642.8 million, representing a year-on-year increase of 55.6%, mainly because the Company has established a sensor product portfolio covering multiple industries and precision grades, meeting multi-tiered demands ranging from consumer-grade to high-reliability applications, thereby achieving rapid sales growth; signal chain chips achieved revenue of RMB1,011.3 million, representing a year-on-year increase of 72.6%, mainly due to the significant growth in demand in the downstream sectors such as automotive electronics and industrial automation; power management chips achieved revenue of RMB879.3 million, representing a year-on-year increase of 69.3%, mainly due to the continuous expansion of Company's power management products portfolio and the ongoing expansion of its domestic and international markets, resulting in a significant year-on-year increase in sales revenue.

GROSS PROFIT AND GROSS PROFIT MARGIN

The table below sets forth the Company's absolute gross profit amounts and gross profit margins for the six months ended June 30, 2026 and for the six months ended June 30, 2025 by business:

	For the six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Audited)	Change
Amount before impairment loss of inventories			
Sensor Products	**256,039**	191,768	33.5%
Signal Chain Chips	**327,071**	204,781	59.7%
Power Management Chips	**210,885**	120,906	74.4%
Others[(1)]	**4,732**	3,460	36.8%
Subtotal	**798,727**	520,915	53.3%
Impairment Loss of Inventories	**(55,512)**	(20,243)	
Gross profit and gross profit margin	**743,215**	500,672	48.4%
Gross profit margin	**29.3%**	32.9%	

Note:

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

For the six months ended June 30, 2026, the Company's gross profit margin was 29.3%, representing a year-on-year decrease of 3.6 percentage points, the overall gross profit margin has remained relatively stable; the decline in the gross profit margin for the period is primarily attributable to a rapid increase in the Company's material costs, driven by rising raw material prices from upstream suppliers.

SELLING AND MARKETING EXPENSES

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

	For the six months ended June 30,				
	2026		2025		
	RMB'000 (Unaudited)	% of Revenue	RMB'000 (Audited)	% of Revenue	Change
Selling and Marketing Expenses	**140,621**	**5.5%**	109,975	7.2%	27.9%

For the six months ended June 30, 2026, the Company's selling and marketing expenses reached RMB140.6 million, representing a year-on-year increase of 27.9%. The selling and marketing expense ratio was 5.5%, representing a year-on-year decrease of 1.7 percentage points. This was primarily due to the continuous resource investments in market expansion, talent development, and other areas, which led to an increase in employee compensation within selling and marketing expenses compared to the same period last year. Consequently, while the overall selling and marketing expenses increased, the growth rate of selling expenses remained lower than that of revenue.

ADMINISTRATIVE EXPENSES

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

	For the six months ended June 30,				
	2026		2025		
	RMB'000 (Unaudited)	% of Revenue	RMB'000 (Audited)	% of Revenue	Change
Administrative Expenses	**174,426**	**6.9%**	143,234	9.4%	21.8%

For the six months ended June 30, 2026, the Company's administrative expenses amounted to RMB174.4 million, representing a year-on-year increase of 21.8%. The administrative expense ratio stood at 6.9%, representing a year-on-year decrease of 2.5 percentage points. The primary reason for the change was the expansion of the Company's scale. As the Company continued to strengthen its management team, the headcount of administrative personnel increased, leading to higher total remuneration costs. However, the growth rate of these expenses remained lower than that of revenue.

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RESEARCH AND DEVELOPMENT EXPENSES

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

	For the six months ended June 30,				
	2026		2025		
	RMB'000 (Unaudited)	**% of Revenue**	RMB'000 (Audited)	% of Revenue	**Change**
Research and Development Expenses	**446,329**	**17.6%**	361,282	23.7%	23.5%

For the six months ended June 30, 2026, the Company's research and development expenses reached RMB446.3 million, representing a year-on-year increase of 23.5%. The research and development expenses ratio was 17.6%, representing a year-on-year decrease of 6.1 percentage points. This is primarily due to the Company's consistent commitment to expanding its product portfolio and deepening its core technologies. In order to capitalize on long-term growth opportunities, attract and retain key talent, continuously refine its product portfolio, and thereby lay a solid foundation for future revenue growth, the Company has consistently allocated resources to areas such as R&D investment and talent development, resulting in an increase in total R&D expenses, while the growth rate remained lower than that of revenue.

OTHER NET INCOME

The Company's other income increased from RMB41.7 million for the six months ended June 30, 2025 to RMB110.1 million for the six months ended June 30, 2026, primarily due to an increase in the gain arising from changes in the fair value of financial assets measured at fair value through profit or loss for the period compared with the previous period.

FINANCE COSTS

The Company's finance costs increased from RMB11.3 million for the six months ended June 30, 2025 to RMB12.8 million for the six months ended June 30, 2026. Specifically: loan expenses increased from RMB11.0 million for the six months ended June 30, 2025 to RMB12.5 million for the six months ended June 30, 2026, primarily due to the Company's expanding business scale and increased working capital requirements.

PROFIT FOR THE PERIOD

The Company's profit for the period for the six months ended June 30, 2026 was RMB65.1 million, compared with a loss for this period of RMB78.0 million for the six months ended June 30, 2025, representing a turnaround from loss to profit. This was primarily due to the rapid growth in customer demand across downstream sectors such as automotive electronics, photovoltaics and energy storage, industrial automation, and server power supplies, which led to a substantial increase in the shipment volume of the Company's relevant products; the Company has continued to focus its product R&D on downstream application scenarios, continuously enriching its portfolio of semiconductor products and solutions, with the number of product models available for sale steadily increasing and sales continuing to expand steadily; the strategic expansion of overseas operations has continued to advance, with revenue contributions from overseas customers rising steadily, resulting in a significant increase in profit for this period for the six months ended June 30, 2026.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets out the absolute amount of the condensed consolidated statements of financial position as at June 30, 2026 and December 31, 2025:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Total non-current assets	**4,583,472**	3,503,922
Total current assets	**5,929,338**	6,177,578
Total assets	**10,512,810**	9,681,500
Total non-current liabilities	**1,577,431**	1,014,811
Total current liabilities	**1,174,114**	1,051,926
Total liabilities	**2,751,545**	2,066,737
Net current assets	**4,755,224**	5,125,652
Net assets	**7,761,265**	7,614,763
Share capital	**162,623**	161,597
Treasury shares	**(215,010)**	(127,664)
Reserves	**7,794,998**	7,563,249
Total equity attributable to equity shareholders of the Company	**7,742,611**	7,597,182
Non-controlling interests	**18,654**	17,581
Total equity	**7,761,265**	7,614,763

The Company's total non-current assets increased from RMB3,503.9 million as of December 31, 2025 to RMB4,583.5 million as of June 30, 2026, primarily due to an increase in property, plant, and equipment, and long-term receivables relating to capacity deposits.

The Company's total current assets decreased from RMB6,177.6 million as of December 31, 2025 to RMB5,929.3 million as of June 30, 2026, primarily due to the decrease in financial assets measured at FVPL.

The Company's total non-current liabilities increased from RMB1,014.8 million as of December 31, 2025 to RMB1,577.4 million as of June 30, 2026, primarily due to the increase in interest-bearing borrowings.

FINANCIAL REVIEW

The Company's total current liabilities increased from RMB1,051.9 million as of December 31, 2025 to RMB1,174.1 million as of June 30, 2026, primarily due to an increase in trade and other payables, and interest-bearing borrowings repayable within one year.

The Company's net assets increased from RMB7,614.8 million as of December 31, 2025 to RMB7,761.3 million as of June 30, 2026, primarily due to exercise of the over-allotment option during the Reporting Period.

CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table sets forth selected information from the Company's cash flows for the six months ended June 30, 2026 and for the six months ended June 30, 2025:

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Net cash used in operating activities	**(710,483)**	(307,665)
Net cash (used in)/generated from investing activities	**(50,102)**	13,180
Net cash generated from/(used in) financing activities	**667,200**	(7,347)
Net decrease in cash and cash equivalents	**(93,385)**	(301,832)
Cash and cash equivalents as at January 1	**2,464,327**	1,012,215
Effect of foreign exchange rate changes	**(71,258)**	2,584
Cash and cash equivalents as at June 30	**2,299,684**	712,967

For the six months ended June 30, 2026, the Company's net cash used in operating activities was RMB710.5 million. On the one hand, the Company's sales volume continued to grow rapidly, with both cash paid for the purchase of goods and services and cash received from the sale of goods and provision of services showing significant increases, while cash paid for the purchase of goods and services grew at a relatively faster rate due to production capacity and inventory requirements. On the other hand, the Company adheres to a people-oriented approach and continues to invest resources in talent development, resulting in a corresponding increase in cash paid to and on behalf of employees.

For the six months ended June 30, 2026, the Company's net cash used in investing activities was RMB50.1 million, primarily consisting of payments of RMB347.2 million for the purchase of property, plant and equipment, and payments of RMB135.0 million for the acquisition of associates, which was partially offset by net proceeds of RMB405.7 million from disposal of financial asset measured at FVPL.

For the six months ended June 30, 2026, the Company's net cash generated from financing activities was RMB667.2 million, primarily consisting of proceeds of RMB103.2 million from the Global Offering and bank loans received of RMB655.6 million, and payments of RMB87.3 million for the share buy-back (including transaction commissions and other fees).

LIQUIDITY AND FINANCIAL RESOURCES

The Company maintains sufficient cash and cash equivalents to ensure financial flexibility. The Company's cash and cash equivalents primarily consist of cash at bank and on hand, demand deposits held with banks, and other highly liquid short-term investments. The table below sets forth the absolute amounts of the Company's cash and cash equivalents as of June 30, 2026 and December 31, 2025:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Cash at bank and on hand	**2,299,119**	2,378,379
Deposits with other financial institutions	**2,030**	87,248
Total	**2,301,149**	2,465,627

As of June 30, 2026, the Company's cash and cash equivalents totaled RMB2,301.1 million, comprising RMB455.8 million, HK$1,258.7 million, US$108.8 million and EUR0.5 million, JPY90.8 million and KRW782.6 million.

The Company's cash and cash equivalents decreased from RMB2,465.6 million as of December 31, 2025 to RMB2,301.1 million as of June 30, 2026, primarily due to the Company's continuously expanding sales volume and the substantial working capital expenditure required for production and operations.

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Bank loans	**1,581,271**	967,049
Other borrowings	**–**	–
Less: amount included under "current liabilities"	**(189,870)**	(115,537)
Total	**1,391,401**	851,512

The Company's current borrowings increased from RMB115.5 million as of December 31, 2025 to RMB189.9 million as of June 30, 2026, primarily due to the increase in the amount of long-term borrowings due within one year.

The Company's non-current borrowings increased from RMB851.5 million as of December 31, 2025 to RMB1,391.4 million as of June 30, 2026, primarily due to rapid business expansion, increased demand for working capital, and the corresponding increase in bank loans.

As of June 30, 2026, the Company's total interest-bearing borrowings amounted to RMB1,581.3 million, of which RMB1,563.6 million were denominated in RMB and US$2.6 million were denominated in US dollars; of the Company's interest-bearing borrowings, RMB5.0 million were fixed-rate borrowings with an interest rate of 2.7%.

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

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Bank loans		
– secured (i)	**319,581**	330,765
– pledged (ii)	**488,710**	486,909
– unsecured	**772,980**	141,369
– guaranteed	**–**	8,006
	1,581,271	967,049
Less: amount included under "current liabilities"	**(189,870)**	(115,537)
	1,391,401	851,512

(i) As at June 30, 2026, the Group's property, plant and equipment with an aggregate carrying amount of RMB517,769,000 (December 31, 2025: RMB526,979,000), were pledged as security for bank loans granted to the Group.

(ii) As at June 30, 2026, the Group pledged its equity interest in MagnTek Group to trust financing companies as collateral.

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

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Within 1 year or on demand	**189,870**	115,537
After 1 year but within 2 years	**229,070**	128,148
After 2 years but within 5 years	**1,061,907**	615,785
After 5 years	**100,424**	107,579
	1,391,401	851,512
	1,581,271	967,049

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

The Company maintains a sound capital ratio to support its business and manages its asset structure through the gearing ratio. The table below sets forth the amounts of total assets and total liabilities, as well as the gearing ratio, as of June 30, 2026 and December 31, 2025:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Total assets	**10,512,810**	9,681,500
Total liabilities	**2,751,545**	2,066,737
Gearing ratio	**26.2%**	21.3%

The Company's gearing ratio (defined as the ratio of total liabilities to total assets) increased from 21.3% as of December 31, 2025 to 26.2% as of June 30, 2026, primarily due to the increase in borrowings of the Company during the Reporting Period.

As of June 30, 2026, monetary assets accounted for approximately 39% of the Company's total current assets. Taking into account the Company's available financial resources, including cash and cash equivalents, available bank financing, cash flows from operating activities, and net proceeds from the Global Offering, the Company has sufficient working capital to sustain operations for at least 12 months. The Group adopts a prudent approach in respect of its funding and treasury policies. To manage liquidity risk, the Group closely monitors its liquidity ratio to ensure that the liquidity structure of its assets and liabilities meets the Company's needs.

CAPITAL COMMITMENTS

The following table sets forth the absolute amounts of the Company's capital commitments as of June 30, 2026 and December 31, 2025:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Contracted for acquisition of property, plant and equipment	**208,621**	201,878

As of June 30, 2026, the Company's capital commitments amounted to RMB208.6 million, primarily consisting of long-term asset purchase agreements entered into to ensure production capacity in response to the rapid growth of the Company's business scale.

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CAPITAL EXPENDITURES

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

	For the six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Payment for the purchase of property, plant, and equipment, and intangible assets	**347,233**	144,376
Net cash paid for the acquisition of subsidiaries	**20,058**	60,176
Payment for the purchase of associates	**135,028**	10,000
Total	**502,319**	214,552

The Company's capital expenditure includes payment for the purchase of property, plant and equipment and intangible assets, net cash paid for the acquisition of subsidiaries, and payment for the purchase of associates. The Company's capital expenditure increased from RMB214.6 million for the six months ended June 30, 2025 to RMB502.3 million for the six months ended June 30, 2026, mainly due to an increase of RMB202.9 million in payments made during the Reporting Period for the purchase of property, plant and equipment, and intangible assets. During the Reporting Period, demand from customers in downstream sectors such as automotive electronics, photovoltaics and energy storage, industrial automation, and server power supplies grew rapidly, prompting the Company to increase its capital expenditure to meet production requirements.

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

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As of June 30, 2026, the Company did not have any plans for material investments or capital assets.

CONTINGENT LIABILITIES

As of June 30, 2026, the Company had no material contingent liabilities that need to be disclosed (as of December 31, 2025: nil).

FOREIGN EXCHANGE RISK

The Company operates globally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currencies of our subsidiaries. During the Reporting Period, the Group did not use any financial instruments to hedge against foreign exchange risk.

PLEDGE OF ASSETS

As of June 30, 2026, the net book value of collateral pledged or mortgaged by the Company to secure bank borrowings was RMB1,213.5 million (as of December 31, 2025: RMB1,222.7 million), primarily consisting of buildings and equity.

Save as disclosed above, the Group had no other material asset pledges or charges on assets as of June 30, 2026.

OFF-BALANCE SHEET ARRANGEMENTS

As of June 30, 2026, the Company had not entered into and did not expect to enter into any off-balance sheet arrangements.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

During the Reporting Period, the Company made an additional investment of RMB100 million in its joint venture, Suzhou Yuanxin Hezhi Management Consulting Partnership (Limited Partnership) (蘇州遠芯合智管理諮詢合夥企業(有限合夥)), and an additional investment of approximately RMB87.57 million in its associate, Xinxian Semiconductor (Suzhou) Co., Ltd (芯弦半導體(蘇州)有限公司). The above investments do not constitute notifiable transactions as defined in Chapter 14 of the Hong Kong Listing Rules.

During the Reporting Period, the Company did not hold any significant investments, nor did it make any material acquisitions or disposals of subsidiaries, associates and joint ventures.

On June 21, 2024, our Company entered into the Partnership Interest Transfer Agreement to acquire 13.5% partnership interest in Shanghai Lairui Enterprise Management Partnership (Limited Partnership) (上海萊睿企業管理合夥企業(有限合夥)) ("**Shanghai Lairui**"), which in turn holds a 17.6% equity interest in Shanghai MagnTek Microelectronics Inc. (上海麥歌恩微電子股份有限公司) ("**MagnTek**"), and 43.8% partnership interest in Shanghai Liuci Enterprise Management Partnership (Limited Partnership) (上海留詞企業管理合夥企業(有限合夥)) ("**Shanghai Liuci**"), which in turn holds a 19.8% equity interest in MagnTek. On October 14, 2024, our Company entered into a supplemental agreement to the Partnership Interest Transfer Agreement, pursuant to which our Company and Suzhou Naxing acquired all the remaining partnership interests in Shanghai Lairui and Shanghai Liuci. On June 21, 2024, our Company entered into the Equity Transfer Agreement, whereby our Company acquired 62.7% equity interest in MagnTek from QST Corporation Limited (上海矽睿科技股份有限公司) ("**QST**") and 5.6% equity interest in MagnTek from Shanghai Lairui. On October 18, 2024, the Company gained the control and consolidated the results of MagnTek. MagnTek's core business is the design and manufacture of high-performance magnetic sensors, which are highly complementary to the product portfolio of the Company and will further enhance our sensor product portfolio. By integrating technical R&D, downstream customer, and supply chain resources, we aim to achieve synergies, optimize our product structure, and enhance our overall market competitiveness and long-term sustainability. Therefore, the Board believes that the acquisition of MagnTek offers strong performance and promising prospects.

The financial performance commitment period for this equity transfer is 2024, 2025 and 2026. The transferors committed that the target company would record a net profit of RMB39.1 million for the year 2024, a net profit of RMB51.5 million for the year 2025, and a net profit of RMB75.7 million for the year 2026. If the target company's accumulated actual net profit during the financial performance commitment period is lower than the total committed net profit mentioned above (i.e., RMB166.3 million), the parties agree that the transferee shall not be required to pay the transferor the fourth installment of the transfer consideration as stipulated in the equity transfer agreement.

As of June 30, 2026, the fulfillment of the relevant financial performance commitments is as follows:

Unit: RMB'000

Commitment Background	Commitment Party	Commitment Period	Performance Metric	Committed Amount	Actual Achieved Amount	Completion Rate (%)
Commitments related to the financial performance of MagnTek	QST Corporation Limited	From 2024 to 2026, and from the closing date of this partnership interest transfer to the date when the transferor fulfills the financial performance commitments or profit compensation as stipulated in this agreement	Net profits	166,340.0	154,154.7	92.67

USE OF PROCEEDS

During the Reporting Period, the Company's use of funds raised from its A share offering was as follows:

Pursuant to the Approval on the Registration of the Initial Public Offering of Suzhou Novosense Microelectronics Co., Ltd. (CSRC Permit [2022] No. 427) issued by the China Securities Regulatory Commission on March 1, 2022, the Company was approved to publicly issue 25.3 million shares of RMB ordinary shares at an issue price of RMB230.0 per share, for a total fundraising amount of RMB5.81 billion; After deducting underwriting and sponsorship fees, issuance registration fees, and other issuance expenses totaling RMB0.23 billion (excluding VAT), the net proceeds amounted to RMB5.58 billion. These funds have been fully received and verified by Pan-China Certified Public Accountants LLP, which issued the "Pan-China Yan [2022] No. 148" "Capital Verification Report" on April 19, 2022.

For the six months ended June 30, 2026, the Company utilized RMB5,134,965.65 of the A share proceeds. As of the end of the Reporting Period, a cumulative total of RMB5,747,568,886.80 of the A share proceeds had been utilized, with the details of such utilization as follows:

Item	Planned use of net proceeds RMB million	**Net amount used as of June 30, 2026 RMB million**
Signal chain chip development and system application project	439.0	**409.6**
R&D center construction project	89.0	**89.5**
Working capital replenishment	222.0	**222.0**
Over-raised funds	4,831.2	**5,026.5**
Total	5,581.2	**5,747.6**

As of June 30, 2026, the net proceeds used exceeded net proceeds allocated for use, which is primarily due to the fact that net proceeds used include interest earned on raised funds and cash management income.

During the Reporting Period, the use of proceeds from the Company's H Shares is as follows:

Approved by the "Notice of Filing for Overseas Issuance and Listing of Suzhou Novosense Microelectronics Co., Ltd." (Guo He Han [2025] No. 1817) (國合函[2025]1817號文《關於蘇州納芯微電子股份有限公司境外發行上市備案通知書》) issued by the CSRC on October 17, 2025, the Company issued H Shares and was listed on the Main Board of the Stock Exchange of Hong Kong on December 8, 2025. A total of 19,068,400 H Shares with a nominal value of RMB1.00 each were issued under the Hong Kong Public Offering and the International Offering at an Offer Price of HK$116.0 per share. Subsequently, on January 2, 2026, the Company issued 1,026,600 H Shares with a nominal value of RMB1.00 each pursuant to the Over-allotment Option at an Offer Price of HK$116.0 per share. The Company issued a total of 20,095,000 H Shares this time. After deducting the issuance expenses directly attributable to the issuance of new shares, the net proceeds were HK$2,210 million (equivalent to approximately RMB2,010 million, of which the net proceeds from the issuance of H Shares on December 8, 2025, were approximately RMB1,910 million, and the net proceeds from the issuance of H Shares pursuant to the Over-allotment Option on January 2, 2026, were approximately RMB100 million; the net proceeds available per share were approximately RMB100.0).

According to the Company's H Share prospectus, approximately 18% of the net proceeds from this H Share issuance will be used for enhancing the foundational R&D capabilities and manufacturing process platforms, approximately 22% will be used to further enrich our product portfolio, approximately 25% will be used for expanding the overseas sales network and promoting our products in overseas markets, approximately 25% will be used for strategic investments and/or acquisition, and approximately 10% will be used for working capital and general corporate uses. As of June 30, 2026, there is no change in the use of proceeds disclosed in the H Share prospectus.

As of June 30, 2026, the details of the use of net proceeds from this H Share issuance are set out as follows:

Purposes	Percentage of net proceeds	Net proceeds RMB million[Note 2]	Unutilized amount as of January 1, 2026 RMB million	Utilized amount during the Reporting Period RMB million	Utilized amount as of June 30, 2026 RMB million	Unutilized amount as of June 30, 2026 RMB million	Expected timetable of full utilization of the remaining net proceeds [Note 1]
Enhancing our foundational R&D capabilities and manufacturing process platforms	18%	361.6	343.0	27.9	27.9	333.7	Before December 31, 2030
Further enrich our product portfolio	22%	442.0	419.3	32.0	32.0	410.0	Before December 31, 2030
Expanding our overseas sales network and promoting our products in overseas markets	25%	502.3	476.5	28.6	28.6	473.7	Before December 31, 2030
Strategic investments and/or acquisition	25%	502.2	476.4	100.0	100.0	402.2	Before December 31, 2030
Working capital and general corporate uses	10%	200.9	190.6	71.9	71.9	129.0	Before December 31, 2030
Total	100%	2,009.0	1,905.8	260.4	260.4	1,748.6	

Note:

1. The expected timeline for utilizing the unutilized amount is based on the Group's best estimate of future market conditions, which may be subject to change based on the development of current and future market conditions.

2. This includes the additional proceeds received by the Company from the allotment and issuance of the 1,026,600 H Shares following the partial exercise of the Over-allotment Option on January 2, 2026.

OTHER INFORMATION

DIVIDEND

For the six months ended June 30, 2026, the Company had not paid or proposed any dividend (for the six months ended June 30, 2025: nil).

The Board is not aware of any shareholders who have waived or agreed to waive any dividend.

REPURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

For the six months ended June 30, 2026, the Company repurchased a total of 521,686 A Shares and held them as treasury Shares (the "**Repurchased Shares**") on the Shanghai Stock Exchange for an aggregate consideration of RMB87,336,043.66 (excluding commissions and additional fees). The repurchase was conducted with the intention to be fully used for employee share ownership plans or equity incentives at an appropriate time in the future. Details of the Repurchased Shares are as follows:

		Price Per Share Paid		
Date of Repurchase	**Number of Shares Repurchased**	**Highest Price** RMB	**Lowest Price** RMB	**Aggregate Consideration** RMB
January 5, 2026	256,441	163.20	160.20	41,424,481.88
January 12, 2026	175,488	175.39	172.88	30,510,585.45
January 13, 2026	89,757	172.99	169.94	15,400,976.33
Total	**521,686**			**87,336,043.66**

As at June 30, 2026, the Company held 1,373,858 A Shares as treasury Shares, which are intended to be used for employee share ownership plans or equity incentive schemes at an appropriate time in the future. As of June 30, 2026, the Company did not hold any H Shares as treasury shares.

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

CORPORATE GOVERNANCE PRACTICES

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

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

The Company has adopted the code provisions of the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules as the basis of the Company's corporate governance practices. The Board considers that, save as disclosed in this report, the Company has complied with all applicable code provisions contained in the Corporate Governance Code during the Reporting Period.

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

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Reference is made to the announcement of the Company dated July 17, 2026. Pursuant to the relevant regulations of the CSRC and the Shanghai Stock Exchange, the term of office of an independent non-executive director is limited to a maximum of six years. In view of the aforementioned six-year term limit for independent non-executive directors, Dr. Hong Zhilang, Dr. Chen Xichan and Mr. Wang Ruwei retired as directors upon the expiry of the terms of office of the third session of the Board. Following approval at the Company's third extraordinary general meeting of 2026 held on August 6, 2026, Mr. Zhang Shuai was appointed as a non-executive director of the Company, Dr. Zhang Limin and Dr. Leng Qunwen were appointed as independent non-executive directors of the Company.

Save as disclosed above, there have been no material changes to the information regarding the directors and the Chief Executive Officer during the reporting period and up to the date of this report that are required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

OTHER INFORMATION

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Hong Kong Listing Rules as its code of conduct regarding securities transactions by the Directors. Specific enquiries have been made to all Directors, and the Directors have confirmed that they have complied with the Model Code for the six months ended June 30, 2026.

The Company has also established the "System for the Administration of Information Disclosure" and the "Management System for the Registration of Insiders with Access to Insider Information" (collectively referred to as the "**Regulations on Information Disclosure**") for securities transactions by employees who are likely to be in possession of inside information of the Company or its securities due to their position or employment, on terms no less exacting than the Model Code. To the best knowledge of the Directors, there was no incident of non-compliance with the Regulations on Information Disclosure by any employees for the six months ended June 30, 2026.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Hong Kong Listing Rules and the CG Code, and as at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Ms. Du Linlin, Dr. Zhang Limin and Dr. Leng Qunwen. Ms. Du Linlin is the chairperson of the Audit Committee..

The Audit Committee has reviewed with the management of the Company the accounting standards and practices adopted by the Group and discussed the auditing, risk management, internal control, and financial reporting matters, including review of the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2026, and discussed risk management and internal control matters, with no disagreements.

Relations with Employees and Remuneration Policy

The Group's total employees increased by 9.3% from 1,345 as at December 31, 2025 to 1,470 as at June 30, 2026. During the Reporting Period, the staff costs of the Group amounted to RMB605.9 million (including salaries, wages and other benefits, contributions to defined contribution retirement plans and equity-settled share-based transactions).

According to its actual operating conditions and fully considering the characteristics of the region and industry it operates in, the Company is committed to building a systematic and comprehensive remuneration and benefits guarantee system for its employees. The Company has formulated the Remuneration Management System to establish a scientific and reasonable remuneration system, aligning the remuneration level with the Company's performance and employees' individual contributions, promoting internal fairness, and fully exerting its role in attracting, motivating, and retaining talent. The Company conducts remuneration management adhering to the principles of fairness, competitiveness, motivation, economy, and rationality, and strictly complies with the relevant laws, regulations, and policies of the national and local governments regarding statutory benefits such as social insurance, housing provident funds, and statutory annual leave. On the basis of statutory benefits, the Company continuously improves its market-competitive supplementary benefits system, providing all employees with welfare items such as paid welfare annual leave, supplementary commercial insurance, team-building funds, holiday gifts, and employee birthday congratulatory payments, providing strong support for the Company to attract and retain talent.

With "reliability, trustworthiness, continuous learning, and commitment to long-term value" as its core values, the Company places great emphasis on talent development and skill enhancement, and continuously refines its training and professional development mechanisms. The Company has established a diversified learning system, with training courses divided into two main categories: specialized and general. The content focuses on three key dimensions, professional competence, leadership, and general competencies, and is delivered through a blended online and offline model. Employees can independently select courses based on their individual development stage and business needs, ensuring fairness and accessibility in development opportunities. At the same time, the Company places great emphasis on internal knowledge retention and succession, establishing robust internal knowledge-sharing mechanisms. We invite employees with extensive knowledge and deep practical experience to distill and share their business insights and expertise, thereby efficiently promoting knowledge accumulation and sharing. By continuously advancing capability development and the operation of learning platforms, the Company actively fosters a strong learning organization culture. This approach continuously enhances employees' resilience and the organization's learning capacity, providing a solid human capital foundation for stable business operations, compliance management, and long-term value creation. Ultimately, this enables the mutual growth and collaborative development of both employees and the Company.

SUMMARY OF THE RESTRICTED SHARE INCENTIVE PLANS

During the Reporting Period, the Company's existing Restricted Share Incentive Plans comprised the 2022 Restricted Share Incentive Plans and the 2023 Restricted Share Incentive Plans. Given that no further restricted shares will be granted under the above Restricted Share Incentive Plans following the listing of the Company's H shares, the terms of such Restricted Share Incentive Plans are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules.

1. Purpose

The purpose of the Restricted Share Incentive Plans is to further improve the Group's incentive mechanism, attract and retain outstanding talents, fully mobilize the enthusiasm of the Group's employees and enable all parties to jointly focus on the long-term development of the Group. The Restricted Share Incentive Plans are implemented to align the interests of our Shareholders with the interests of our Group and employees.

2. Participants

The participants of our 2022 Restricted Share Incentive Plan include our directors, senior management and core technical staff and key employees. The participants of our 2023 Restricted Share Incentive Plan include our core technical staff and key employees. Participants in the aforementioned Restricted Share Incentive Plan do not include independent directors and former supervisors.

3. Source and Maximum Number of Shares

For our 2022 Restricted Share Incentive Plan, the underlying A Shares are the A Shares to be issued by our Company to the grantee under our 2022 Restricted Share Incentive Plan. For our 2023 Restricted Share Incentive Plan, the underlying A Shares are the A Shares to be issued by our Company and/or repurchased by our Company from the secondary market. The restricted Shares are subject to a vesting period and will only be vested upon fulfilling the vesting conditions stipulated. The maximum number of restricted Shares that can be granted under each of the Restricted Share Incentive Plans is as follows:

Restricted Share Incentive Plan	Maximum number of restricted Shares to be granted under the Plan
2022 Restricted Share Incentive Plan	4,200,000[Note]
2023 Restricted Share Incentive Plan	3,800,000

Note: The maximum number of restricted Shares to be granted under the Plan was initially 3,000,000. Among the 3,000,000 restricted Shares, 229,272 restricted Shares (the "**2022 Retained Restricted Shares**") were reserved for grant. In June 2023, pursuant to the 2022 profit distribution and capitalization of capital reserves plan, the maximum number of restricted Shares to be granted has been adjusted to 4,200,000. Among the 4,200,000 restricted Shares, the number of 2022 Retained Restricted Shares has been adjusted to 320,981.

4. Date of Grant and Term of the Restricted Share Incentive Plans

The date on which the restricted Shares are granted shall be determined by the Board after the approval of the Restricted Share Incentive Plans by the Shareholders' meeting and shall be a trading day. Under the Company's Restricted Share Incentive Plans, the grant of restricted Shares, excluding the 2022 Retained Restricted Shares, shall be completed and announced within 60 days after the approval of such plans by the Shareholders' meeting.

The 2022 Restricted Share Incentive Plan shall be effective from the date of the initial grant of restricted Shares under such plan up to the date when all of the restricted Shares granted under the plans have been vested or void and lapsed, provided that the term of the plan shall not exceed 72 months.

The 2023 Restricted Share Incentive Plan shall be effective from the date of the grant of restricted Shares under such plan up to the date when all of the restricted Shares granted under the plans have been vested or void and lapsed, provided that the term of the plan shall not exceed 48 months.

5. Lock-up for Directors and Senior Management

If the grantee is a Director or a member of senior management of our Company,

(1) during their employment with our Company, the Shares to be transferred in each year shall not exceed 25% of the total Shares he or she holds, and no Share held by such Director or senior management can be transferred within six months after the termination of his or her employment with our Company;

(2) income gained through (i) sale of Shares within six months of purchase of Shares; or (ii) purchase of Shares within six months of sale of Shares, shall belong to our Company and the Board will claw back such proceeds;

(3) the grantee is also subject to the lock-up requirements under applicable laws and regulations; and

(4) if there is any change in the applicable laws and regulations on the lock-up requirements, the grantee shall comply with the amended laws and regulations.

6. Conditions to the Grant of Restricted Shares

The restricted Shares under the Restricted Share Incentive Plans shall be granted to selected participants subject to the fulfillment of the following conditions:

(i) with respect to our 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 accountant with respect to our Company's accountant's 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 accountant with respect to the internal control of the financial report for the most recent fiscal year;

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

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

(5) other circumstances determined by the CSRC; and

(ii) 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 and its local office within the last 12 months;

(3) the grantee has received administrative penalty or been prohibited from entering into the securities market by the CSRC and its local office due to material non-compliance with applicable laws and regulations 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 share incentive of listed companies according to applicable laws and regulations; or

(6) other circumstances determined by the CSRC.

7. Vesting of Restricted Shares

The restricted Shares shall be vested when (i) the conditions set out above are fulfilled; (ii) the grantee has served our Group for more than 12 months; and (iii) the annual assessment and performance targets as set out under the respective Restricted Share Incentive Plans are achieved.

The restricted Shares will be vested in accordance with the vesting schedule as set out under the Restricted Share Incentive Plans as follows:

(1) under the 2022 Restricted Share Incentive Plan, the vesting schedule for the restricted Shares is (i) 25% to be vested between the first year and the second year from the date of the initial grant/reserved; (ii) 25% to be vested between the second year and the third year from the date of the initial grant/reserved; (iii) 25% to be vested between the third year and the fourth year from the date of the initial grant/reserved; and (iv) 25% to be vested between the fourth year and the fifth year from the date of the initial grant/reserved; and

(2) under the 2023 Restricted Share Incentive Plan, the vesting schedule for the restricted Shares is (i) 40% to be vested between the first year and the second year from the date of grant; (ii) 30% to be vested between the second year and the third year from the date of grant; and (iii) 30% to be vested between the third year and the fourth year from the date of grant.

The number of restricted Shares granted and/or vested and/or the grant prices shall be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, distribution of dividends, subdivision of shares, placing and share reduction. Our Company may void the granted but unvested restricted Shares upon occurrence of certain events as set out in the Restricted Share Incentive Plans, including but not limited to the termination of employment of the grantees with our Company.

8. Determination of Grant Prices

The grant prices of the restricted Shares were determined by way of independent pricing, taking into comprehensive consideration factors such as the effectiveness of the incentive plans and the impact of the Company's share-based payment expenses. The Company reasonably determined the scope of the grantees and the number of equity interests granted, followed the principle of matching incentives with constraints, and reflected the actual incentive needs of our Company.

9. Unvested Restricted Shares

As of the date of this report, a total of 8,000,000 restricted Shares had been granted under the 2022 Restricted Share Incentive Plan and the 2023 Restricted Share Incentive Plan of our Company. Following the review by the Board of our Company, a total of 3,389,335 restricted Shares have vested; a total of 3,427,885 restricted Shares had lapsed due to reasons such as the failure of the grantees to meet their performance assessment targets and the failure to achieve the annual assessment and performance targets for the relevant year; and the remaining 1,182,780 restricted Shares remained unvested, representing approximately 0.72% of the total number of issued shares of our Company (excluding treasury shares).

10. Changes in the Number of Restricted Shares during the Reporting Period and Validity Period of the Scheme

Name and category of the participant	Number of unvested restricted Shares as at January 1, 2026 (share)	Number of vested restricted Shares during the Reporting Period (share)	Lapsed during the Reporting Period (share)	Number of unvested restricted Shares as at June 30, 2026 (share)	Grant price (RMB/share)	Weighted average closing price of relevant Shares immediately before the vesting date (RMB/share)	Date of grant	Validity period of the Plan
Director								
Jiang Chaoshang	4,900	0	0	4,900	68	N/A	2022/6/21	2022/6/21–2028/6/20
Non-director employees								
2022 Restricted Share Incentive Plan	1,033,941	0	0	1,033,941	68	N/A	Initial grant 2022/6/21 Reserved grant 2022/10/25	2022/6/21–2028/6/20 and 2022/10/25–2028/10/24
2023 Restricted Share Incentive Plan	1,103,196	0	0	1,103,196	49	N/A	2023/9/18	2023/9/18–2027/9/17

Note:

(1) The vesting arrangements followed the vesting schedule under the Restricted Share Incentive Plans as disclosed above.

(2) Save as disclosed above, no restricted Shares had been granted to (i) Directors, chief executive or substantial shareholders of the Company, or their respective associates; (ii) participant with options and awards granted and to be granted in excess of the 1% individual limit; or (iii) related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue.

During the Reporting Period, the number of Shares that may be issued in respect of the Shares granted under the 2022 and 2023 Restricted Share Incentive Plans amounting to 2,142,037 (as of June 30, 2026, a total of 2,507,521 restricted Shares were vested; a total of 3,350,442 restricted Shares had lapsed; and 2,142,037 restricted Shares remained unvested) divided by the weighted average number of Shares of the relevant class in issue (excluding treasury Shares) for the six months ended June 30, 2026 was 1.52%.

As at the date of this report, 881,814 A shares under the 2022 Restricted Share Incentive Scheme were vested on July 8, 2026 and were admitted to trading on the Shanghai Stock Exchange on July 15, 2026, of which 4,900 shares were vested to Mr. Jiang Chaoshang, an executive director of the Company. The grant price of these vested shares was RMB68 per share, and the weighted average closing price immediately prior to the vesting date was RMB251.55 per share.

Reference is made to the announcement of the Company dated July 23, 2026. The Company's 2026 H Share Scheme and 2026 A Share Restricted Share Incentive Scheme were approved at the extraordinary general meeting held on July 23, 2026.

EVENTS AFTER THE REPORTING PERIOD

On July 23, 2026, the Company granted 464,953 A Share Type II Restricted Shares to five hundred and twenty-eight employees with a grant price of RMB139.87 per share. On the same day, the Company granted 859,226 H Share Awards to sixty-three employees and nine service providers with a grant price of HK$72.60 per share. No adjustment has been made in this interim financial report in this regard.

Save as disclosed above, the Company has not experienced any other significant events since the end of the Reporting Period.

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As of June 30, 2026, to the best of the knowledge of the Company, the interests and short position of the Directors and chief executives in the share capital and underlying Shares of the Company or its associated corporations (as defined in Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or 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 or pursuant to the Model Code were as follows:

(1) Interests and Short Position in Shares of the Company

Name	Nature of interest	Class of Share	Number of Shares held/ Nature of Shares Held	Percentage of the respective type of Shares[6]	Percentage of the total issued share capital[6]
Mr. Wang Shengyang[1][2][3]	Beneficial owner Interest in controlled corporation Interest held jointly with other persons	A Shares	44,336,080 (Long position)	31.11%	27.26%
Mr. Sheng Yun[1][3][4]	Beneficial owner Interest in controlled corporation Interest held jointly with other persons	A Shares	44,336,080 (Long position)	31.11%	27.26%
Mr. Wang Yifeng[1][3]	Beneficial owner Interest held jointly with other persons	A Shares	44,336,080 (Long position)	31.11%	27.26%
Mr. Jiang Chaoshang[5]	Beneficial owner	A Shares	9,800 (Long position)	0.01%	0.01%

Notes:

(1) As of June 30, 2026, Mr. Wang Shengyang, Mr. Sheng Yun and Mr. Wang Yifeng directly held 15,487,920, 14,432,040 and 5,415,480 A Shares, respectively.

(2) As of June 30, 2026, Mr. Wang Shengyang was the general partner of Ruixi Information Consulting, Naxin No.1, Naxin No. 2 and Naxin No.3. By virtue of the SFO, Mr. Wang Shengyang is deemed to be interested in the total 9,000,640 A Shares held by Ruixi Information Consulting, Naxin No.1, Naxin No.2 and Naxin No.3.

(3) Mr. Wang Shengyang, Mr. Sheng Yun and Mr. Wang Yifeng entered into an Acting-in-Concert Agreement on March 8, 2016, as supplemented on September 30, 2020 and with an effective period of 60 months commencing from the date on which our A Shares were listed on the STAR Market of the Shanghai Stock Exchange, Mr. Wang Shengyang, Mr. Sheng Yun and Mr. Wang Yifeng agreed, among other things, that (i) each of them together with the entities they control, shall act in concert when voting at general meetings of our Company and meetings of our Board; (ii) Mr. Sheng Yun and Mr. Wang Yifeng shall follow Mr. Wang Shengyang's vote to arrive at a unanimous consent in case there is any disagreement; and (iii) the Acting-in-Concert Agreement shall be automatically renewed before its expiry unless terminated by Mr. Wang Shengyang, Mr. Sheng Yun and Mr. Wang Yifeng. Pursuant to the SFO, Mr. Wang Shengyang, Mr. Sheng Yun and Mr. Wang Yifeng are deemed to have an interest in the shares and underlying shares held by each other.

(4) As of June 30, 2026, Ruixi Information Consulting was owned by Mr. Sheng Yun as to 40%. By virtue of the SFO, Mr. Sheng Yun was deemed to be interested in the 6,526,800 A Shares held by Ruixi Information Consulting.

(5) Among them, 4,900 A shares are restricted shares scheduled for vesting under the 2022 Restricted Share Incentive Plan.

(6) As at June 30, 2026, the Company had a total of 162,623,433 issued shares, comprising 142,528,433 A Shares and 20,095,000 H Shares (including treasury shares). The above calculation is based on the total number of issued shares and the total number of relevant classes of shares (including treasury shares) as of June 30, 2026.

(2) Interest in Associated Corporations of the Company

Name	Nature of Interest	Member of our Group	% of Shareholding
Mr. Jiang Chaoshang	Beneficial owner[2]	Suzhou Hexu Management Consulting Partnership (Limited Partnership) ("**Suzhou Hexu**")	1.00%

Notes:

(1) All interests stated are long positions.

(2) Mr. Jiang Chaoshang is a limited partner of Suzhou Hexu, holding approximately 1.0% of the partnership interests of Suzhou Hexu.

Save as disclosed above, as at June 30, 2026, none of the Directors and chief executives had any interests or short position in the Shares or underlying Shares of the Company or its associated corporations (as defined in Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or 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 or the Model Code.

SUBSTANTIAL SHAREHOLDER AND OTHER INDIVIDUALS' INTEREST AND SHORT POSITION IN SHARES AND UNDERLYING SHARES

As of June 30, 2026, the Company was aware of the following individuals who had an interest or short position, which were required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or interests or short positions as recorded in the register required to be kept by the Company under Section 336 of SFO, or, directly or indirectly, be interested in 5% or more of the nominal value of any class of our Company's share capital.

Name of shareholder	Nature of interest	Class of Share	Number of Interests held	Percentage of the respective type of Shares[2]	Percentage of the total issued share capital[2]
Morgan Stanley[1]	Interest in controlled corporation	H Shares	1,492,774 (Long position)	7.42%	0.92%
			7,278 (Short position)	0.03%	0.004%
Keystone Investors Pte. Ltd.	Investment manager	H Shares	1,468,900 (Long position)	7.31%	0.90%
Keystone Master Fund	Beneficial owner	H Shares	1,366,170 (Long position)	6.80%	0.84%

Notes:

1. Morgan Stanley has an interest in a total of 1,492,774 H shares (long position) and 7,278 H shares (short position) in the Company; these shares are held indirectly through certain entities under its control, including Morgan Stanley International Holdings Inc., Morgan Stanley International Limited, Morgan Stanley Investments (UK), Morgan Stanley & Co. International plc, Morgan Stanley Capital Management, LLC and Morgan Stanley & Co. LLC.

2. As at June 30, 2026, the Company had a total of 162,623,433 issued shares, comprising 142,528,433 A Shares and 20,095,000 H Shares (including treasury shares). The above calculation is based on the total number of issued shares and the total number of relevant classes of shares (including treasury shares) as of June 30, 2026.

Save as disclosed above, as at June 30, 2026, the Company was not aware of any other person (other than the Directors and chief executives of the Company) having any interests or short positions in the shares or underlying shares of the Company which are required to be recorded in the register under Section 336 of the SFO.

INDEPENDENT AUDITOR'S REPORT

Review report to the board of directors of Suzhou Novosense Microelectronics Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 60 to 88, which comprises the consolidated statement of financial position of Suzhou Novosense Microelectronics Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") as of 30 June 2026 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim financial reporting* as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim financial reporting*.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2026 - unaudited
(Expressed in Renminbi ("RMB"))

		Six months ended 30 June	
		2026	2025
	Note	**RMB'000**	RMB'000
Revenue	*3*	**2,540,419**	1,523,665
Cost of sales		**(1,797,204)**	(1,022,993)
Gross profit		**743,215**	500,672
Other net income	*4*	**110,121**	41,680
Selling and marketing expenses		**(140,621)**	(109,975)
Administrative expenses		**(174,426)**	(143,234)
Research and development expenses		**(446,329)**	(361,282)
Impairment loss on trade receivables and other receivables		**(16,157)**	(3,743)
Profit/(loss) from operations		**75,803**	(75,882)
Finance costs	*5(a)*	**(12,841)**	(11,328)
Share of losses and provision for impairment of associates and a joint venture		**(148)**	(2,392)
Profit/(loss) before taxation	*5*	**62,814**	(89,602)
Income tax	*6*	**2,249**	11,592
Profit/(loss) for the period		**65,063**	(78,010)
Attributable to:			
Equity shareholders of the Company		**67,591**	(78,010)
Non-controlling interests		**(2,528)**	–
Profit/(loss) for the period		**65,063**	(78,010)
Earnings/(loss) per share	*7*		
Basic and diluted (RMB)		**0.42**	(0.55)

The notes on pages 68 to 88 form part of this interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2026 - unaudited
(Expressed in RMB)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Profit/(loss) for the period	**65,063**	(78,010)
Other comprehensive income for the period		
Exchange differences on translation of financial statements of overseas subsidiaries	**(1,200)**	2,424
Total comprehensive income for the period	**63,863**	(75,586)
Attributable to:		
Equity shareholders of the Company	**66,391**	(75,586)
Non-controlling interests	**(2,528)**	–
Total comprehensive income for the period	**63,863**	(75,586)

The notes on pages 68 to 88 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at June 30, 2026 - unaudited
(Expressed in RMB)

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current assets			
Property, plant and equipment	*8*	**2,021,280**	1,837,365
Right-of-use assets		**26,744**	21,892
Intangible assets		**358,731**	389,174
Goodwill	*9*	**545,470**	545,470
Interests in associates and a joint venture		**298,475**	111,052
Financial assets measured at fair value through profit or loss ("**FVPL**")	*10*	**569,396**	428,971
Time deposits	*14(c)*	**81,851**	81,038
Other non-current assets	*11*	**592,740**	45,858
Deferred tax assets		**88,785**	43,102
		4,583,472	3,503,922
Current assets			
Inventories and contract costs	*12*	**1,657,931**	1,475,940
Contract assets		**285**	285
Trade and other receivables	*13*	**1,231,555**	995,907
Financial assets measured at FVPL	*10*	**681,597**	1,124,163
Time deposits	*14(c)*	**55,000**	93,000
Restricted bank deposits	*14(b)*	**1,821**	22,656
Cash and cash equivalents	*14(a)*	**2,301,149**	2,465,627
		5,929,338	6,177,578
Current liabilities			
Trade and other payables	*15*	**880,059**	840,416
Contract liabilities		**37,103**	33,191
Interest-bearing borrowings		**189,870**	115,537
Lease liabilities		**10,934**	8,685
Current taxation		**1,135**	742
Refund liabilities from right of return		**55,013**	53,355
		1,174,114	1,051,926
Net current assets		**4,755,224**	5,125,652
Total assets less current liabilities		**9,338,696**	8,629,574

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at June 30, 2026 - unaudited
(Expressed in RMB)

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current liabilities			
Interest-bearing borrowings		**1,391,401**	851,512
Lease liabilities		**14,549**	10,891
Payable for acquisition of subsidiaries		**17,489**	17,489
Deferred income		**37,688**	40,081
Deferred tax liabilities		**75,057**	54,684
Refund liabilities from right of return		**7,562**	6,918
Financial liability measured at FVPL		**33,685**	33,236
		1,577,431	1,014,811
NET ASSETS		**7,761,265**	7,614,763
CAPITAL AND RESERVES			
Share capital		**162,623**	161,597
Treasury shares	*16*	**(215,010)**	(127,664)
Reserves		**7,794,998**	7,563,249
Total equity attributable to equity shareholders of the Company		**7,742,611**	7,597,182
Non-controlling interests		**18,654**	17,581
TOTAL EQUITY		**7,761,265**	7,614,763

Approved and authorised for issue by the board of directors on 27 August 2026.

Wang Shengyang
Chairman of the Board and Executive Director

Sheng Yun
Executive Director

The notes on pages 68 to 88 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2026 - unaudited
(Expressed in RMB)

		Attributable to equity shareholders of the Company								
	Note	Share capital RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	PRC statutory reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025		142,529	(14,907)	6,160,691	(643)	56,817	(402,143)	5,942,344	4,770	5,947,114
Changes in equity for the six months ended 30 June 2025:										
Loss for the period		–	–	–	–	–	(78,010)	(78,010)	–	(78,010)
Other comprehensive income		–	–	–	2,424	–	–	2,424	–	2,424
Total comprehensive income		–	–	–	2,424	–	(78,010)	(75,586)	–	(75,586)
Equity-settled share-based transactions	*16(c)*	–	–	42,839	–	–	–	42,839	–	42,839
Tax effect from equity-settled share-based transactions		–	–	3,449	–	–	–	3,449	–	3,449
Balance at 30 June 2025 and 1 July 2025		142,529	(14,907)	6,206,979	1,781	56,817	(480,153)	5,913,046	4,770	5,917,816
Changes in equity for the six months ended 31 December 2025:										
Loss for the period		–	–	–	–	–	(150,864)	(150,864)	–	(150,864)
Other comprehensive income		–	–	–	(1,658)	–	–	(1,658)	–	(1,658)
Total comprehensive income		–	–	–	(1,658)	–	(150,864)	(152,522)	–	(152,522)
Issue of ordinary shares by initial public offering on the Hong Kong Stock Exchange ("**H Share Listing**"), net of transaction costs		19,068	–	1,886,758	–	–	–	1,905,826	–	1,905,826
Purchase of own shares		–	(112,757)	–	–	–	–	(112,757)	–	(112,757)
Acquisition of interests in a subsidiary		–	–	–	–	–	–	–	12,811	12,811
Equity-settled share-based transactions	*16(c)*	–	–	44,133	–	–	–	44,133	–	44,133
Tax effect from equity-settled share-based transactions		–	–	(544)	–	–	–	(544)	–	(544)
Balance at 31 December 2025		161,597	(127,664)	8,137,326	123	56,817	(631,017)	7,597,182	17,581	7,614,763

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2026 - unaudited
(Expressed in RMB)

		Attributable to equity shareholders of the Company								
	Note	Share capital RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	PRC statutory reserve RMB'000	Accumulated (losses)/ gains RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2026		161,597	(127,664)	8,137,326	123	56,817	(631,017)	7,597,182	17,581	7,614,763
Changes in equity for the six months ended 30 June 2026:										
Profit/(loss) for the period		–	–	–	–	–	67,591	67,591	(2,528)	65,063
Other comprehensive income		–	–	–	(1,200)	–	–	(1,200)	–	(1,200)
Total comprehensive income		–	–	–	(1,200)	–	67,591	66,391	(2,528)	63,863
Issue of new shares pursuant to exercise of over-allotment option on Hong Kong Stock Exchange ("**H Share Listing**")		1,026	–	102,145	–	–	–	103,171	–	103,171
Purchase of own shares	*16(b)*	–	(87,346)	–	–	–	–	(87,346)	–	(87,346)
Capital contribution from non-controlling interests		–	–	–	–	–	–	–	3,750	3,750
Equity-settled share-based transactions	*16(c)*	–	–	41,920	–	–	–	41,920	(149)	41,771
Tax effect from equity-settled share-based transactions		–	–	21,293	–	–	–	21,293	–	21,293
Balance at 30 June 2026		162,623	(215,010)	8,302,684	(1,077)	56,817	(563,426)	7,742,611	18,654	7,761,265

The notes on pages 68 to 88 form part of this interim financial report.

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2026 - unaudited
(Expressed in RMB)

		Six months ended 30 June	
		2026	2025
	Note	**RMB'000**	RMB'000
Operating activities			
Cash used in operations		**(709,108)**	(306,403)
Income tax paid		**(1,375)**	(1,262)
Net cash used in operating activities		**(710,483)**	(307,665)
Investing activities			
Payment for the purchase of property, plant and equipment and intangible assets		**(347,233)**	(144,376)
Proceeds from disposal of property, plant and equipment		**11**	–
Acquisition of subsidiaries, net of cash acquired		**(20,058)**	(60,176)
Payment for the purchase of associates		**(135,028)**	(10,000)
Payment for the purchase of time deposit		**(40,000)**	(130,000)
Proceeds from disposal of time deposit		**78,384**	95,175
Payment for the purchase of financial asset measured at FVPL		**(1,995,722)**	(4,809,000)
Proceeds from disposal of financial asset measured at FVPL		**2,401,394**	5,055,483
Investment income received	*4*	**5,367**	15,134
Dividends received from investments in financial asset measured at FVPL		**2,783**	940
Net cash (used in)/generated from investing activities		**(50,102)**	13,180

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2026 - unaudited
(Expressed in RMB)

	Note	Six months ended 30 June 2026 RMB'000	2025 RMB'000
Financing activities			
Issue of new shares pursuant to exercise of over-allotment option		**103,171**	–
Cash receipts from capital contributions from non-controlling interests of a subsidiary		**3,750**	–
Capital element of lease rentals paid		**(3,881)**	(4,408)
Interest element of lease rentals paid		**(369)**	(318)
Deposit element and value-added tax of lease rentals paid		**(896)**	(385)
Payment for repurchase of shares		**(87,346)**	–
Proceeds from bank loans		**655,633**	45,198
Repayment of bank loans		**(53,327)**	(31,722)
Proceeds from settlement of equity-settled share-based transaction		**59,963**	–
Payment for listing expense		**(9,498)**	(15,712)
Net cash generated from/(used in) financing activities		**667,200**	(7,347)
Net decrease in cash and cash equivalents		**(93,385)**	(301,832)
Cash and cash equivalents at 1 January,		**2,464,327**	1,012,215
Effect of foreign exchange rate changes		**(71,258)**	2,584
Cash and cash equivalents at 30 June	*14*	**2,299,684**	712,967

The notes on pages 68 to 88 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, Interim financial reporting, issued by the International Accounting Standards Board ("**IASB**"), It was authorised for issue on 27 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity,* issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 59.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year, but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
– Sensor Products	**642,813**	413,028
– Signal Chain Chips	**1,011,287**	585,789
– Power Management Chips	**879,326**	519,443
– Others	**6,993**	5,405
	2,540,419	1,523,665

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Disaggregated by timing of revenue recognition		
Point in time	**2,537,138**	1,520,731
Over time	**3,281**	2,934
	2,540,419	1,523,665

3 REVENUE AND SEGMENT REPORTING (Continued)

(a) Revenue (Continued)

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has also applied the practical expedient in paragraph 121(a) of IFRS 15 to its sales contracts for chip products that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of chip products that had an original expected duration of one year or less.

(b) Segment reporting

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the sales of chip products.

(i) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. All of its non-current assets and capital expenditure were located/incurred in Chinese Mainland. The geographical location of customers is based on the location at which the goods were sold or the services were provided.

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Chinese Mainland	**2,143,888**	1,353,293
Other countries and regions	**396,531**	170,372
	2,540,419	1,523,665

4 OTHER NET INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Bank interest income	**28,463**	3,944
Investment income on wealth management products	**5,367**	15,134
Changes in fair value of financial assets measured at FVPL	**96,074**	12,547
Government grants *(Note)*	**19,355**	5,353
Interest income on capacity deposit	**–**	1,382
Net foreign exchange loss	**(75,431)**	(1,238)
Value-added tax deduction	**32,680**	6,503
Changes in fair value of contingent consideration payable	**(450)**	(438)
Net losses on disposal of property, plant and equipment and right-of-use assets	**(529)**	(4,865)
Others	**4,592**	3,358
	110,121	41,680

Note: Government grants primarily comprise subsidies received from the government for the encouragement of research and development projects.

5 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
(a) Finance costs		
Interest on		
– loans	**12,472**	11,010
– lease liabilities	**369**	318
	12,841	11,328

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
(b) Other items		
Depreciation charge		
– owned property, plant and equipment	**108,942**	83,412
– right-of-use assets	**5,008**	5,019
	113,950	88,431
Amortisation cost of intangible assets	**32,670**	28,572
Research and development expense	**446,329**	361,282
Cost of inventories	**1,797,204**	1,022,993

6 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Current tax		
Provision for the period	**1,768**	2,116
Deferred tax		
Origination and reversal of temporary differences	**(4,017)**	(13,708)
	(2,249)	(11,592)

Notes:

(i) Pursuant to the income tax rules and regulations of Hong Kong, the subsidiary in Hong Kong was liable to the Hong Kong Profits Tax at a rate of 16.5% for the six months ended 30 June 2026.

(ii) The Company and PRC subsidiaries of the Group are subject to PRC Corporate Income Tax ("**CIT**") at a statutory rate of 25%, except for the following specified subsidiaries:

According to the Administrative Measures for Determination of High-Tech Enterprises (Guokefahuo [2016] No. 32), the Company obtained the qualification as a high-tech enterprise and was entitled to a preferential income tax rate of 15% for three years starting from 2024.

Shanghai Naxi Microelectronics Co., Ltd. obtained the qualification as a high-tech enterprise and was entitled to a preferential income tax rate of 15% for three years starting from 2025.

Shanghai MagnTek Microelectronics Inc. obtained the qualification as a high-tech enterprise and was entitled to a preferential income tax rate of 15% for three years starting from 2024.

Rsentech Technology Co., Ltd. obtained the qualification as a high-tech enterprise and was entitled to a preferential income tax rate of 15% for three years starting from 2025.

Wu Xi Rsentech Technology Co., Ltd. obtained the qualification as a high-tech enterprise and was entitled to a preferential income tax rate of 15% for three years starting from 2023.

7 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company RMB67,591,000 (six months ended 30 June 2025: loss attributable to ordinary equity shareholders of the Company of RMB78,010,000) and the weighted average of 160,860,000 ordinary shares (2025: 142,411,000 shares) in issue during the interim period.

(b) Diluted earnings/(loss) per share

For the period ended 30 June 2026, the calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB67,591,000 and the weighted average number of ordinary shares of 162,565,000 shares.

For the period ended 30 June 2025, the restricted shares were not included in the calculation of diluted loss per share, as their effect would have been anti-dilutive. Accordingly, diluted loss per share was the same as basic loss per share.

8 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of RMB295,176,000 (for the six months ended 30 June 2025: RMB147,547,000). Items of property, plant and equipment with a net book value of RMB513,000 (for the six months ended 30 June 2025: RMB637,000) were disposed of during the six months ended 30 June 2026, resulting in net loss on disposal of RMB502,000 (for the six months ended 30 June 2025: RMB637,000).

9 GOODWILL

	RMB'000
Cost:	
At 1 January 2025	504,142
Additions	41,328
At 31 December 2025 and 30 June 2026	545,470
Accumulated impairment losses:	
At 1 January 2025, 31 December 2025 and 30 June 2026	–
Carrying amount:	
At 31 December 2025 and 30 June 2026	545,470

10 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Current assets		
Wealth management products	**681,597**	1,124,163
Non-current assets		
Investments not held for trading		
– unlisted units in investment funds	**478,424**	375,678
– unlisted investment	**78,543**	53,293
– derivative financial assets	**12,429**	–
	569,396	428,971

11 OTHER NON-CURRENT ASSETS

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Capacity deposit	**500,902**	–
Prepayments for property, plant and equipment	**89,750**	42,590
Others	**2,088**	3,268
	592,740	45,858

12 INVENTORIES AND CONTRACT COSTS

(a) Inventories in the consolidated statements of financial position comprise:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Inventories		
Chip products		
– raw materials	**386,181**	364,662
– work in progress	**711,740**	553,605
– finished goods	**513,156**	515,879
– goods in transit	**9,637**	14,695
– goods delivered to customers	**15,296**	9,632
	1,636,010	1,458,473
Contract costs	**21,921**	17,467
	1,657,931	1,475,940

12 INVENTORIES AND CONTRACT COSTS (Continued)

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Carrying amount of inventories sold	**1,741,692**	1,002,750
Write-down of inventories	**55,512**	20,243
	1,797,204	1,022,993

13 TRADE AND OTHER RECEIVABLES

	At 30 June	At 31 December
	2026	2025
	RMB'000	RMB'000
Trade receivables	**928,062**	636,738
Bills receivables	**14,245**	15,765
Trade and bills receivables	**942,307**	652,503
Bills receivables, measures at fair value through other comprehensive income ("**FVOCI**")	**17,092**	31,991
Other receivables	**30,643**	30,694
Capacity deposits	**49,098**	110,750
Value-added tax recoverable	**24,813**	40,583
Prepayment	**129,292**	92,960
Others	**38,310**	36,426
	1,231,555	995,907

All of trade and other receivables are expected to be recovered or recognized as expense within one year.

13 TRADE AND OTHER RECEIVABLES (Continued)

Ageing analysis

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

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Within 1 year	**942,206**	652,492
Over 1 year but less than 2 years	**101**	3
Over 2 years but less than 3 years	**–**	8
	942,307	652,503

14 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Deposits with other financial institutions	**2,030**	87,248
Cash at bank and on hand	**2,299,119**	2,378,379
Cash and cash equivalents in the consolidated statement of financial position	**2,301,149**	2,465,627
Accrued bank deposit interest	**(1,465)**	(1,300)
Cash and cash equivalents in the consolidated cash flow statement	**2,299,684**	2,464,327

14 CASH AND CASH EQUIVALENTS (Continued)

(b) Restricted bank deposits

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Restricted bank deposits	**1,821**	22,656

The restricted bank deposits of RMB1,821,000 (2025: RMB22,656,000) represented deposits placed with banks subject to usage restrictions as at 30 June 2026.

The Group performed impairment assessment on restricted bank deposits and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided.

(c) Time deposits

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Time deposits held at banks		
Current	**55,000**	93,000
Non-current	**81,851**	81,038
	136,851	174,038

15 TRADE AND OTHER PAYABLES

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Trade payables	**539,446**	461,838
Bills payables	**–**	5,000
Accrual payroll	**162,609**	317,039
Payable of investment in an associate	**60,000**	–
Subscription from restricted share incentive plan	**59,963**	–
Other taxes and surcharges payables	**29,886**	15,174
Other payables	**10,666**	3,817
Payable for acquisition of subsidiaries	**17,489**	37,548
	880,059	840,416

All trade and other payables (including amounts due to related parties) are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade payable is as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Within 1 year	**519,049**	448,086
Over 1 year but less than 2 years	**18,221**	12,329
Over 2 years but less than 3 years	**959**	520
Over 3 years	**1,217**	903
	539,446	461,838

16 CAPITAL, RESERVES, AND DIVIDENDS

(a) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during the period.

(b) Purchase of own shares

During the interim period, the Company repurchased its own shares on The Shanghai Stock Exchange, as follows:

Month/year	Number of shares repurchased	Highest price paid per share RMB	Lowest price paid per share RMB	Aggregate price paid RMB'000
January 2026	521,686	175	160	87,346

(c) Equity-settled share-based transactions

On 21 June 2022, the Company operates a restricted share incentive plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The restricted shares granted to the grantees pursuant to which A Shares could be newly issued or subscribed for upon the satisfaction of certain vesting conditions under the Restrict Share Incentive Plan ("**Type II Restricted Shares**"). The Company granted 2,770,728 Type II Restricted Shares to the qualified employees and the granted price was RMB96 per share. The vesting periods for those Type II Restricted Shares granted are 1 year, 2 years, 3 years, and 4 years from the grant date. According to the Group's performance appraisal and individual performance appraisal, 25%, 25%, 25% and 25% of those shares will be vested respectively.

On 27 September 2022, A Shares issued to the grantees with certain restrictions stipulated under the Restricted Share Incentive Plan ("**Type I Restricted Shares**"). The Company regranted 270,000 Type I Restricted Shares to the qualified employees and the granted price was RMB2.19 per share. The vesting period for those shares granted is 4 years from the grant date, and 100% of those shares will be vested.

On 25 October 2022, the Company granted 229,272 Type II Restricted Shares to qualified employees and the granted price was RMB96 per share. The vesting periods for those Type II Restricted Shares granted are 1 year, 2 years, 3 years and 4 years from the grant date. According to the Group's performance appraisal and individual performance appraisal, 25%, 25%, 25% and 25% of those shares will be vested respectively.

On 18 September 2023, the Company granted 3,800,000 Type II Restricted Shares to the qualified employees and the granted price was RMB49 per share. The vesting periods for those Type II Restricted Shares granted are 1 year, 2 years and 3 years from the grant date. Subject to the Group's performance appraisal and individual performance appraisal, 40%, 30% and 30% of those shares will be vested respectively.

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

(i) Fair value hierarchy (Continued)

	As at 30 June 2026			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Fair value measured on a recurring basis				
Financial assets measured at FVPL *(Note10)*				
– wealth management products	–	**681,597**	–	**681,597**
– unlisted units in investment funds	–	–	**478,424**	**478,424**
– unlisted investment	–	–	**78,543**	**78,543**
– derivative financial assets	–	–	**12,429**	**12,429**
	–	**681,597**	**569,396**	**1,250,993**
Financial assets measured at FVOCI *(Note 13)*				
– bills receivables	–	–	**17,092**	**17,092**
Financial liabilities measured at FVPL				
– contingent consideration payable	–	–	**33,685**	**33,685**

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

(i) Fair value hierarchy (Continued)

	As at 31 December 2025			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Fair value measured on a recurring basis				
Financial assets measured at FVPL *(Note10)*				
– wealth management products	–	1,124,163	–	1,124,163
– unlisted units in investment funds	–	–	375,678	375,678
– unlisted investment	–	–	53,293	53,293
	–	1,124,163	428,971	1,553,134
Financial assets measured at FVOCI *(Note 13)*				
– bills receivables	–	–	31,991	31,991
Financial liabilities measured at FVPL				
– contingent consideration payable	–	–	33,236	33,236

During the six months ended 30 June 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2025: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(Expressed in RMB unless otherwise indicated)

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Unlisted units in investment funds	Net asset value *(Note i)*	Net asset value of underlying investments
Unlisted investments	Comparable transactions adjusted approach *(Note ii)*	Changing trend of medium market multiples of comparable companies
Derivative financial assets	Comparable transaction approach and equity allocation method *(Note iii)*	Volatility rate
Bills receivables	Discounted cash flow method *(Note iv)*	Expected discount rate
Contingent consideration payable	Discounted cash flow method *(Note iv)*	Expected discount rate

(i) The fair value of unlisted unit in investments funds is determined referencing net asset value of underlying investments. The fair value measurement is positively correlated to net asset value of underlying investments. As at 30 June 2026, it is estimated that with all other variables held constant, an increase/decrease in net asset value of underlying investments by 5% would have increased/decreased the Group's profit or loss by RMB18,274,000 (2025: RMB14,167,000).

(ii) The fair value of certain unlisted investments is determined using comparable transactions adjusted approach adjusted for changing trend of medium market multiple of comparable companies or medium market multiples of comparable companies. The fair value measurement is positively correlated to the changing trend of medium market multiple of comparable companies. As at 30 June 2026, it is estimated that with all other variables held constant, an increase/decrease in change of medium market multiple of comparable companies by 5% would have increased/decreased the Group's profit or loss by RMB3,015,000 (2025: RMB2,256,000).

(iii) The fair value of derivative financial assets is determined comparable company stock price volatility. The fair value measurement is negatively correlated to comparable company stock price volatility. As at 30 June 2026, it is estimated that with all other variables held constant, an increase/decrease in change of volatility by 5% would have decreased/increased the Group's profit or loss by RMB472,000 (2025: nil).

(iv) The bills receivables measured at FVOCI and contingent consideration payable measured at FVPL are calculated by discounting the expected future cash flows using market rates of return currently available for other financial instruments with similar credit risk and remaining maturities.

18 COMMITMENTS

Commitments outstanding at 30 June 2026 not provided for in the interim financial report

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Contracted for acquisition of property, plant and equipment	**208,621**	201,878

19 MATERIAL RELATED PARTY TRANSACTIONS

(a) Names and relationships of the related parties that had material transactions with Group

Name of related parties	Relationships
Ningbo Baoxinyuan Power Semiconductor Co., Ltd.	Associate of the Group
Shanghai Shuyu Semiconductor Co., Ltd.	Associate of the Group
Go to Storage Technology (Suzhou) Co., Ltd.	Associate of the Group
Shanghai Xinde Naxing Venture Capital Partnership Enterprise (Limited Partnership)	Associate of the Group
Chipsine Semiconductor (Suzhou) Co., Ltd.	Associate of the Group

19 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Material related parties transactions

The Group entered into the following material related party transactions for the period ended 30 June 2026:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Purchase of goods and services		
– Associates	**1,646**	2,311
Sales of goods and services		
– Associates	**7,721**	2,051
Rental income		
– An associate	**155**	–

(c) Balance with related parties

As at 30 June 2026, the Group had the following balances with related parties:

		At 30 June	At 31 December
		2026	2025
	Note	**RMB'000**	RMB'000
Trade related			
Trade receivables and other receivables, gross amount and prepayment	*(i)*	**5,921**	2,020
Trade payables	*(i)*	**117**	694

Note:

(i) The outstanding balances with these related parties are balances included in "Trade and other receivables" (Note 13) and "Trade and other payables" (Note 15).

20 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 23 July 2026, the Company granted 464,953 A Share Type II Restricted Shares to five hundred and twenty-eight employees with a grant price of RMB139.87 per share. On the same day, the Company granted 859,226 H Share Awards to sixty-three employees and nine service providers with a grant price of HK$72.60 per share. No adjustment has been made in this interim financial report in this regard.

21 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026

A number of amendments and new standards are not yet mandatory for annual periods beginning 1 January 2026. Earlier application is permitted; however, the Group has not early adopted any new or amended standards in preparing this interim financial report.

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.