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SG Micro Corp

聖邦微電子(北京)股份有限公司

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

(Stock Code: 3661)

DISCLOSEABLE TRANSACTION ENTERING INTO THE SHARE TRANSFER AGREEMENT

SHARE TRANSFER AGREEMENT

On 26 October 2026, the Company, the Vendors and the Guarantor entered into the Share Transfer Agreement, pursuant to which the Company has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, in aggregate 58.2878% of the shares in the Target Company (representing a registered capital of RMB34.97268 million of the Target Company, being 34.97268 million shares of the Target Company), for a cash consideration of RMB832.698626 million.

Upon completion, the Company will be interested in 58.2878% of the equity interest in the Target Company. The Target Company will become a direct non-wholly owned subsidiary of the Company.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Share Transfer Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, it constitutes a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules, but is exempt from the shareholders' approval requirement.

INTRODUCTION

On 26 October 2026, the Company, the Vendors and the Guarantor entered into the Share Transfer Agreement, pursuant to which the Company has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, in aggregate 58.2878% of the shares in the Target Company (corresponding to a registered capital of RMB34.97268 million in the Target Company and 34.97268 million shares of the Target Company), for a cash consideration of RMB832.698626 million.

Upon completion, the Company will be interested in 58.2878% of the equity interest in the Target Company. The Target Company will become a direct non-wholly owned subsidiary of the Company.

SHARE TRANSFER AGREEMENT

The principal terms of the Share Transfer Agreement are set out below:

Date: 26 October 2026

Parties:

- (1) the Company
- (2) Vendor 1, Vendor 2, Vendor 3, Vendor 4, Vendor 5, Vendor 6, Vendor 7, Vendor 8, Vendor 9, Vendor 10, Vendor 11, Vendor 12, Vendor 13, Vendor 14, Vendor 15, Vendor 16, Vendor 17, Vendor 18, Vendor 19, Vendor 20, Vendor 21, Vendor 22, Vendor 23, Vendor 24, Vendor 25, Vendor 26 and Vendor 27; and
- (3) the Guarantor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors, the Guarantor and their respective ultimate beneficial owners is an Independent Third Party under the Hong Kong Listing Rules as at the date of this announcement.

Subject matter: The Company has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, in aggregate 58.2878% equity interest in the Target Company, details of which are set out as follows:

Vendor	Percentage of shares to be transferred in the Target Company	Number of shares to be transferred in the Target Company ('0,000 shares)	Consideration for the share transfer (RMB'0,000)
Vendor 1	4.2305%	253.83	2,961.3500
Vendor 2	2.2715%	136.29	1,590.0500
Vendor 3	1.5505%	93.03	1,085.3500
Vendor 4	1.8131%	108.786	1,269.1700
Vendor 5	1.5074%	90.444	1,507.4000
Vendor 6	10.8718%	652.308	10,871.8000
Vendor 7	4.0626%	243.756	4,062.6000
Vendor 8	4.0626%	243.756	4,062.6000
Vendor 9	0.2802%	16.8141	280.2000

Vendor	Percentage of shares to be transferred in the Target Company	Number of shares to be transferred in the Target Company ('0,000 shares)	Consideration for the share transfer (RMB'0,000)
Vendor 10	2.7555%	165.33	2,755.5000
Vendor 11	0.0415%	2.49	41.5000
Vendor 12	2.0731%	124.386	2,073.1000
Vendor 13	3.3377%	200.262	3,883.7260
Vendor 14	1.6688%	100.128	1,945.3151
Vendor 15	0.5563%	33.378	647.9452
Vendor 16	1.8190%	109.14	3,544.4384
Vendor 17	0.5563%	33.378	647.2877
Vendor 18	3.4765%	208.59	11,231.5616
Vendor 19	2.1406%	128.436	6,741.2055
Vendor 20	0.9396%	56.376	3,146.1260
Vendor 21	1.1727%	70.362	3,730.4066
Vendor 22	0.6711%	40.266	2,247.7260
Vendor 23	0.2685%	16.11	898.9589
Vendor 24	1.0148%	60.888	3,033.9863
Vendor 25	0.8590%	51.54	2,876.4581
Vendor 26	0.3758%	22.548	1,123.5342
Vendor 27	3.9108%	234.6459	5,010.5670
Total	58.2878%	3,497.268	83,269.8626

The Target Shares to be transferred by the Vendors to the Company in the Share Transfer shall be transferred together with all rights and benefits attaching thereto, but such Target Shares shall be free from any encumbrance, option or other third-party rights and claims of any nature. Each of the Vendors hereby consents to the Share Transfer, and hereby waives any right of first refusal, co-sale right and other similar special shareholder's rights to which it is entitled in respect of the Share Transfer under applicable laws, the currently effective articles of association of the Target Company and other relevant historical investment documents.

Consideration:

The cash consideration is RMB832.698626 million.

The consideration was arrived at after negotiations between the parties, with reference to, among other things: (i) the transaction adopting a differentiated pricing approach, which was determined after amicable negotiations among the parties taking into comprehensive consideration factors such as the investment periods and investment costs of the different Vendors; and (ii) the valuation of the entire equity interest in the Target Company of RMB1,432.56 million as at the valuation benchmark date (i.e. 30 June 2026) as appraised by the Independent Valuer appointed by the Company.

The Board has reviewed the valuation basis, scope, key input data, comparable items, adjustments and conclusion contained in the Valuation Report. Given that relevant market evidence can be identified in the industry in which the Target Company operates, the Board considers that the market approach is appropriate. Therefore, having considered the above factors, the Directors (including the independent non-executive Directors) are of the view that the consideration is fair and reasonable and in the interests of the Company and its shareholders as a whole. For a summary of the Valuation Report (including the valuation methodology, principal assumptions and key parameters), please refer to the appendix to this announcement.

**Payment
Arrangement of
the Consideration:**

1. The parties agree that the consideration shall be paid in two instalments. The Company shall, within 10 Business Days after the relevant conditions precedent have been fulfilled, respectively pay 50% and the remaining 50% of the consideration for the transfer to the Vendors.
2. First Instalment: Within 10 Business Days after all conditions precedent to the payment of the First Instalment for the Share Transfer as stipulated in the Share Transfer Agreement have been fulfilled or waived by the Company in writing, the Company shall respectively pay 50% of the corresponding consideration for the Share Transfer to the designated bank accounts of the Vendors.
3. Remaining Balance: Within 10 Business Days after all conditions precedent to the payment of the Remaining Balance for the Share Transfer as stipulated in the Share Transfer Agreement have been fulfilled or waived by the Company in writing, the Company shall respectively pay the corresponding remaining consideration for the Share Transfer to the designated bank accounts of the Vendors.

Closing:	The Parties confirm and agree that, with effect from the date of issuance of the register of members and the share certificate(s), the Company shall become a shareholder of the Target Company and shall be entitled to fully succeed to all shareholder's rights and obligations in respect of the Target Shares. The Parties confirm and agree that the date on which the Company pays the remaining balance to all the Vendors shall be the "Closing Date", and the profits, revenue, bonuses and dividends generated by the Target Company attributable to the Target Shares after the Closing Date shall belong to the Company.
Transition Period:	During the transition period, the Guarantor shall ensure that the Target Company and its subsidiaries shall: (1) not distribute dividends or make any other form of distribution to their shareholders; (2) conduct their business within the ordinary and usual course of business and operate in a manner consistent with past practices and prudent commercial practices; (3) properly safeguard their assets (including real properties, equipment and facilities, etc.) to prevent asset depreciation or impairment resulting from improper maintenance; and (4) to the maximum extent within their control, not suffer any material adverse change. In addition, the Guarantor shall, upon the request of the Company, provide or procure the Target Company to provide the Company with the necessary data and information of the Target Company.
Corporate Governance:	As one of the conditions precedent to the closing of this transaction, the relevant Vendors and Guarantor entitled to nominate directors/supervisors of the Target Company shall procure the Target Company to complete the effective adjustment of its corporate governance structure in accordance with the specific requirements of the Purchaser.
Warranties of the Guarantor:	On the signing date of the Share Transfer Agreement and each payment date, the Guarantor warrants that it has the full power and authority to execute and perform the Share Transfer Agreement, and that the Share Transfer Agreement is legally valid and binding on it; the Guarantor further makes representations and warranties regarding matters of the Target Company and its subsidiaries including clear equity ownership, lawful and compliant operations, ownership of assets, intellectual property rights, finance and taxation, connected transactions, external guarantees, liabilities, employees, material contracts, absence of material proceedings, and full disclosure, and confirms that, in the event of its breach of the above representations and warranties, or if such representations and warranties are false, misleading or contain material omissions in any material respect, which results in the Target Company or the Company incurring any expenses, suffering any losses or assuming any other liabilities after the Closing Date, the Guarantor shall accordingly indemnify or compensate the Target Company or the Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a joint stock limited company established in the PRC, focusing on the semiconductor design of sensor chips and mixed-signal chips. The products cover numerous categories such as temperature sensors, temperature and humidity sensors, digital interface chips, and digital-to-analog converter chips, which are widely applied in fields such as industrial, networks and computing, medical, and smart wearable devices.

Upon completion, the Company will hold a 58.2878% equity interest in the Target Company. The Target Company will become a direct non-wholly owned subsidiary of the Company. Upon completion of the share transfer, a certain amount of goodwill will arise in the consolidated balance sheet of the Company. If the future operating conditions of the Target Company fail to meet expectations due to reasons such as the industry dynamics of the Target Company or internal factors of the Target Company in the future, the Company may face a risk of goodwill impairment, which would in turn adversely affect the operating performance of the Company. Upon completion of the share transfer, the Company will carry out relevant integration with respect to the Target Company; there is certain uncertainty as to whether the integration can be implemented smoothly and whether the expected integration effects can be achieved. Investors are advised to pay attention to the investment risks.

Set out below is a summary of the unaudited financial information of the Target Company for the two years ended 31 December 2025 and the six months ended 30 June 2026 prepared in accordance with the China Accounting Standards for Business Enterprises:

	Six months ended	Year ended 31 December	
	30 June	2025	2024
	2026		
	<i>RMB'0,000</i>	<i>RMB'0,000</i>	<i>RMB'0,000</i>
Net profit before tax	1,269.23	291.48	-5,217.18
Net profit after tax	1,449.87	720.37	-5,047.09

According to the unaudited accounts of the Target Company, the total assets and net assets of the Target Company as at 30 June 2026 were approximately RMB389.4619 million and RMB347.8944 million, respectively; the total assets and net assets as at 31 December 2025 were approximately RMB362.4889 million and RMB326.9837 million, respectively. As at 30 June 2026 and 31 December 2025, the total liabilities of the Target Company were RMB41.5675 million and RMB35.5053 million, respectively, and the total trade receivables were RMB37.2609 million and RMB27.9868 million, respectively; for the six months ended 30 June 2026 and the year ended 31 December 2025, the revenue of the Target Company was RMB150.0463 million and RMB239.9453 million, respectively, and the net cash flows from operating activities were RMB-14.6380 million and RMB-14.9520 million, respectively.

The shareholding structure of the Target Company immediately before and after the Share Transfer is as follows:

Name of Shareholder	Shareholding percentage immediately before the Share Transfer (%)	Shareholding percentage immediately after the Share Transfer (%)
The Company	–	58.2878
Vendor 1	4.2305	–
Vendor 2	2.2715	–
Vendor 3	1.5505	–
Vendor 4	1.8131	–
Vendor 5	1.5074	–
Vendor 6	10.8718	–
Vendor 7	4.0626	–
Vendor 8	4.0626	–
Vendor 9	0.2802	–
Vendor 10	2.7555	–
Vendor 11	0.0415	–
Vendor 12	2.0731	–
Vendor 13	3.3377	–
Vendor 14	1.6688	–
Vendor 15	0.5563	–
Vendor 16	1.8190	–
Vendor 17	0.5563	–
Vendor 18	3.4765	–
Vendor 19	2.1406	–
Vendor 20	0.9396	–
Vendor 21	1.1727	–
Vendor 22	0.6711	–
Vendor 23	0.2685	–
Vendor 24	1.0148	–
Vendor 25	0.8590	–
Vendor 26	0.3758	–
Vendor 27	3.9108	–
Guarantor	0.0623	0.0623

Name of Shareholder	Shareholding percentage immediately before the Share Transfer (%)	Shareholding percentage immediately after the Share Transfer (%)
Shanghai Sisen Enterprise Management Partnership (Limited Partnership) (上海司森企業管理合夥企業(有限合夥))	24.4567	24.4567
Shanghai Silin Enterprise Management Partnership (Limited Partnership) (上海司林企業管理合夥企業(有限合夥))	6.7229	6.7229
Shanghai Silingsen Enterprise Management Partnership (Limited Partnership) (上海司凌森企業管理合夥企業(有限合夥))	3.4506	3.4506
Shanghai Linsi Enterprise Management Partnership (Limited Partnership) (上海林司企業管理合夥企業(有限合夥))	2.4987	2.4987
Anhui Skyworth Qihang Industrial Investment Equity Investment Fund Partnership (Limited Partnership) (安徽創維啓航產投股權投資基金合夥企業(有限合夥))	1.8418	1.8418
Shanghai Sensi Enterprise Management Partnership (Limited Partnership) (上海森司企業管理合夥企業(有限合夥))	1.4278	1.4278
Shanghai Xiyu Electronic Technology Co., Ltd. (上海矽裕電子科技有限公司)	1.2514	1.2514
Total	100.0000	100.0000

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE TRANSFER AGREEMENT

The Share Transfer constitutes a horizontal business integration of the Company within the analog chip sector. Both the Target Company and the Company operate in the semiconductor industry, with their products and application scenarios forming a differentiated and complementary relationship. The Target Company focuses on the semiconductor design of sensor chips and mixed-signal chips. Its products encompass numerous categories, including temperature sensors, temperature and humidity sensors, digital interface chips, and digital-to-analog converter chips. It has realized the research, development and mass production of hundreds of chips, with downstream applications covering fields such as industrial, networking and computing, medical, and smart wearables, and has accumulated a solid base of high-quality end customer resources.

The businesses of the Target Company and the Company possess strong synergistic effects in terms of market channels, customer resources, and supply chains. Through the Share Transfer, the Company will consolidate the advantageous resources of all parties, further optimize its product line layout, expand the capabilities of its research and development team, and enhance the overall competitiveness of the Company.

The Company intends to use its own funds, self-raised funds and/or the proceeds from the Company's H Share listing for the Share Transfer. This will not have a material adverse effect on the existing financial position and normal business operations of the Company. In the long run, the Share Transfer will generate positive strategic synergistic effects, which is in line with the overall development planning of the Company and the interests of all Shareholders.

The Board of Directors considers that the terms of the Share Transfer Agreement have been determined after arm's length negotiations and on normal commercial terms, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. To the best of the Directors' knowledge, none of the Directors has a material interest in the Share Transfer, and therefore none of them is required to abstain from voting on the relevant Board resolution approving the Share Transfer.

INFORMATION ON THE PARTIES

The Group

The Company is a high-tech enterprise focusing on the research, development and sales of high-performance and high-quality analog integrated circuits, offering a broad and differentiated portfolio of general-purpose and application-specific optimized analog integrated circuit products, including analog signal and mixed-signal products, covering fields such as signal chain, power management, sensors and memory.

Vendor 1

Vendor 1 is a limited liability company established in the PRC, being an enterprise engaged in investment and asset management. Its ultimate actual controller is Lin Congling (holding a 90% equity interest).

Vendor 2

Vendor 2 is a limited partnership established in the PRC, which is primarily engaged in the business services industry. Its executive partner is Wei Sufen (holding 0.1% of the partnership interest). Vendor 2 has 3 limited partners in total, among whom Gao Yan holds 55.9% of the partnership interest. Save for the above, no other limited partner holds one-third or more of the partnership interest in Vendor 2.

Vendor 3, Vendor 4 and Vendor 5

Vendor 3, Vendor 4 and Vendor 5 are all PRC citizens.

Vendor 6

Vendor 6 is a limited partnership established in the PRC and specifically engaged in equity investment. Its executive partner is Yunnan Nantian Infotech Venture Capital Fund Management Co., Ltd. (雲南南天盈富泰克創業投資基金管理有限公司) (holding 1% of the partnership interest). Vendor 6 has 3 limited partners in total, among which Yunnan Industry Investment Digital Technology Development Co., Ltd. (雲南工投數字科技發展有限公司) and Infotech National Emerging Industry Venture Investment Guidance Fund (Limited Partnership) (盈富泰克國家新興產業創業投資引導基金(有限合夥)) hold 50% and 47% of the partnership interest, respectively. Save for the above, no other limited partner holds one-third or more of the partnership interest in Vendor 6.

Yunnan Nantian Infotech Venture Capital Fund Management Co., Ltd. (雲南南天盈富泰克創業投資基金管理有限公司) is held as to 40% and 40% of its equity interest by Yunnan Industry Investment Digital Technology Development Co., Ltd. (雲南工投數字科技發展有限公司) and Infotech Venture Capital Co., Ltd. (盈富泰克創業投資有限公司), respectively. Save for the above, no other shareholder holds one-third or more of the equity interest in Yunnan Nantian Infotech Venture Capital Fund Management Co., Ltd. (雲南南天盈富泰克創業投資基金管理有限公司). The ultimate actual controller of Yunnan Industry Investment Digital Technology Development Co., Ltd. (雲南工投數字科技發展有限公司) is the State-owned Assets Supervision and Administration Commission of the Yunnan Provincial People's Government (雲南省人民政府國有資產監督管理委員會). No shareholder holds one-third or more of the equity interest in Infotech Venture Capital Co., Ltd. (盈富泰克創業投資有限公司).

The executive partner of Infotech National Emerging Industry Venture Investment Guidance Fund (Limited Partnership) (盈富泰克國家新興產業創業投資引導基金(有限合夥)) is Yingfu Taike (Shenzhen) Emerging Industry Investment Fund Management Co., Ltd. (盈富泰克(深圳)新興產業投資基金管理有限公司) (holding 0.8929% of the partnership interest), and it has 7 limited partners in total, among which the Ministry of Finance of the People's Republic of China (中華人民共和國財政部) holds 40.1786% of the partnership interest. Save for the above, no other limited partner holds one-third or more of the partnership interest in Infotech National Emerging Industry Venture Investment Guidance Fund (Limited Partnership) (盈富泰克國家新興產業創業投資引導基金(有限合夥)). Yingfu Taike (Shenzhen) Emerging Industry Investment Fund Management Co., Ltd. is owned as to 50% and 50% by Shenzhen Xinhaitai Investment Consulting Co., Ltd. (深圳市鑫海泰投資諮詢有限公司) and Infotech Venture Capital Co., Ltd. (盈富泰克創業投資有限公司), respectively. No shareholder holds one-third or more of the equity interest in Shenzhen Xinhaitai Investment Consulting Co., Ltd. Shenzhen Xinhaitai Investment Consulting Co., Ltd. has 37 shareholders in total, and no shareholder holds one-third or more of its equity interest. Infotech Venture Capital Co., Ltd. has 10 shareholders in total, and no shareholder holds one-third or more of its equity interest.

Vendor 7

Vendor 7 is a limited partnership established in the PRC and specifically engaged in equity investment. Its executive partner is Hangzhou Heqing Investment Management Co., Ltd. (杭州荷清投資管理有限公司) (holding a 1% partnership interest). Vendor 7 has 15 limited partners in total. None of the limited partners holds one-third or more of the partnership interests in Vendor 7.

None of the shareholders holds one-third or more of the equity interest in Hangzhou Heqing Investment Management Co., Ltd. (杭州荷清投資管理有限公司).

Vendor 8

Vendor 8 is a limited liability company established in the PRC and is an enterprise specifically engaged in equity investment. None of the shareholders holds one-third or more of the equity interest in Vendor 8.

Vendor 9

Vendor 9 is a PRC citizen.

Vendor 10

Vendor 10 is a limited partnership established in the PRC and specialized in equity investment. Its executive partner is Shenzhen Skyworth Investment Management Enterprise (Limited Partnership) (深圳創維投資管理企業(有限合夥)) (holding a 2% partnership interest). Vendor 10 has 8 limited partners in total, among which Shenzhen Skyworth Venture Capital Co., Ltd. (深圳創維創業投資有限公司) holds a 40% partnership interest. Other than this, no other limited partner holds one-third or more of the partnership interests in Vendor 10.

The executive partner of Shenzhen Skyworth Investment Management Enterprise (Limited Partnership) (深圳創維投資管理企業(有限合夥)) is Zhuhai Hengqin Jundao Chuangzhi Technology Co., Ltd. (珠海橫琴君道創智科技有限公司) (holding a 40% partnership interest), and it has 2 limited partners in total, among which Shenzhen Skyworth Venture Capital Co., Ltd. (深圳創維創業投資有限公司) holds a 55% partnership interest. Zhuhai Hengqin Jundao Chuangzhi Technology Co., Ltd. (珠海橫琴君道創智科技有限公司) is held as to 37.5% by Wang Junsheng (王俊生). Other than this, no other shareholder holds one-third or more of the equity interest in Zhuhai Hengqin Jundao Chuangzhi Technology Co., Ltd. (珠海橫琴君道創智科技有限公司).

Shenzhen Skyworth Venture Capital Co., Ltd. (深圳創維創業投資有限公司) is wholly-owned by Shenzhen Skyworth Technology Consulting Co., Ltd. (深圳創維科技諮詢有限公司), and its ultimate actual controller is Huang Hongsheng.

Vendor 11

Vendor 11 is a PRC citizen.

Vendor 12

Vendor 12 is a limited partnership established in the PRC and specifically engaged in equity investment. Its executive partner is Wuxi Hushan Investment Center (Limited Partnership) (無錫湖杉投資中心(有限合夥)) (holding 1.3636% of the partnership interest). Vendor 12 has a total of 9 limited partners, among which Wuxi Hujiang Investment Partnership (Limited Partnership) (無錫湖將投資合夥企業(有限合夥)) holds 40.4545% of the partnership interest. Save for the above, no other limited partner holds one-third or more of the partnership interest in Vendor 12.

The executive partner of Wuxi Hushan Investment Center (Limited Partnership) (無錫湖杉投資中心(有限合夥)) is Shanghai Hushan Investment Management Co., Ltd. (上海湖杉投資管理有限公司) (holding 80% of the partnership interest), and it has 1 limited partner holding less than one-third of the partnership interest. The ultimate actual controller of Shanghai Hushan Investment Management Co., Ltd. (上海湖杉投資管理有限公司) is Su Renhong (蘇仁宏) (holding 70% of the equity interest).

The executive partner of Wuxi Hujiang Investment Partnership (Limited Partnership) (無錫湖將投資合夥企業(有限合夥)) is Chen Chunlan. It has a total of 18 limited partners. Among them, Zhejiang Chuangyue Construction Engineering Co., Ltd. (浙江創越建設工程有限公司) holds 44.9438% of the partnership interest. Save for the above, no other limited partner holds one-third or more of the partnership interest in Wuxi Hujiang Investment Partnership (Limited Partnership) (無錫湖將投資合夥企業(有限合夥)). The ultimate actual controller of Zhejiang Chuangyue Construction Engineering Co., Ltd. (浙江創越建設工程有限公司) is Wu Fulin (holding 90% of the equity interest).

Vendor 13

Vendor 13 is a limited partnership established in the PRC and specifically engaged in equity investment. Its executive partner is Wuxi Hushan Investment Center (Limited Partnership) (無錫湖杉投資中心(有限合夥)) (holding a 1.0652% partnership interest). Vendor 13 has a total of 23 limited partners, and none of the limited partners holds one-third or more of the partnership interests in Vendor 13.

The executive partner of Wuxi Hushan Investment Center (Limited Partnership) (無錫湖杉投資中心(有限合夥)) is Shanghai Hushan Investment Management Co., Ltd. (上海湖杉投資管理有限公司) (holding an 80% partnership interest), and such limited partnership has a total of one limited partner who holds a partnership interest of less than one-third. The ultimate actual controller of Shanghai Hushan Investment Management Co., Ltd. (上海湖杉投資管理有限公司) is Su Renhong (holding a 70% equity interest).

Vendor 14

Vendor 14 is a limited partnership established in the PRC and specifically engaged in equity investment. Its executive partner is Yaixin (Shenzhen) Business Information Consulting Co., Ltd. (堯芯(深圳)商務信息諮詢有限公司) (holding 0.9999% of the partnership interests). Vendor 14 has a total of 4 limited partners, of which China Integrated Circuit Industry Investment Fund Co., Ltd. (國家集成電路產業投資基金股份有限公司) holds 49.5% of the partnership interests. Other than the above, no other limited partner holds one-third or more of the partnership interests in Vendor 14.

Yaixin (Shenzhen) Business Information Consulting Co., Ltd. (堯芯(深圳)商務信息諮詢有限公司) is held as to 48.3% of its equity interests by Shanghai Yaixin Business Information Consulting Co., Ltd. (上海堯芯商務信息諮詢有限公司). Other than the above, no other shareholder holds one-third or more of the equity interests in Yaixin (Shenzhen) Business Information Consulting Co., Ltd. (堯芯(深圳)商務信息諮詢有限公司). Shanghai Yaixin Business Information Consulting Co., Ltd. (上海堯芯商務信息諮詢有限公司) is wholly-owned by IPV Global Technology Fund, L.P.. IPV Global Technology Fund, L.P. is held as to 50% of its equity interests by a natural person and Infotech Ventures Co., Ltd. (盈富泰克創業投資有限公司), respectively. Infotech Ventures Co., Ltd. (盈富泰克創業投資有限公司) has 10 shareholders in total, and no shareholder holds one-third or more of its equity interests.

The ultimate actual controller of China Integrated Circuit Industry Investment Fund Co., Ltd. (國家集成電路產業投資基金股份有限公司) is the Ministry of Finance of the People's Republic of China.

Vendor 15

Vendor 15 is a limited partnership established in the PRC and specifically engaged in equity investment. Its executive partner is Guangzhou Minghong Investment Management Enterprise (Limited Partnership) (廣州明鴻投資管理企業(有限合夥)) (holding 2% of the partnership interests). Vendor 15 has 13 limited partners in total, and no limited partner holds one-third or more of the partnership interests in Vendor 15.

The executive partner of Guangzhou Minghong Investment Management Enterprise (Limited Partnership) (廣州明鴻投資管理企業(有限合夥)) is Hu Hongwei (胡宏偉) (holding 40% of the partnership interests), and it has 3 limited partners, none of which holds one-third or more of the partnership interests in Guangzhou Minghong Investment Management Enterprise (Limited Partnership) (廣州明鴻投資管理企業(有限合夥)).

Vendor 16

Vendor 16 is a limited partnership established in the PRC and specifically engaged in equity investment. Its executive partner is Shanghai Wofu Private Equity Fund Management Co., Ltd. (上海沃賦私募基金管理有限公司) (holding a 0.5446% partnership interest). Vendor 16 has a total of 12 limited partners, none of which holds one-third or more of the partnership interest in Vendor 16.

Shanghai Wofu Private Equity Fund Management Co., Ltd. (上海沃賦私募基金管理有限公司) is owned as to 55% by Geng Kai (耿凱). Other than that, no other shareholder holds one-third or more of the equity interest in Shanghai Wofu Private Equity Fund Management Co., Ltd. (上海沃賦私募基金管理有限公司).

Vendor 17

Vendor 17 is a limited partnership established in the PRC and principally engaged in investment and asset management. Its executive partner is Shanghai Kaishi Equity Investment Management Center (Limited Partnership) (上海凱石股權投資管理中心(有限合夥)) (holding 5.4164% of the partnership interest). Vendor 17 has a total of 2 limited partners. Among them, Huoqiu Kailang Equity Investment Partnership (Limited Partnership) (霍丘凱朗股權投資合夥企業(有限合夥)) holds 83.1911% of the partnership interest. Save as disclosed above, no other limited partner holds one-third or more of the partnership interest in Vendor 17.

The executive partner of Shanghai Kaishi Equity Investment Management Center (Limited Partnership) (上海凱石股權投資管理中心(有限合夥)) is Shanghai Kaishi Yizheng Asset Management Co., Ltd. (上海凱石益正資產管理有限公司) (holding 99% of the partnership interest), and it has a total of 2 limited partners, and no limited partner holds one-third or more of the partnership interest in Shanghai Kaishi Equity Investment Management Center (Limited Partnership) (上海凱石股權投資管理中心(有限合夥)). The sole shareholder of Shanghai Kaishi Yizheng Asset Management Co., Ltd. (上海凱石益正資產管理有限公司) is Chen Jiwu.

The executive partner of Huoqiu Kailang Equity Investment Partnership (Limited Partnership) (霍丘凱朗股權投資合夥企業(有限合夥)) is Shanghai Kaishi Equity Investment Management Center (Limited Partnership) (上海凱石股權投資管理中心(有限合夥)) (holding 15.27% of the partnership interest), and it has a total of 23 limited partners, none of which holds one-third or more of the partnership interest in Huoqiu Kailang Equity Investment Partnership (Limited Partnership) (霍丘凱朗股權投資合夥企業(有限合夥)).

Vendor 18

Vendor 18 is a limited partnership established in the PRC and specifically engaged in equity investment. Its executive partner is Suzhou Juyuan Xinxin Enterprise Management Consulting Partnership (Limited Partnership) (蘇州聚源忻芯企業管理諮詢合夥企業(有限合夥)) (holding a 0.7% partnership interest). Vendor 18 has a total of 22 limited partners, and none of the limited partners holds one-third or more of the partnership interests in Vendor 18.

The executive partner of Suzhou Juyuan Xinxin Enterprise Management Consulting Partnership (Limited Partnership) (蘇州聚源忻芯企業管理諮詢合夥企業(有限合夥)) is China Fortune-Tech Capital Co., Ltd. (中芯聚源私募基金管理(上海)有限公司) (holding a 70% partnership interest). Suzhou Juyuan Xinxin Enterprise Management Consulting Partnership (Limited Partnership) (蘇州聚源忻芯企業管理諮詢合夥企業(有限合夥)) has a total of 1 limited partner, and such limited partner does not hold one-third or more of the partnership interests in Suzhou Juyuan Xinxin Enterprise Management Consulting Partnership (Limited Partnership) (蘇州聚源忻芯企業管理諮詢合夥企業(有限合夥)). Shanghai Xinqi Investment Center (Limited Partnership) (上海芯齊投資中心(有限合夥)) holds a 35% equity interest in China Fortune-Tech Capital Co., Ltd. (中芯聚源私募基金管理(上海)有限公司), and except for this, no other shareholder holds one-third or more of the equity interests in China Fortune-Tech Capital Co., Ltd. (中芯聚源私募基金管理(上海)有限公司). The executive partner of Shanghai Xinqi Investment Center (Limited Partnership) (上海芯齊投資中心(有限合夥)) is Hainan Xinsheng Information Service Center (Limited Partnership) (海南新昇信息服務中心(有限合夥)) (which does not hold any partnership interest). It has a total of 2 limited partners, with Gongqingcheng Xingwei Investment Partnership (Limited Partnership) (共青城興微投資合夥企業(有限合夥)) holding a 99.5% partnership interest, and except for this, no other limited partner holds one-third or more of the partnership interests in Shanghai Xinqi Investment Center (Limited Partnership) (上海芯齊投資中心(有限合夥)). The executive partner of Hainan Xinsheng Information Service Center (Limited Partnership) (海南新昇信息服務中心(有限合夥)) is Gao Yonggang (holding a 28% partnership interest), and it has a total of 3 limited partners, none of which holds one-third or more of the partnership interests in Hainan Xinsheng Information Service Center (Limited Partnership) (海南新昇信息服務中心(有限合夥)). The executive partner of Gongqingcheng Xingwei Investment Partnership (Limited Partnership) (共青城興微投資合夥企業(有限合夥)) is Gao Yonggang (holding a 62% partnership interest), and it has a total of 5 limited partners, none of which holds one-third or more of the partnership interests in Gongqingcheng Xingwei Investment Partnership (Limited Partnership) (共青城興微投資合夥企業(有限合夥)).

Vendor 19

Vendor 19 is a limited partnership established in the PRC and specifically engaged in equity investment. Its executive partner is Wuxi Hushan Investment Center (Limited Partnership) (無錫湖杉投資中心(有限合夥)) (holding 1.6667% of the partnership interest). Vendor 19 has a total of 6 limited partners, of which 58.3333% of the partnership interest is held by the limited partner Hushan Mingxin (Chengdu) Venture Capital Center (Limited Partnership) (湖杉明芯(成都)創業投資中心(有限合夥)). Save for the above, no other limited partner holds one-third or more of the partnership interest in Vendor 19.

The executive partner of Wuxi Hushan Investment Center (Limited Partnership) is Shanghai Hushan Investment Management Co., Ltd. (上海湖杉投資管理有限公司) (holding 80% of the partnership interest) and it has 1 limited partner, which holds less than one-third of the partnership interest. The ultimate actual controller of Shanghai Hushan Investment Management Co., Ltd. is Su Renhong (蘇仁宏) (holding 70% of the equity interest).

The executive partner of Hushan Mingxin (Chengdu) Venture Capital Center (Limited Partnership) is Wuxi Hushan Investment Center (Limited Partnership) (holding 2.2157% of the partnership interest) and it has a total of 14 limited partners, none of which holds one-third or more of the partnership interest in Hushan Mingxin (Chengdu) Venture Capital Center (Limited Partnership).

Vendor 20

Vendor 20 is a limited partnership established in the PRC and specifically engaged in equity investment. Its executive partner is Hangzhou Heqing Investment Management Co., Ltd. (杭州荷清投資管理有限公司) (holding a 1.8033% partnership interest). Vendor 20 has a total of four limited partners, of which 50% of the partnership interest is held by the limited partner Hangyin Wealth Management Co., Ltd. (杭銀理財有限責任公司). Save for the above, no other limited partner holds one-third or more of the partnership interest in Vendor 20.

No shareholder holds one-third or more of the equity interest in Hangzhou Heqing Investment Management Co., Ltd. (杭州荷清投資管理有限公司).

The sole shareholder of Hangyin Wealth Management Co., Ltd. (杭銀理財有限責任公司) is Bank of Hangzhou Co., Ltd. (杭州銀行股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 600929).

Vendor 21

Vendor 21 is a limited partnership established in the PRC and engaged in investment and asset management, with Lai Bolin (賴柏霖) as its executive partner (holding a 0.8% partnership interest). Vendor 21 has a total of two limited partners, of which the partnership interest is held as to 99% by a limited partner, Shenzhen Weishun Zhengxin Investment Co., Ltd. (深圳市為順正新投資有限責任公司). Save as disclosed above, no other limited partner holds one-third or more of the partnership interest in Vendor 21.

The ultimate actual controller of Shenzhen Weishun Zhengxin Investment Co., Ltd. (深圳市為順正新投資有限責任公司) is Zheng Yanhua (holding a 60% equity interest).

Vendor 22

Vendor 22 is a limited partnership established in the PRC and specifically engaged in equity investment. Its executive partner is Shenzhen Qingling Private Equity Fund Management Co., Ltd. (深圳市擎領私募股權基金管理有限責任公司) (holding 0.1116% of the partnership interest). Vendor 22 has a total of 10 limited partners, of which the partnership interest is held as to 33.4821% by Zhongsheng Huipu (Tianjin) Investment Management Co., Ltd. (中盛匯普(天津)投資管理有限公司), a limited partner. Save as disclosed above, no other limited partner holds one-third or more of the partnership interest in Vendor 22.

The ultimate actual controller of Shenzhen Qingling Private Equity Fund Management Co., Ltd. (深圳市擎領私募股權基金管理有限責任公司) is Ke Shaofeng (holding an 80% equity interest).

The ultimate actual controller of Zhongsheng Huipu (Tianjin) Investment Management Co., Ltd. (中盛匯普(天津)投資管理有限公司) is Tao Jianguo (holding an 80% equity interest).

Vendor 23

Vendor 23 is a limited partnership established in the PRC and principally engaged in the capital investment services industry. Its executive partner is Yuan Jie (holding 50% of the partnership interest) and limited partner is Song Guilan (holding the rest 50% of the partnership interest).

Vendor 24

Vendor 24 is a limited partnership established in the PRC and principally engaged in the software and information technology services industry. Its executive partner is Wei Yu (衛宇) (holding 1% of the partnership interest). Vendor 24 has 2 limited partners, of which the partnership interest is held as to 73.0741% by the limited partner Ye Weizhen (葉衛真). Save for the above, no other limited partner holds one-third or more of the partnership interest in Vendor 24.

Vendor 25

Vendor 25 is a limited partnership established in the PRC and principally engaged in investment and asset management. Its executive partner is Xi'an Xinke Zhiyuan Venture Capital Co., Ltd. (西安欣柯致遠創業投資有限公司) (holding 1% of the partnership interest). Vendor 25 has a total of 2 limited partners, of which 89% of the partnership interest is held by the limited partner, Shaanxi Taifaxiang Investment Management Co., Ltd. (陝西泰發祥投資管理有限公司). Save as disclosed above, no other limited partner holds one-third or more of the partnership interest in Vendor 25.

The ultimate actual controller of Xi'an Xinke Zhiyuan Venture Capital Co., Ltd. (西安欣柯致遠創業投資有限公司) is Zhu Ke (朱柯) (holding 90% of the equity interest).

The ultimate actual controller of Shaanxi Taifaxiang Investment Management Co., Ltd. (陝西泰發祥投資管理有限公司) is Zhao Shuanming (趙栓明) (holding 66% of the equity interest).

Vendor 26

Vendor 26 is a limited partnership established in the PRC and specifically engaged in equity investment. Its executive partner is Shen Zhenxing (holding a 15% partnership interest). Vendor 26 has a total of three limited partners, of which Shen Yousheng holds a 40% partnership interest. Save as disclosed above, no other limited partner holds one-third or more of the partnership interest in Vendor 26.

Vendor 27

Vendor 27 is a limited liability company established in the PRC and specifically engaged in equity investment, with Liu Jieqian as its legal representative. 100% of its equity interest is held by Shanghai Bright Power Semiconductor Co., Ltd. (上海晶豐明源半導體股份有限公司) (listed on the STAR Market of the Shanghai Stock Exchange, stock code: 688368).

The Guarantor

The Guarantor is a PRC citizen.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors, the Guarantor and their respective ultimate beneficial owners are Independent Third Parties under the Hong Kong Listing Rules as at the date of this announcement.

HONG KONG LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Hong Kong Listing Rules) in respect of the Share Transfer Agreement and the transactions contemplated thereunder exceeds 5% but is less than 25%, it constitutes a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules, but is exempt from the shareholders' approval requirement.

DEFINITIONS

“Board”	the board of Directors
“Company”	SG Micro Corp
“Director(s)”	the director(s) of the Company
“Group”	SG Micro Corp and its subsidiaries
“Guarantor”	Wang Yu
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Independent Third Party(ies)”	person(s) independent of the Company and its connected persons
“Independent Valuer”	Beijing Kunyuan Zhicheng Asset Appraisal Co., Ltd. (北京坤元至誠資產評估有限公司)
“PRC”	the People's Republic of China, which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan province
“Share Transfer Agreement”	the share transfer agreement entered into among the Company, the Vendors and the Guarantor on 26 October 2026 in respect of the Share Transfer
“Share Transfer”	the acquisition by the Company of an aggregate of approximately 58.2878% of the equity interest in the Target Company held by the investor shareholders (corresponding to RMB34.97268 million in the registered capital of the Target Company and 34.97268 million shares of the Target Company)
“Target Company”	Shanghai Sensylink Microelectronics Co., Ltd. (上海申矽凌微電子科技股份有限公司) (including all of its subsidiaries) (formerly known as: Shanghai Sensylink Microelectronics Technology Co., Ltd. (上海申矽凌微電子科技有限公司))
“Target Shares”	an aggregate of approximately 58.2878% equity interest in the Target Company (corresponding to a registered capital of RMB34.97268 million of the Target Company, being 34,972,680 shares of the Target Company)
“Valuation Benchmark Date”	30 June 2026

“Valuation Report”	the valuation report dated 20 October 2026 issued by the Independent Valuer (Jing Kun Ping Zi [2026] No. 0163)
“Vendors”	Vendor 1, Vendor 2, Vendor 3, Vendor 4, Vendor 5, Vendor 6, Vendor 7, Vendor 8, Vendor 9, Vendor 10, Vendor 11, Vendor 12, Vendor 13, Vendor 14, Vendor 15, Vendor 16, Vendor 17, Vendor 18, Vendor 19, Vendor 20, Vendor 21, Vendor 22, Vendor 23, Vendor 24, Vendor 25, Vendor 26 and Vendor 27
“Vendor 1”	Shanghai Jinruobo Investment Management Co., Ltd. (上海金若波投資管理有限公司)
“Vendor 2”	Shanghai Feiyu Enterprise Management Consulting Partnership Enterprise (Limited Partnership) (上海霏雨企業管理諮詢合夥企業(有限合夥))
“Vendor 3”	Gao Yan
“Vendor 4”	Fan Bin
“Vendor 5”	Sun Jiwei
“Vendor 6”	Yunnan Nantian Infotech Information Industry Venture Capital Partnership (Limited Partnership) (雲南南天盈富泰克信息產業創業投資合夥企業(有限合夥))
“Vendor 7”	Hangzhou Hawthorn Innovation Equity Investment Partnership (limited partnership) (杭州荷塘創新股權投資合夥企業(有限合夥))
“Vendor 8”	Beijing Pond Exploration VC Co., Ltd. (北京荷塘探索創業投資有限公司)
“Vendor 9”	Han Zhou
“Vendor 10”	Shenzhen Nanshan Skyworth Information Technology Industry Venture Capital Fund (Limited Partnership) (深圳南山創維信息技術產業創業投資基金(有限合夥))
“Vendor 11”	Ma Tieping
“Vendor 12”	Shanghai Hushan Puxin Entrepreneurship Investment Center (Limited Partnership) (上海湖杉浦芯創業投資中心(有限合夥))
“Vendor 13”	Suzhou Hushan Huaxin Venture Capital Partnership Enterprise (Limited Partnership) (蘇州湖杉華芯創業投資合夥企業(有限合夥))
“Vendor 14”	Infotech (Shenzhen) Global Technology Equity Investment Fund Partnership Enterprise (Limited Partnership) (盈富泰克(深圳)環球技術股權投資基金合夥企業(有限合夥))
“Vendor 15”	Guangzhou Minghong Kefu Equity Investment Enterprise (Limited Partnership) (廣州明鴻科富股權投資企業(有限合夥))
“Vendor 16”	Suzhou Wofu Ruixin Venture Capital Partnership (Limited Partnership) (蘇州沃賦睿鑫創業投資合夥企業(有限合夥))

“Vendor 17”	Shanghai Kaiyan Management Consulting Partnership (Limited Partnership) (上海凱焰管理諮詢合夥企業(有限合夥))
“Vendor 18”	Suzhou Juyuan Zhenxin Equity Investment Partnership (Limited Partnership) (蘇州聚源振芯股權投資合夥企業(有限合夥))
“Vendor 19”	Jiaxing Hushan Zhenxin Venture Capital Partnership (Limited Partnership) (嘉興湖杉振鑫創業投資合夥企業(有限合夥))
“Vendor 20”	Hangzhou Heqing Lingchuang Venture Capital Partnership (Limited Partnership) (杭州荷清領創創業投資合夥企業(有限合夥))
“Vendor 21”	Nanjing Jintai Venture Capital Partnership Enterprise (Limited Partnership) (南京錦泰創業投資合夥企業(有限合夥))
“Vendor 22”	Xiamen Qingling Huayu Equity Investment Partnership (Limited Partnership) (廈門擎領華禦股權投資合夥企業(有限合夥))
“Vendor 23”	Shenzhen Xinlin Information Technology Partnership (Limited Partnership) (深圳市芯臨信息技術合夥企業(有限合夥))
“Vendor 24”	Shanghai Saihui Information Technology Partnership (Limited Partnership) (上海賽匯信息技術合夥企業(有限合夥))
“Vendor 25”	Xi'an Xinke Jiaming Equity Investment Partnership (Limited Partnership) (西安欣柯嘉名股權投資合夥企業(有限合夥))
“Vendor 26”	Ningbo Yuedu Venture Capital Partnership (Limited Partnership) (寧波越都創業投資合夥企業(有限合夥))
“Vendor 27”	Hainan Jingxinhai Venture Capital Company Limited (海南晶芯海創業投資有限公司)
“%”	per cent

By order of the Board

SG Micro Corp

Zhang Shilong

Chairman of the Board, Executive Director and General Manager

Beijing, PRC, 26 October 2026

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

APPENDIX: SUMMARY OF VALUATION REPORT

The Company has engaged an Independent Valuer to conduct a valuation on the Target Company adopting the market approach. The Independent Valuer concluded that the market value of the entire equity interest of the shareholders of the Target Company as at the Valuation Benchmark Date (i.e. 30 June 2026) was RMB1,432.56 million. A summary of the Valuation Report is set out below:

Valuation Method

(1) Income Approach

- ① Prerequisites for the application of the income approach: the future income of the valuation subject can be anticipated and measured in monetary terms; the risks corresponding to the expected income can be measured; and the income period can be determined or reasonably expected.
- ② Applicability analysis of the income approach: Since the incorporation of the appraised enterprise, its assets and revenue have reached a certain scale. At present, with the rapid development of artificial intelligence, the semiconductor industry and the scale of the appraised enterprise are still in a period of rapid growth. However, the appraised enterprise has not yet achieved stable profitability, the forecast of its future income lacks a stable and reliable basis, and various operating-related risks cannot be reliably measured for the time being. Therefore, it fails to meet the requirements for the valuation using the income approach. Based on the above analysis, it is not appropriate to adopt the income approach for this valuation.

(2) Market Approach

- ① Prerequisites for the application of the market approach: The valuation subject or comparable references have a public market and relatively active trading; the trading information of the comparable references and the necessary information of the subject of the transaction are obtainable.
- ② Applicability analysis of the market approach: Currently, the public and active Main Board stock markets in Mainland China comprise the Shanghai and Shenzhen stock exchanges. There are thousands of stocks of listed companies traded on the Main Board markets of the Shanghai and Shenzhen stock exchanges, which can satisfy the criteria of “market capacity and activity level” for a market-based valuation. Based on the publicly released market information of listed companies, externally audited financial information, and other relevant materials provided by the China Listed Company Website and the iFinD information website, it is noted that: within the capital market of Mainland China, there are a relatively large number of listed companies in the same industry as the appraised enterprise, which can satisfy the “number” requirement of comparable enterprises for valuation under the market approach. Among the listed companies in the same industry as the appraised enterprise, upon comparing them with the appraised enterprise in terms of the time of establishment, time of listing, business scope, enterprise scale, principal products, business composition, operating indicators, business model, operating stage, and financial data, it can be concluded that: there are no less than three listed companies that are fundamentally comparable to the appraised enterprise, which can satisfy the “comparability” requirement of having a sufficient number of comparable enterprises under the market approach. In summary, it is appropriate to adopt the market approach for this valuation.

(3) Asset-based approach

- ① Prerequisites for the application of the asset-based approach: the relevant assets involved in the valuation subject can be used normally or are in use; the relevant assets involved in the valuation subject can be obtained through replacement; and the replacement cost and related depreciation of the relevant assets involved in the valuation subject can be reasonably estimated.
- ② Applicability analysis of the asset-based approach: The accounting systems of the appraised enterprise are relatively sound and its management is relatively orderly, and the quantities of the assets to be appraised can be verified based on financial data and on-site inspections; the replacement prices of the principal assets of the appraised enterprise can be obtained through multiple channels, such as the relevant websites of manufacturers, suppliers and other vendors; for the assets included in the valuation subject, important parameters such as the economic useful life can be estimated on the basis of on-site inspections and the collection of relevant information, thereby allowing the estimation of their physical depreciation, functional obsolescence and economic obsolescence. Although the appraised enterprise possesses the basic data required for valuation using this approach, the asset-based approach cannot fully measure and quantify the value of unrecorded intangible assets such as business models, management teams, customer resources, and operating qualifications, and it is unable to reflect the overall profitability of the appraised enterprise. Therefore, the asset-based approach cannot comprehensively reflect the value of the valuation subject corresponding to this valuation purpose. Based on the above analysis, it is not appropriate to adopt the asset-based approach for this valuation.

Valuation Assumptions

(I) Premise Assumptions

1. Fair transaction assumption: The fair transaction assumption assumes that the valuation subject is already in the course of a transaction, and the valuer simulates a market to perform the valuation in accordance with the principle of fairness based on the transaction conditions and other relevant factors of the valuation subject.
2. Open market assumption: The open market assumption assumes that the valuation subject is situated within a fully competitive and perfect market (whether a regional, national, or international market). In such market, the proposed parties to the transaction hold equal market status to each other, and both parties possess the capability, opportunity, and time to acquire sufficient market information. The trading activities of both parties to the transaction are conducted on a voluntary and rational basis, without compulsion or restriction, so as to facilitate both parties in making rational judgments regarding the functions, intended uses, and transaction price of the subject of the transaction. Under fully competitive market conditions, the exchange value of the subject of the transaction is governed by market mechanisms and determined by prevailing market conditions, rather than by any individual transaction price.
3. Going concern assumption: The going concern assumption assumes that the appraised enterprise (the valuation subject and the assets comprised therein) will continue to operate on an ongoing basis under its current business mode, scale, frequency, environment, and so forth. This assumption not only establishes the state of continued existence of the valuation subject, but also establishes the market conditions or market environment encountered by the valuation subject.

(II) General Assumptions

1. It is assumed that there are no material changes in the relevant current laws and regulations, industry policies, industrial policies, macroeconomic environment, etc., at the national and local levels and in the regions where the appraised enterprise operates its business as compared to those as at the Valuation Benchmark Date; and there are no material changes in the political, economic and social environments in the regions where the parties to the current transaction are located.
2. It is assumed that there are no material changes in the fiscal and monetary policies, as well as the prevailing interest rates, exchange rates, taxation bases and tax rates, and policy-related levies, in the regions where the appraised enterprise operates its business.
3. It is assumed that there are no other force majeure factors and unforeseeable factors that will have a material adverse impact on the continuing operations of the appraised enterprise.

(III) Special Assumptions

1. It is assumed that on the basis of the existing management mode and management level of the appraised enterprise, its business scope and business model will remain substantially the same as at present, and the future development trend of its business will remain substantially consistent with the development trend of the industry in which it operates as at the Valuation Benchmark Date.
2. It is assumed that the operators of the appraised enterprise act with due diligence, and its management is capable of assuming their positions and performing their duties.
3. It is assumed that the information (including basic information, financial information, operational information, forecasting information, etc.) provided by the client and the appraised enterprise is true, accurate, and complete, and the relevant material matters are fully disclosed.
4. It is assumed that the appraised enterprise fully complies with all relevant existing laws and regulations.

Determination of the Specific Methods and Key Valuation Parameters under the Market Approach

1. Selection of the specific method under the market approach

The market approach in enterprise valuation refers to a valuation method that determines the value of the valuation subject by comparing it with comparable listed companies or comparable transaction cases. The two commonly used methods under the market approach are the listed-company comparison method and the transaction-case comparison method. The listed-company comparison method refers to a specific method of obtaining and analyzing the operating and financial data of comparable listed companies, calculating appropriate valuation multiples, and determining the value of the valuation subject based on a comparative analysis with the appraised enterprise. The transaction-case comparison method refers to a specific method of obtaining and analyzing data from cases of sales, acquisitions, and mergers of comparable enterprises in past transactions, calculating appropriate valuation multiples, and determining the value of the valuation subject based on a comparative analysis with the appraised enterprise.

Based on the analysis of the valuation subject, the valuation purpose, and the data collected by the valuers, it was determined to specifically adopt the listed-company comparison method to value the total value of shareholders' equity of the appraised enterprise in this valuation.

2. Specific valuation approach under the listed-company comparison method

The listed-company comparison method refers to a specific method of obtaining and analyzing the operating and financial data of comparable listed companies, calculating appropriate valuation multiples, and determining the value of the valuation subject based on a comparative analysis with the appraised enterprise. Its basic formula is as follows:

Value of the valuation subject = Corresponding valuation multiple parameter of the appraised enterprise $\times$ Adjusted average valuation multiple of the comparable enterprises

This method first selects comparable listed companies operating in the same industry and with similar operating conditions as the appraised enterprise, and calculates the market value of the comparable companies as well as one or several parameters highly correlated with asset value (such as EBIT, EBITDA, revenue, net profit, total assets, net assets, etc.); it then calculates the proportional relationship between the market value of the comparable companies and the analyzed parameters, i.e., the valuation multiples; next, the aforementioned valuation multiples are adjusted for various differences between the comparable companies and the appraised enterprise to derive the valuation multiples for estimating the value of the appraised enterprise. Based on the adjusted valuation multiples and the corresponding valuation multiple parameters, a preliminary conclusion of the enterprise value is estimated. After considering the impact of the discount for lack of marketability and the control premium on the valuation multiples, and analyzing the value of surplus assets and non-operating assets and liabilities of the company, the total value of shareholders' equity of the appraised enterprise is ultimately estimated.

3. Key Parameters of the Valuation under the Market Approach

(1) Selection of comparable listed companies

First, the industry classification of the appraised enterprise within the iFinD database was identified as the analog chip design sector, and all listed companies within this sector were initially screened. Second, an analysis of the basic conditions of the appraised enterprise was conducted, which primarily included the enterprise type, time of establishment, business structure, market distribution, business model, scale, operating stage, growth potential, operational risks, financial risks, and others. Finally, 4 listed companies with operating conditions similar to those of the appraised enterprise were selected as comparable companies.

(2) Selection of value ratio

When selecting the value ratio, the valuer analyzed three categories of indicators, namely profit-based value ratio (Enterprise Value to Earnings Before Interest and Taxes (EV/EBIT) and Price-to-Earnings (P/E) ratio), revenue-based value ratio (Enterprise Value to Sales (EV/S)), and asset-based value ratio (Enterprise Value to Assets (EV/A) and Price-to-Book (P/B) ratio), and calculated and compared the correlation coefficients between the enterprise or equity value of A-share listed companies within the industry of the Target Company and each of such indicators.

Considering that the book value of assets cannot fully reflect the value of unrecorded intangible assets that contribute to corporate value but cannot be fully measured and quantified, such as the business model, management team, customer resources and operating qualifications, asset-based value ratio (Enterprise Value to Assets (EV/A) and Price-to-Book (P/B) ratio) were not adopted; considering that most of the A-share listed companies within this industry have not yet achieved stable profitability, and the correlation coefficients between the profitability indicators within the industry of the Target Company and the enterprise or equity value are relatively low, profit-based value ratio (Enterprise Value to Earnings Before Interest and Taxes (EV/EBIT) and Price-to-Earnings (P/E) ratio) were not adopted. Revenue-based value ratio (Enterprise Value to Sales (EV/S)) were ultimately selected to be adopted because: taking into account that the majority of the material asset restructuring cases involving A-share companies within the industry of the Target Company in recent years utilized the market approach and selected Enterprise Value to Sales (EV/S) as the value ratio parameter, and furthermore, the correlation coefficient between the revenue indicators of the companies within the industry of the Target Company and the enterprise value is higher than that of other indicators.

(3) Selection criteria for comparable listed companies

The Independent Valuer selected the final comparable listed companies based on the following criteria:

1. Selecting listed companies from the A-share market that fall under the electronics – semiconductor – analog chip design industry of the Shenyin Wanguo industry classification.

2. Excluding companies under ST and those listed for less than one year, and selecting companies whose principal business is chip design and sales, whose revenue from the integrated circuit business accounts for more than 90% of their total revenue, and whose principal products include or are similar to sensor chips, the specific list of initially selected comparable companies obtained is as follows:

No.	Stock Code	Stock Short Name	Composition of principal business
1	600171.SH	Shanghai Belling	production and trading of integrated circuits 98.9588%; other businesses 1.0412%
2	688045.SH	Kiwi Instruments	Integrated circuits 98.8743%; Other businesses 1.1257%
3	688052.SH	NOVOSENSE	Integrated circuits 99.6486%; Other businesses 0.3514%
4	688286.SH	MEMSensing	Integrated circuits 99.6158%; Other businesses 0.3842%
5	688484.SH	Southchip	Integrated circuit industry 99.9085%; Other businesses 0.0915%
6	688536.SH	3PEAK	Integrated circuit industry 99.9260%; Other businesses 0.0740%

3. Exclude from the remaining companies those with a negative net profit for the most recent year or a price-to-sales (P/S) ratio that deviates from the average by more than 50%. The details of the two excluded companies are as follows:

No.	Stock Code	Stock Short Name	Reasons for exclusion
1	688052.SH	NOVOSENSE	Negative net profit for the most recent year
2	688536.SH	3PEAK	Price-to-sales (P/S) ratio deviates from the average by more than 50%

4. After the above screening steps, four companies were ultimately selected as the comparable listed companies. The specific details are as follows:

	Comparable Company1	Comparable Company2	Comparable Company3	Comparable Company4
Company Code	600171.SH	688045.SH	688286.SH	688484.SH
Name	Shanghai Belling	Kiwi Instruments	MEMSensing	Southchip
Industry	Electronics – Semiconductors – Analog Chip Design	Electronics – Semiconductors – Analog Chip Design	Electronics – Semiconductors – Analog Chip Design	Electronics – Semiconductors – Analog Chip Design
Overview	Primarily engaged in integrated circuit design. Major products include power management, signal chain products, and power devices.	Primarily engaged in the research, development, and sales of power management chips and motor drive control chips. Major products include AC-DC, DC-DC, driver ICs, motor drives, linear voltage regulators, battery management, current sensors, magnetic sensors, amplifiers, converters, isolation chips, interface chips, and microcontrollers.	Primarily engaged in the research, development, production, and sales of MEMS sensors. Major products include MEMS acoustic sensors, MEMS pressure sensors, and MEMS inertial sensors.	Primarily engaged in the research, development, design, and sales of analog and embedded chips. Focusing on the fields of power and battery management, it provides customers with complete end-to-end solutions. Its products are applied in consumer electronics, industrial sectors, automotive electronics, and intelligent computing.

(4) Calculation of value ratios of comparable companies

Based on the relevant information publicly disclosed by each comparable company as at the Valuation Benchmark Date, the original value ratios of each comparable company as at the Valuation Benchmark Date were calculated. Taking into consideration the differences between the comparable companies and the Target Company in aspects such as financial condition, adjustments were made to the original value ratios to derive the adjusted value ratios. Details are set out below:

Item	Comparable Company1	Comparable Company2	Comparable Company3	Comparable Company4
A-share stock code	600171.SH	688045.SH	688286.SH	688484.SH
Stock short name of the A-share listed company	Shanghai Belling	Kiwi Instruments	MEMSensing	Southchip
Financial reporting date	2026-6-30	2026-6-30	2026-6-30	2026-6-30
Enterprise value EV (RMB ten thousand)	2,338,246.44	536,361.05	508,614.17	2,413,322.84
Revenue for the 12 months prior to the date of the latest financial report S (RMB ten thousand) TTM	343,264.01	85,288.11	56,359.80	333,677.79
Original EV/S	6.81	6.29	9.02	7.23

Note: The enterprise value of the comparable companies is calculated based on the recent average share trading prices as at the Benchmark Date, after taking into account the impact of control premium, minority interests, exclusion of non-operating assets and liabilities, and interest-bearing liabilities;

Control premium adjustment: The share prices of comparable listed companies represent the prices of fragmented and small-scale equity transactions executed in the securities trading market; such equity interests do not possess controlling power. The subject of this valuation is the total value of shareholders' equity inclusive of control; therefore, a control premium adjustment is required. Based on the statistics of the average price-to-earnings ratios of minority equity transactions and controlling equity transactions in historical open market merger and acquisition cases, the adjustment coefficient for the control premium is 1.1504.

The valuation adjustments in this valuation include transaction condition adjustments, transaction date adjustments, financial condition adjustments.

The transaction condition adjustment refers to the adjustment for the degree of impact of non-market factors on the transactions of the comparable companies. Since the trading prices of listed companies are all open and continuous market trading prices under fully active market trading conditions, no transaction condition adjustment is required. Therefore, the transaction condition adjustment coefficient for each comparable company is 1.0000.

Asset prices vary over time. If the transaction date of a comparable company differs from the time of valuation, it is necessary to adjust the price of the comparable company as at its transaction date to the price as at the Valuation Benchmark Date. Such adjustment for market conditions corresponding to different points in time is referred to as the transaction date adjustment. In this valuation, the dates for adopting the relevant parameters to calculate the valuation ratios of the comparable companies are the same as the Valuation Benchmark Date; hence, no transaction date adjustment is required. Therefore, the transaction date adjustment coefficient for each comparable company is 1.0000.

There are differences in the operating conditions between the appraised enterprise and the comparable companies, and such differences can be adjusted by comparing a series of financial indicators. This valuation adjustment adopts an indirect comparison method. The financial adjustment system is constructed by reference to the enterprise performance evaluation standard indicators, standard values, and scoring system for the electronic component manufacturing industry in the “Enterprise Performance Evaluation Standard Values”, and the adjustments are made after comparative scoring.

The specific adjustment coefficients for the financial position of each comparable company are set out in the table below:

Item	Comparable Company1	Comparable Company2	Comparable Company3	Comparable Company4
Stock Code	600171.SH	688045.SH	688286.SH	688484.SH
Name of Comparable Listed Company	Shanghai Belling	Kiwi Instruments	MEMSensing	Southchip
1. Adjustment for transaction condition	1.0000	1.0000	1.0000	1.0000
2. Adjustment for transaction date	1.0000	1.0000	1.0000	1.0000
3. Adjustment for financial condition	0.9814	1.2279	1.0097	0.9566
Comprehensive adjustment coefficient	0.9814	1.2279	1.0097	0.9566

The results of the value ratio after comprehensive adjustments are as follows:

	Comparable Company1	Comparable Company2	Comparable Company3	Comparable Company4
Stock Code	600171.SH	688045.SH	688286.SH	688484.SH
Name of Comparable Listed Company	Shanghai Belling	Kiwi Instruments	MEMSensing	Southchip
Original EV/S	6.81	6.29	9.02	7.23
Comprehensive adjustment coefficient	0.9814	1.2279	1.0097	0.9566
Adjusted EV/S	6.68	7.72	9.11	6.92
Adjusted EV/S Average		7.61		

Adjustment for lack of marketability: Since the comparable companies selected in this valuation are all listed companies, while the appraised enterprise is an unlisted company, it is necessary to consider the adjustment for the discount for lack of marketability (DLOM). Regarding the marketability discount, the valuers calculated it with reference to the estimation method for new share issuance pricing. Such estimation method studies the marketability discount through the difference between the initial public offering (IPO) issuance price of domestic listed companies and the trading price after the formal listing of the relevant shares. Based on the sub-industry classification of the filtered comparable companies, the valuers collected and compiled the new share issuance prices of comparable companies under the industry classification of “SW Electronics – Semiconductor – Analog Chip Design” which had been listed for at least one full year as at the Benchmark Date. The valuers respectively calculated the discount rates between such issuance prices and the average trading prices of the 30, 60, and 90 trading days post-listing, and determined the marketability discount rate after excluding excessive outlier data. This valuation adopted the average level of the marketability discount rates across the aforementioned trading periods, arriving at an adjustment coefficient for lack of marketability of 0.6793.

(5) Calculation of Valuation Results

The valuation results under the market approach for the 100% equity interest of the Target Company as at the Benchmark Date are as follows:

Unit: RMB'0,000

No.	Item	Calculation Process
1	EV/S	7.61
2	Value ratio parameter (LTM Revenue (S) of the Target Company for the 12 months preceding the Benchmark Date)	27,647.60
3	EV	210,332.83
4	Less: Interest-bearing debt	—
5	Operating equity value	210,332.83
6	Adjustment coefficient for discount rate for lack of marketability	0.6793
7	Adjusted operating equity value	142,882.35
8	Add: Surplus assets	—
9	Add: Net value of non-operating assets	374.01
10	Total value of shareholders' equity (rounded to the nearest ten thousand)	143,256.00

Note: The last twelve months (LTM) revenue S of the Target Company was determined with reference to the due diligence results of the financial due diligence firm engaged by the management.

Valuation Conclusion

As at the Valuation Benchmark Date, the book value of the total assets reflected in the consolidated financial statements as at the Valuation Benchmark Date reported by the Target Company was RMB389.4619 million, the book value of the total consolidated liabilities was RMB41.5675 million, and the book value of the consolidated owners' equity was RMB347.8944 million, of which the book value of the equity attributable to the shareholders of the parent company was RMB347.8944 million.

Based on the valuation using the market approach, the valuation conclusion for the market value of the entire shareholders' equity in the Target Company as at the Valuation Benchmark Date was RMB1,432.56 million.

Explanation of the Significant Difference Between the Valuation and the Book Value of Net Assets

The valuation result under the market approach of the total shareholders' equity of the Target Company as at the Valuation Benchmark Date is significantly higher than the book value of net assets of the Target Company. The Company considers that the book value of net assets of the Target Company cannot fully and objectively reflect the true value of the total shareholders' equity of the Target Company for the following reasons:

- (1) The asset-light Fabless model of the appraised enterprise does not require its own substantial investments in fixed assets

The business model of the appraised enterprise is a Fabless model, under which it solely undertakes chip design and sales without investing in the construction of wafer fabrication and packaging and testing plants or equipment. The Fabless model is the prevailing business model among industry peers. Under such a model, the enterprise avoids substantial fixed asset investments, and therefore, the book value of its net assets is lower compared to that of peer companies which undertake their own plant construction and equipment procurement. Consequently, at the same valuation level, a company adopting the Fabless model will yield a higher appreciation rate in its valuation results.

- (2) The Evaluated Entity possesses strong product competitiveness

The appraised enterprise focuses on the semiconductor design of sensor chips and mixed-signal chips. Since its establishment, the company has successfully researched, developed, and mass-produced hundreds of competitive products with completely independent intellectual property rights. The products cover numerous categories including temperature sensors, temperature and humidity sensors, digital interface chips, and digital-to-analog converter chips. Its downstream applications cover sectors such as industrial, networking and computing, medical, and smart wearables, having accumulated a portfolio of high-quality end-customer resources.

- (3) The Evaluated Entity possesses favorable development prospects and growth potential

The appraised enterprise belongs to the chip design industry and is a High and New Technology Enterprise. The chip research and development sector represents the cutting edge of the manufacturing industry, which is a key industry prioritized for strategic development by the State, presenting promising future prospects.

The appraised enterprise has recorded significant growth in its operating revenue and net profit in recent years. The appraised enterprise possesses strong competitive advantages in the sub-sectors of sensor chips and mixed-signal chips, and is capable of maintaining its competitiveness and growth potential through continuous research and development based on its existing technological advantages.