

OMNIVISION®

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

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

Stock Code: 603501.SH | 0501.HK

2025 Annual Report



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DEFINITIONS

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

DEFINITIONS

“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Non-executive Director(s)”	independent non-executive directors of the Company
“Latest Practicable Date”	March 23, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this annual report prior to its publication
“Nomination Committee”	the nomination committee of the Board of the Company
“Non-executive Director(s)”	non-executive directors of the Company
“Over-allotment Option”	as defined in the Prospectus
“PRC” or “China”	the People’s Republic of China
“PRC Company Law”	the Company Law of the PRC* (《中華人民共和國公司法》)
“Prospectus”	the prospectus of the Company dated December 31, 2025
“Qingdao Qingen”	Qingdao Qingen Asset Management Co., Ltd.* (青島清恩資產管理有限公司), a company established on February 22, 2018 in the PRC, one of the Controlling Shareholders of the Company
“R&D”	research and development
“Remuneration and Evaluation Committee”	the remuneration and evaluation committee of the Board of the Company
“Reporting Period”	January 1, 2025 to December 31, 2025
“RMB”	Renminbi
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
“Shanghai Qingen”	Shanghai Qingen Asset Management Partnership (Limited Partnership)* (上海清恩資產管理合夥企業(有限合夥)), a partnership established on January 27, 2016 in the PRC, one of the Controlling Shareholders of the Company
“Shanghai Stock Exchange” or “SSE”	The Shanghai Stock Exchange

DEFINITIONS

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

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. YU Renrong (虞仁榮先生) (*Chairperson*)
Mr. WU Xiaodong (吳曉東先生)
Mr. JIA Yuan (賈淵先生)
Ms. QIU Huanping (仇歡萍女士)

NON-EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

REMUNERATION AND EVALUATION COMMITTEE

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

STRATEGY AND ESG COMMITTEE

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

JOINT COMPANY SECRETARIES

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

AUTHORIZED REPRESENTATIVES

Mr. JIA Yuan (賈淵先生)
Ms. REN Bing (任冰女士)

REGISTERED ADDRESS

7/F, Building C, Block 1
No. 3000 Longdong Avenue
Pilot Free Trade Zone
Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN THE PRC

OmniVision Technology Park
88 Shangke Road
Pilot Free Trade Zone
Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1912, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

CORPORATE INFORMATION

H SHARE REGISTRAR

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

LEGAL ADVISER

Jones Day (as to Hong Kong law)

AUDITOR

BDO China Shu Lun Pan Certified Public Accountants LLP

COMPLIANCE ADVISER

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

LISTING

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

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

COMPANY'S WEBSITE

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

BUSINESS OVERVIEW

The Group is a global fabless semiconductor design company. According to TrendForce, the Group is one of the world's top 10 fabless semiconductor companies. The Group is distinguished by its proprietary technologies, diversified products and solution portfolio, flexible fabless business model, and extensive customer network and supply chain ecosystems.

The Group is primarily engaged in three main business lines: advanced digital imaging solutions, display solutions and analog solutions, complemented by its semiconductor distribution business supported by a large distribution network. It continues to expand its product and solution offerings so as to serve high-growth verticals such as smartphone, automobile, medical, surveillance, and emerging markets (machine vision, smart glasses, and Edge AI). The Group's comprehensive suite of business lines and strong design capabilities enable it to design, develop, and market a wide range of highly integrated semiconductor solutions designed for mission-critical applications across diverse industry verticals.



The Group employs a fabless manufacturing strategy, allowing it to concentrate on the design and sales of semiconductor products and solutions while collaborating with world-leading suppliers for wafer fabrication, packaging and testing. Its end customers include many of the world's leading smartphone manufacturers, auto manufacturers, large medical equipment companies, surveillance devices manufacturers, major notebook manufacturers and a variety of emerging consumer electronics manufacturers. Recognizing that every vertical has application-specific requirements that cannot be addressed by a one-size-fits-all solution, the Group has dedicated solution development teams that collaborate closely with supply chain partners and customers to understand their challenges and deliver a wide range of technology solutions.

BUSINESS OVERVIEW

Building on its renowned pixel architectures, the Group has developed an extensive array of industry-leading, award-winning technologies, with a focus on pixel miniaturization, advanced image capturing, CameraCubeChip®, LCOS, TDDI, and a wide range of analog technologies. These architectures and technologies and the related intellectual property rights allow the Group to provide high-value semiconductor solutions in a variety of high-growth markets.

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

LETTER TO SHAREHOLDERS

Dear Shareholders,

The year 2025 marked a pivotal period for the global semiconductor industry, characterized by recovery amid volatility and meaningful breakthroughs driven by structural transformation. It was also a significant year for OMNIVISION Group, during which we further sharpened our focus on core sectors and advanced into a new stage of high-quality development. We addressed challenges with composure and responded to emerging opportunities with precision, guiding all OMNIVISION employees in steadfastly contributing to industry progress and supporting the Company's high-quality growth.

Reflecting on 2025, the global semiconductor industry experienced a structural recovery. The deepening penetration and broad-based empowerment of artificial intelligence injected strong momentum into areas such as automotive intelligence, emerging smart terminals, and machine vision, creating new pathways for the expansion of OMNIVISION Group's core businesses. Throughout the year, we made steady progress in enhancing quality and efficiency, resulting in a solid improvement in overall operating performance. Full-year operating revenue reached RMB28.855 billion, representing a year-on-year increase of 12.14%. Semiconductor design — our core business — achieved full-year revenue of RMB23.800 billion, up 9.98% year-on-year. Notably, while expanding our revenue scale, we continued to deepen internal management reforms and optimize our product portfolio, driving a sustained release of corporate profitability. Net profit attributable to shareholders of the listed company reached RMB4.045 billion, a year-on-year increase of 21.73%, achieving concurrent improvements in both scale and efficiency.

This performance underscores OMNIVISION Group's strong capabilities in cultivating the core field of visual perception and consolidating its leadership within the industry. It also reflects our strategic discipline in aligning with industry evolution and capturing the opportunities presented by this transformative era.

Automotive Electronics: Reinforcing Leadership in Intelligent Mobility

In the automotive electronics sector, the Company capitalized on the global acceleration of intelligent vehicle development and continued to reinforce its core advantages as a leading provider of automotive image sensing business. In 2025, revenue from the Group's automotive image sensing business exceeded RMB7.471 billion, representing a year-on-year increase of 26.52%. Our global market share continued to expand, and our core competitiveness was further strengthened. Leveraging our proprietary core technologies, we deepened strategic cooperation with leading global autonomous-driving platform suppliers, delivering robust visual-perception capabilities for advanced autonomous driving and smart-cockpit safety, thereby contributing to a solid safety foundation for intelligent mobility.

At the same time, the Group's automotive analog chips remained closely aligned with customers' evolving requirements for comfort and safety, with a focus on signal consistency and strong anti-interference performance. Through integrated solutions, these products achieve an optimized balance of safety, efficiency, and cost across automotive applications. In 2025, the Company's automotive analog ICs generated revenue of RMB296 million, accounting for 18.32% of the analog solutions business and reflecting a year-on-year increase of 47.54%.

Emerging Industries: Accelerating Growth Through "AI+" Innovation

In emerging industries, we keenly captured the opportunities arising from the transformative momentum of "Artificial Intelligence+", proactively positioning itself in cutting-edge fields such as edge AI, machine vision, professional imaging, smart wearables, and smart glasses, and achieving rapid, high-quality growth. In 2025, the Group's image sensor business generated RMB2.369 billion in revenue from emerging markets, representing a year-on-year increase of 211.85% and becoming a key new engine driving the Group's overall performance. We remained focused on addressing critical industry pain points and continued to pursue technological breakthroughs, achieving significant advancements in core areas such as global-shutter technology, liquid-crystal-on-silicon (LCOS) display solutions, and NPU-integrated architectures. These innovations empower smart terminals with the essential capability to progress from merely "seeing the world" to truly "understanding the world."

LETTER TO SHAREHOLDERS

AI and Embodied Intelligence: Advancing the Next Frontier of Machine Vision

Looking ahead to an industrial future defined by the deep integration of AI and embodied intelligence, the Company recognizes that visual perception is fundamental for enabling robots to achieve autonomous operation, overcome environmental constraints, and serve as a critical bridge between the physical world and intelligent decision-making. Leveraging its strong technological foundation, OMNIVISION Group continues to advance core capabilities in high-performance visual sensing, global shutter technology, and low-light imaging. The Company remains committed to addressing imaging challenges in high-speed motion scenarios and low-light environments, continuously enhancing its underlying machine-vision perception capabilities. Through sustained innovation in core technologies, OMNIVISION supports the intelligent industry in breaking through key bottlenecks and accelerates its transformation and upgrading toward higher levels of autonomy and intelligence.

Technological Competitiveness: Building a Durable Innovation Moat

OMNIVISION Group's steady growth is not incidental, but the result of its long-term commitment to and deep cultivation of core technological competitiveness. We firmly believe that proprietary core technologies form the foundation of an enterprise's sustained development, and that only through independent innovation can we secure strategic initiative in global industrial competition. In 2025, the Group continued to increase its R&D investment in semiconductor design, with annual R&D expenses reaching RMB3.680 billion, accounting for 15.46% of semiconductor design revenue and representing a year-on-year increase of 13.38%. This sustained, high-intensity investment further reinforced the foundation for technological innovation. As of the end of 2025, the Group held a cumulative total of 4,993 authorized patents, continuously building robust-and difficult-to-replicate technological barriers in key core areas and establishing a solid moat for the Group's long-term development.

Outlook: Advancing with Stability and Innovation

Looking ahead, the Company will embrace the opportunities arising from the deep integration of artificial intelligence and the real economy, further expand its global market presence, and enhance the synergy of its "A+H" capital-market platforms. In 2026, the global semiconductor industry is expected to be shaped by accelerated AI infrastructure development, leading to supply-and-demand disruptions across multiple sectors and heightened pressure on the consumer terminal market. In response, the Group will actively explore emerging downstream application scenarios, steadily broaden its product portfolio, and advance high-quality business development — maintaining stability amid change and forging new pathways through innovation. We firmly believe that only by continuously creating value for customers, delivering returns to shareholders, providing opportunities for employees, and contributing to society can an enterprise achieve sustainable, long-term success.

We extend our sincere gratitude to all shareholders for their trust, support and partnership. OMNIVISION Group will continue to move forward with steadiness and innovation, striving for high-quality development amid the evolving global semiconductor landscape and contributing even more to the advancement of the global visual perception industry.

OmniVision Integrated Circuits Group, Inc.
EXECUTIVE DIRECTOR AND CHAIRMAN OF THE BOARD
YU RENRONG

March 30, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW IN 2025

1. The Global Semiconductor Industry

According to the Fall 2025 forecast by the World Semiconductor Trade Statistics (WSTS), the growth projection for the global semiconductor market has been trending upwards. The global semiconductor market size is expected to grow by 22% to reach US\$772.0 billion in 2025. Such growth is primarily driven by both logic chips and memory chips, which are stimulated by AI-related demand and computing infrastructure. Other semiconductor categories demonstrated a moderate recovery, whereas discrete devices are experiencing a slight decline due to weak demand from automotive applications. Regionally, the Americas and Asia-Pacific regions are leading the growth, while Europe is achieving steady growth, and Japan is recording a slight decline.

Looking ahead to 2026, the global semiconductor market is expected to sustain its robust growth momentum, reaching US\$975.0 billion. Growth is expected across all geographical regions and product categories, with memory chips and logic chips both demonstrating year-on-year growth exceeding 30%, pioneering the industry's growth.

2. The PRC Semiconductor Industry

In recent years, driven by the continuous deepening of digitalization and intelligentization, global demand in the integrated circuit (IC) market has increased steadily. As one of the world's largest semiconductor consumer markets, the PRC maintains a significant position in the import and export trade of ICs.

According to data from the General Administration of Customs of the PRC, the import volume of ICs in 2025 reached 591.7 billion units, representing a year-on-year increase of 7.8%, with an import value of RMB3.04 trillion, representing a year-on-year increase of 10.7%. Similarly, the export volume amounted to 349.5 billion units, representing a year-on-year increase of 17.4%, with an export value of RMB1.44 trillion, representing a year-on-year increase of 27.4%. Overall, the import and export trade has sustained a steady growth momentum.

3. The Semiconductor Design Industry

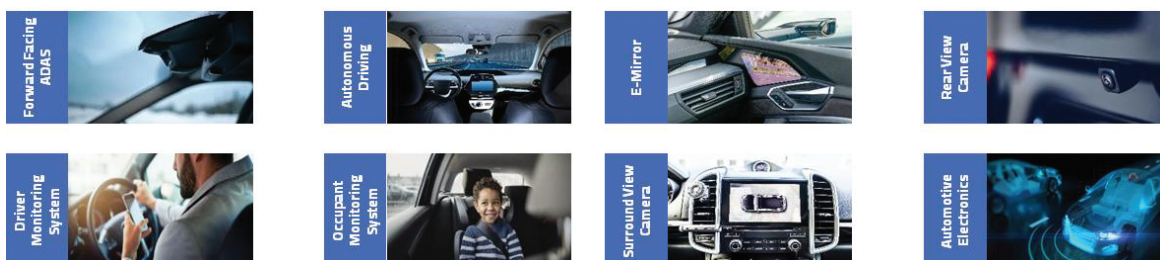
(1) Advanced Digital Imaging Solutions

Continuous advancement of automotive electrification

The global trends of electrification and intelligentization in the automotive industry continued to deepen. Automobile manufacturers are continuously increasing their investments in autonomous driving, the internet of vehicles, and new energy technologies, with the PRC market demonstrating particularly prominent performance in this regard. Such industry transformations and technological innovations have brought new development opportunities to the automotive industry and have also driven the continuous growth of the Group's sales volume in the automotive electronics market.

With the rapid increase in the penetration rates of autonomous driving systems and in-cabin driver monitoring systems (DMS), the demand for automotive cameras has grown significantly. The PRC's rapid development in the fields of new energy vehicles and advanced driver assistance systems (ADAS) continues to drive the growth in demand for automotive CIS. Along with the continuous upgrading and popularization of autonomous driving functions, the number of cameras installed per vehicle is expected to increase steadily. Meanwhile, the continuous expansion of in-vehicle intelligent applications such as facial recognition and gesture recognition further stimulates the growth in demand for automotive CIS in the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS



Rapid growth in demand for diversified intelligent applications

To achieve advanced image capturing and intelligent sensing capabilities, various emerging markets, such as action and panoramic cameras, smart glasses, edge AI, and machine vision, are driving the gradual release of demand for image sensors. Driven by the combined influence of trends such as device miniaturization, personalized photography, software algorithms and panoramic technology, the rise of outdoor sports and short video has further expanded demand for video recording, and the global sports and panoramic camera market is experiencing rapid growth. As the industry continues to explore innovative technical applications for smart glasses, there is immense potential in various fields such as entertainment, healthcare, and intelligent interaction. Smart glasses terminals are transitioning from the technology verification stage to large-scale penetration, with the deployment of smart glasses products accelerating.

As the core foundation of industrial automation and intelligent upgrades, machine vision serves as the key support for realizing autonomous perception, accurate judgment, and efficient operation of industrial equipment. It is widely deployed in core scenarios such as industrial automation, intelligent warehousing and logistics, intelligent inspection, robotics, intelligent transportation systems, and other fields, assisting traditional industries in improving quality and efficiency and accelerating digital transformation.

Fluctuations in smartphone market sector

According to IDC, smartphone shipments in the PRC market reached approximately 284 million units in 2025, representing a year-on-year decrease of 0.6%. During the first half of 2025, driven by consumer electronics subsidy policies and the peak season of the Chinese New Year, the market experienced a periodic recovery, but subsequent growth momentum was insufficient; in the second half of the year, affected by factors such as the early release of demand and the tapering of subsidies, the market continued its year-on-year downward trend. Furthermore, coupled with the anticipated significant increase in chip prices, the cost pressure on smartphone manufacturers was further exacerbated.

From a structural perspective, IDC forecasts that cost pressures will drive the pricing of Android flagship models further upward. Products possessing substantial innovation and differentiated competitiveness are gaining more recognition among consumers. Consequently, the smartphone market is exhibiting a pattern of continued expansion in the high-end market and pressure on the low-end market.

With the technological iterations and innovative upgrades in the smartphone industry, consumer demand for high-definition imaging continues to rise. Concurrently, market competition has accelerated the penetration of high-end technologies into lower-tier segments, leading to the gradual release of demand for high-pixel image sensors. The 200-megapixel (MP) image sensor market has entered a phase of

MANAGEMENT DISCUSSION AND ANALYSIS

rapid development. Leveraging outstanding advantages in image clarity and detail restoration, the 200-MP products are expected to become a core growth driver in the smartphone CIS market, leading a new round of imaging technology upgrades. According to forecasts by Sigmaintell, global demand for 200-MP smartphone CIS is expected to exceed 100 million units by 2027, with broad growth potential in the medium and long term.

Steady recovery in the security market and rapid growth driven by medical innovations

The global security monitoring market has entered a critical stage of iterative upgrading towards intelligentization and high definition, with the overall industry demonstrating a steady recovery trend. The continuous rebound in overseas security export demand has driven the gradual release of market demand for image sensors in the traditional security sector. The increasingly stringent requirements for low-light night vision, all-weather monitoring, and precise recognition in security scenarios have propelled the industrial chain to accelerate technological iterations, making high-end and high-performance imaging the mainstream development direction of the industry.

Due to the trend of miniaturization, portability, and high definition upgrades in the medical imaging field, coupled with the continuous surge in demand for disposable endoscopes in clinical diagnosis and treatment driven by cross-infection prevention and control, diagnostic convenience, and cost management, medical device end-customers are continuously raising their requirements for the precision, size, applicability, and cost-effectiveness of equipment such as endoscopes, minimally invasive interventional devices, catheter imaging and other equipment. As traditional CCD image sensors are gradually being replaced by high-performance CIS, the medical-specific CIS market is embracing opportunities for rapid expansion.

(2) Analog solutions

Driven by the rapid growth of emerging applications such as the Internet of Things, AI, electric vehicles, cloud computing, and 5G, the global analog IC industry is expected to maintain strong development momentum in the medium to long term. Demands for automotive intelligentization and electrification, as well as industrial energy efficiency, are propelling analog chips to develop towards higher performance and integration levels. In the consumer electronics sector, compact and low-power designs remain key to enhancing the user experience. Meanwhile, industrial scenarios emphasize performance characteristics such as high reliability, wide temperature ranges, high voltage tolerance, and strong anti-interference capabilities to satisfy the stringent requirements for high-precision data acquisition and functional safety in applications including industrial control, energy storage, and power grids. Diversified industry demands have driven the need for smaller, more highly integrated, and more energy-efficient analog ICs.

After a period of inventory clearance, the consumer electronics sector is experiencing a strong recovery in industry demand. The upgrading and replacement of mainstream products such as smartphones, laptops, and smart home appliances, coupled with the mass production of new product categories including AI terminal devices, have driven a steady rebound in the demand for power management ICs (PMICs) and signal chain ICs. Leveraging their advantages in cost-effectiveness and rapid response, domestic analog chip enterprises continue to increase their market share. The industrial sector, being a highly prosperous track for analog chips, benefits from the advancement of Industry 4.0, the popularization of intelligent manufacturing, and the capacity expansion of new energy storage installations, resulting in a sustained rapid growth in the demand for industrial-grade analog chips, which has become a core growth driver alongside consumer electronics. Driven by the increase of

MANAGEMENT DISCUSSION AND ANALYSIS

consumer electronics and industrial applications, coupled with the accelerated advancement of domestic substitution, the market size of analog chips is expected to achieve sustained and steady growth, presenting broad growth prospects for domestic enterprises.

Compared to consumer-grade products, automotive-grade analog chips must satisfy stringent requirements such as the AEC-Q100 automotive reliability certification, stable operation across a wide temperature range, high Automotive Safety Integrity Levels (ASIL-B/D), and long-life reliability. As intelligent driving evolves from L2 to high-level autonomous driving, systems such as intelligent driving and smart cabins are generating a surging demand for automotive analog chips with high-speed transmission, low latency, and high precision. Consequently, the value of automotive analog chips per vehicle has increased significantly compared to traditional internal combustion engine vehicles.

(3) Display Solutions

The global display driver IC (DDIC) industry is currently undergoing a structural transition cycle, with its market size expanding steadily and its value center of gravity continuously shifting upwards. Among these, the value proportion of high-performance, highly integrated, and customized products continues to increase, serving as the core engine for industry growth. Driven by the continuous increase in the penetration rate of AMOLED display panels in the smartphone market, according to Omdia, the penetration rate of OLED in the total demand of the world's top 10 smartphone manufacturers is expected to reach 65% in 2025.

Mid-sized terminal devices, such as laptops and tablets, are iterating towards being thin and light, low power consumption, and low carbon, which imposes higher requirements on the integration and cost-effectiveness of DDICs. Coupled with the demand for existing stock replacement and lightweight device upgrades in the global laptop market, the mid-sized DDIC market is jointly driven by both inventory replacement and new incremental demand, leading to the continuous release of market potential.

MANAGEMENT DISCUSSION AND ANALYSIS

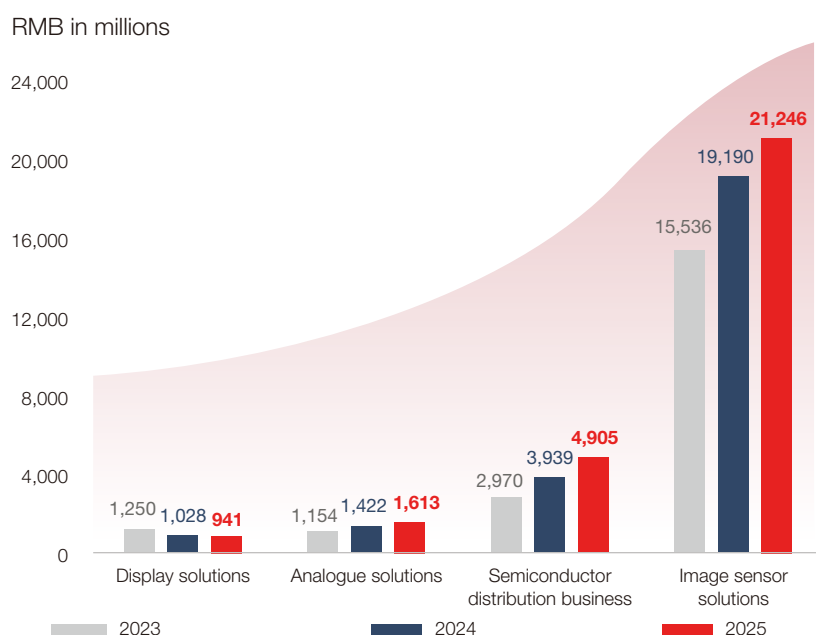
BUSINESS SCOPE IN THE REPORTING PERIOD

1. The semiconductor design business has experienced rapid growth

During the Reporting Period, the Group continued to deepen technological innovation and the commercialization of advanced technology achievements, continuously enriching the Group's product portfolio in high-end application scenarios. With accelerated penetration in the automotive intelligent driving sector and significant expansion in the panoramic camera, action camera and other intelligent terminal imaging application markets, market share in relevant verticals continued to increase. During the Reporting Period, the Group's revenue achieved steady growth. As revenue scale continued to expand, driven by continuous optimization of management efficiency, the Group's net profit and overall profitability were effectively released and steadily improved.

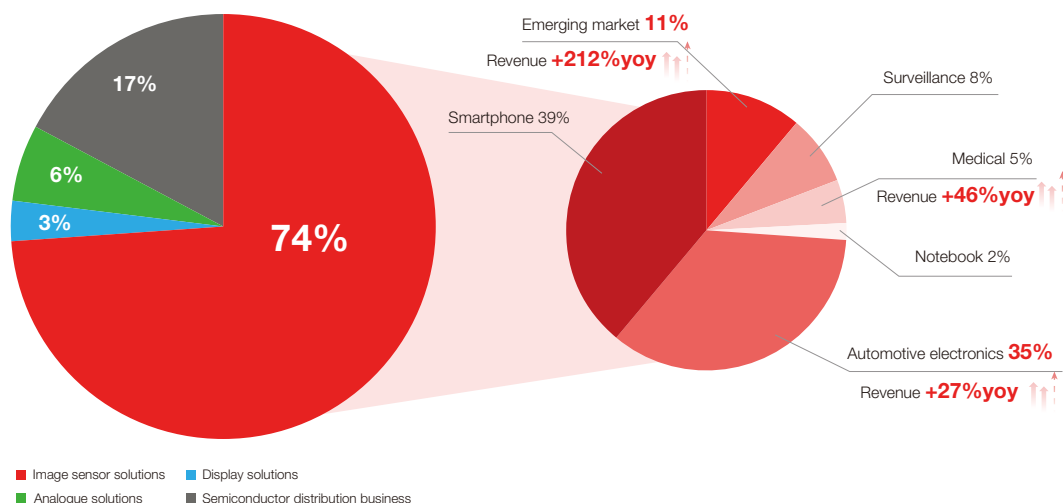
In 2025, the Group achieved revenue of RMB28.855 billion, an increase of 12.14% compared to the prior year. Revenue from the semiconductor design and sales business reached RMB23.800 billion, accounting for 82.60% of principal operating revenue, an increase of 9.98% compared to the prior year. The Group's semiconductor distribution business achieved revenue of RMB4.905 billion, accounting for 17.02% of the Group's principal operating revenue, an increase of 24.52% compared to the prior year.

OPERATING INCOME BY BUSINESS UNIT FROM 2023 TO 2025



MANAGEMENT DISCUSSION AND ANALYSIS

MAIN BUSINESS REVENUE COMPOSITION IN 2025



In 2025, within the Group's semiconductor design and sales business, the advanced digital imaging solutions business achieved revenue of RMB21.246 billion, accounting for 73.73% of principal operating revenue, an increase of 10.71% compared to the prior year. The Group's display solutions business achieved revenue of RMB941 million, accounting for 3.27% of principal operating revenue, a decrease of 8.47% compared to the prior year. The Group's analog solutions business achieved revenue of RMB1.613 billion, accounting for 5.60% of principal operating revenue, an increase of 13.43% compared to the prior year.

(1) Advanced Digital Imaging Solutions

Intelligentization of automobiles driving rapid growth of automotive CIS business

In response to the demand for higher-level autonomous driving functionalities, automotive cameras are evolving toward higher resolution, multi-functionality, greater intelligence and integration, to continuously meet consumers' ever-increasing demands for driving safety and driving experience. The Group's automotive CIS products have achieved significant resolution upgrades, with 8MP products accelerating in adoption. High-resolution image sensors deliver comprehensive improvements in image quality and signal-to-noise ratio, providing core technological support for object recognition, environmental perception and decision-making safety in autonomous driving and ADAS scenarios.

As a leading global supplier of automotive advanced digital imaging solutions, leveraging over two decades of industry experience, a comprehensive automotive-grade verification system, and leading pixel and image processing technologies, the Group provides the market with high-performance and highly reliable automotive CIS solutions. Its products comprehensively cover application scenarios such as ADAS, cockpit monitoring, electronic rearview mirrors, dashboard cameras, as well as rearview and panoramic imaging.

Moreover, in 2025, the Group seized market opportunities and continuously advanced technological iterations and product innovations. The Group's automotive CIS products have achieved significant resolution upgrades, with the accelerated popularization of 8-MP products. High-resolution image sensors bring comprehensive optimization in imaging quality and signal-to-noise ratio, providing core

MANAGEMENT DISCUSSION AND ANALYSIS

technical support for object recognition, environmental perception, and decision-making safety in autonomous driving and ADAS scenarios. At the same time, the Group launched new sensor products utilizing Nyxel® near-infrared (NIR) technology, which is widely used in driver monitoring systems. This further enriches the Company's automotive-grade product portfolio and provides new momentum for continued revenue growth and market share expansion. The latest generation of automotive image sensors based on TheiaCel® technology maintains an industry-leading position in key metrics, earning widespread customer recognition.

In 2025, the Group's image sensor business generated revenue of automotive market approximately RMB7,471 million, representing an increase of 26.52% compared to 2024, with its market share continuing to increase steadily.

Emerging markets creating new opportunities for future growth

The Group provides vision and sensing solutions to the global market, deeply supporting the development of the smart glasses industry. Leveraging its leading global shutter technology, it effectively enables terminals to achieve high-precision eye tracking and simultaneous localization and mapping functions, minimizing and eliminating image artifacts to a great extent. Relying on the Company's compact sensor low-light sensitivity solutions, it accurately meets the core functional requirements such as gesture detection, depth and motion detection, and head and eye tracking, significantly improving the clarity and precision of image capture. The Group's image sensors are characterized by its compact size and low power consumption, which align with the application requirements of smart glasses devices.

The Group's image sensors leverage advantages such as high pixel count, high resolution, wide dynamic range, excellent low-light performance, and low power consumption to provide clear, stable, and smooth imagery even in high-speed motion scenarios, thereby providing crucial support for the imaging quality and stability of panoramic and action cameras. In 2025, the Group fully benefited from the rapid development of downstream industries in the sports and panoramic camera sector, and the sales volume of related businesses achieved rapid growth.

Furthermore, the Group has achieved technological breakthroughs in integrating neural processing units (NPU) into CIS chips within the smart glasses sector. Through the close integration of chip-level perception and AI computing, the Group provides an ideal solution to address the core challenges of smart glasses in terms of real-time performance, power consumption, privacy, and form factor, enabling faster, more power-efficient, and safer AI processing for smart glasses. As the smart glasses industry enters a crucial development stage of large-scale penetration, the Group's related businesses possess broad growth potential in the future.

Relying on the Group's self-developed core patented technologies, including Nyxel® NIR enhancement technology, Back-Side Illuminated (BSI) process, and Global Shutter core patented technologies, the Company has developed multiple innovative visual solutions covering high-resolution imaging, industrial 3D sensing, and barcode recognition scenarios, tailored to the stringent imaging requirements and complex working conditions in industrial scenarios. Balancing imaging precision, response speed, and environmental adaptability, these solutions match the diversified and customized application needs of customers. With its strong product capabilities and comprehensive technical services, the Group has gained recognition from downstream customers and the industry market.

MANAGEMENT DISCUSSION AND ANALYSIS

With the Group's in-depth strategic involvement in the "AI+" terminal device sector, they continue to provide global customers with advanced visual and sensing solutions, providing strong support for the rapid development of emerging markets. In 2025, the Group's image sensor business generated revenue of approximately RMB2,369 million in emerging markets, representing a year-on-year increase of 211.85%.

Breakthroughs in high-end smartphone product iterations

The smartphone market is exhibiting a pattern of continued expansion in the high-end market and pressure on the low-end market. In order to actively respond to industry changes, the Group continues to strengthen its competitive advantage in the high-end smartphone CIS field. In 2025, the Group launched the OV50X, a 50-MP 1-inch high dynamic range (HDR) image sensor, which enables flagship smartphones to achieve cinematic video recording capabilities. This product has currently achieved mass production and delivery. In the mainstream 50-MP segment, the Group has successively launched various new products with pixel sizes ranging from 0.6 μm to 1.6 μm , which feature core advantages such as HDR and low power consumption. Moreover, the Group expanded additional product series based on the TheiaCel[®] technology platform, thereby further consolidating and enhancing their market share in the mid-to-high-end smartphone market.

Affected by overall industry adjustments and the product cycle transition of the Group's principal products, revenue generated from the smartphone market under the Company's image sensor business in 2025 amounted to RMB8,272 million, representing a year-on-year decrease of 15.61%. In the same period, the Group's 200-MP image sensor products successfully passed customer validation and achieved design-in, which will unlock new growth potential for the expansion of the Group's market share.

Steady recovery in the security market and rapid growth driven by medical innovations

In recent years, the Group has focused on the high-end upgrading demands within the security sector, continuously intensifying their research and development layout and technological breakthroughs for core products. Relying on the Group's self-developed Nyxel[®] NIR enhancement technology, they empower security imaging products to achieve ultimate low-light imaging capabilities. The Group has established significant technological barriers in core performance indicators such as signal-to-noise ratio in low-light environments, wide dynamic range, and night vision clarity, precisely adapting to the stringent requirements of scenarios such as outdoor security, night monitoring, and long-distance detection, thereby continuously highlighting their product competitiveness. In 2025, the Group's image sensor business generated revenue from the security market of approximately RMB1,776 million, representing a year-on-year increase of 10.76%.

With over a decade of deep cultivation in the medical imaging field, the Group specifically tailors to the mass-production, highly cost-effective, and miniaturized imaging requirements of disposable endoscopes and minimally invasive devices. The Group provides one-stop solutions for medical device manufacturers, assisting customers in focusing on the differentiated research and development design of core components such as endoscopes and interventional catheters. This effectively shortens the product time-to-market, reduces overall development costs, and builds a closely-knit industrial collaborative ecosystem.

Leveraging stringent medical-grade quality control, excellent miniaturized imaging performance, and stable supply capabilities, the Group's medical CIS products are widely adaptable to scenarios such as minimally invasive surgery, surgical robotics, and precision diagnosis and treatment, with its core

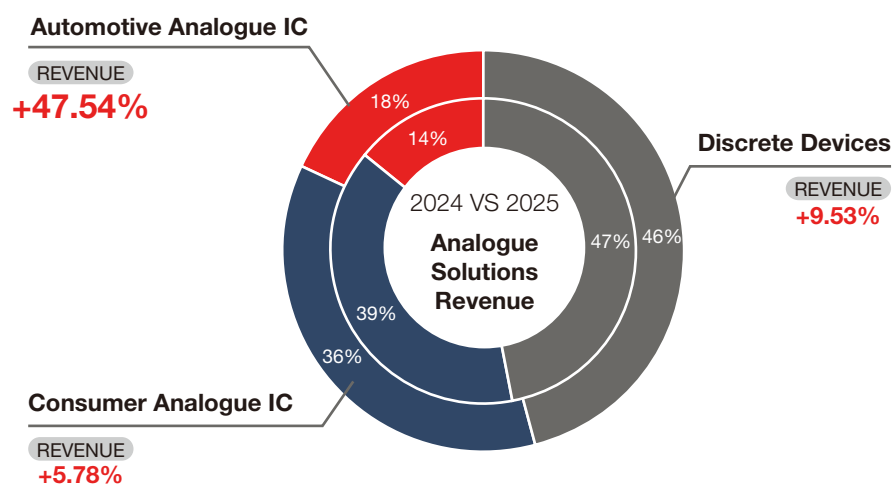
MANAGEMENT DISCUSSION AND ANALYSIS

competitiveness continuing to stand out. In 2025, revenue generated from the medical market under the Group's image sensor business amounted to approximately RMB974.0 million, representing a year-on-year increase of 45.66%.

(2) Analog solutions

The Group fully leverages its brand advantages and customer resources in the automotive market, strategically laying out multiple categories of automotive analog chips, including automotive power management, signal transmission, and sensor interfaces, successfully completing the comprehensive establishment of an automotive-grade product matrix. Driven by the trends of automotive intelligentization and electrification, automotive analog chips are embracing an opportunity for explosive growth, becoming a core second growth curve for the Group's analog business. In 2025, the Group launched several new automotive-grade analog products that precisely cater to the requirements for high-speed signal transmission and power management and control in intelligent driving and smart cockpit scenarios, successfully passing the preliminary testing and validation of multiple automakers and Tier 1 customers. Going forward, the Group will continue to increase its research and development investments in automotive analog chips, perfect its high-end product matrix, and accelerate the customer validation and volume production design-in of several principal automotive analog products, further unlocking incremental market space in the automotive sector.

The Group's core analog solutions are primarily focuses on two major product categories: analog ICs and discrete devices. This covers core areas such as power management, signal conditioning, and power drivers, deeply binding downstream customers in the consumer electronics, industrial, and communications sectors. The Group continued to consolidate its cooperation with downstream customers to achieve a steady increase in market share in 2025. The Group's analog solutions business recorded a revenue of RMB1,613 million, representing an increase of 13.43% compared to in 2024. In 2025, the Group's automotive analog ICs recorded a revenue of RMB296 million, accounting for 18.32% of the analog solutions business, representing a year-on-year increase of 47.54%. The automotive business has become the core driving force propelling the growth of the Group's analog segment. In the future, with the deepening of localized design-ins and the continuous release of intelligentization demand, the potential for financial growth will be further unleashed.



MANAGEMENT DISCUSSION AND ANALYSIS

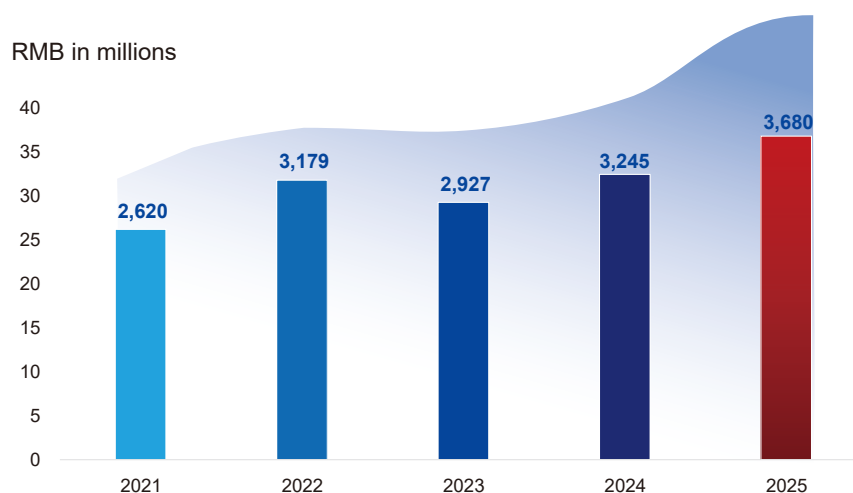
(3) Display Solutions

The Group has been deeply cultivating the DDIC sector, building a diversified and all-scenario display solution system. Its core products include LCD-TDDI, OLED DDIC, and TED (Tcon Embedded Driver), forming a comprehensive product layout covering small-to-medium-sized consumer electronics, medium-sized IT terminals, and automotive electronics. The Group has seized the development opportunities of OLED and collaborated closely with leading domestic panel manufacturers to successfully develop OLED DDIC products suitable for smartphones. These products have been successfully introduced to tier-one panel manufacturers and have achieved mass production and shipment. Currently, the Group's products have deeply penetrated the three core tracks of smartphones, notebook computers, and automotive displays. Relying on their mature supply chain system and customer resources, they are steadily advancing the upgrade of their product mix and the expansion of market coverage. During the Reporting Period, due to the decrease in market demand and oversupply of smartphone LCD-TDDIs, the prices of standard products continued to be under pressure. The Group's display solution business recorded revenue of approximately RMB941 million, representing a year-on-year decrease of 8.47%. The Group's enriched product categories and application markets will create more opportunities for the growth of its display solutions. Despite the slowdown in overall market demand growth and the downward pressure on the prices of standard products, the Group still achieved an improvement in its gross profit margin structure through new product development, expansion into new markets, and supply chain optimization.

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

In 2025, the Group's research and development investments in the semiconductor design and sales business amounted to approximately RMB3,680 million, representing 15.46% of the revenue from the semiconductor design and sales business, and an increase of 13.38% as compared with the previous year. The Group continuously and stably increases its R&D investments across various product fields to provide sufficient assurance for product upgrades and the R&D of new products, steadily enhancing the competitiveness of the Group's products.

Research and Development Investment 2021–2025



MANAGEMENT DISCUSSION AND ANALYSIS

The Group attaches great importance to the R&D of technologies and products with independent intellectual property rights. They have established a customer demand-oriented R&D model and continuously innovate their R&D mechanisms to strengthen the Group's core competitiveness in the industry. As a semiconductor design and sales company adopting the fabless business model, the Group's continuous R&D capability serves as its core competitiveness. The Group highly values technology protection and talent cultivation, as well as the building and stability of its R&D team, proactively formulating strategic and talent layouts for the Group's subsequent development. As of the end of the reporting period, the Group had a total of 2,681 R&D personnel, of whom 61.06% hold master's degrees or above.

As of December 31, 2025, the Group has 18 R&D centers distributed across China, the United States, Norway, Belgium, Japan, and Singapore, and holds 4,993 authorized patents, comprising 4,787 invention patents and 206 utility model patents. Additionally, the Group possessed 136 layout-designs and 86 software copyrights.

3. Substantial New Product R&D Accomplishments in Semiconductor Design Business

In 2025, the Group continuously launched multiple new products. Several of these high-quality new products have obtained various industry certifications and platform validations, attesting to the Group's high level of market competitiveness and providing downstream customers with a broader range of solutions.

(1) Automotive Electronics

In 2025, the Group launched multiple new product series with strong market competitiveness, particularly in the field of intelligent driving for automobiles, thereby providing downstream customers with more diversified and systematic solutions.

The increasing penetration of ADAS and autonomous driving has imposed higher requirements on LED flicker mitigation (LFM), high dynamic range (HDR), and high-resolution image sensors. For example, the pulsed illumination of LED traffic signals poses significant challenges to many imaging solutions, preventing ADAS and autonomous driving systems from properly detecting illuminated traffic signs. The Group has addressed this pain point through its 2.1-micron single-pixel TheiaCel® technology. Leveraging next-generation lateral overflow integration capacitor (LOFIC) functionality and the robust capabilities of the Group's other proprietary HDR technologies, TheiaCel® captures scenes with extremely high contrast so as to deliver optimal content and image quality. The Group's TheiaCel® DCG+LOFIC solution enables a wider dynamic range in single-exposure HDR images. Two of the Group's CIS adopting TheiaCel® technology, namely the 8-MP OX08D10 and the 3-MP OX03H10, have been supported by the NVIDIA DRIVE AGX Hyperion autonomous vehicle platform and incorporated into the NVIDIA DRIVE AGX Thor platform. The Group's in-depth cooperation with globally leading intelligent driving platforms will help developers accelerate the design, testing and deployment of next-generation autonomous driving systems across the entire process from research and development to mass production.

During Reporting Period, the Group launched a new-generation automotive image sensor — the 8-MP CMOS OX08D20 adopting TheiaCel® technology. This new product is an upgraded version of the popular OX08D10 sensor and is designed for automotive exterior cameras used in advanced driver assistance systems (ADAS) and autonomous driving (AD). In addition to industry-leading low-light performance, the OX08D20 sensor also features low power consumption, and adopts a-CSP™ packaging, achieving a 50% reduction in size compared with other similar exterior automotive sensors.

 MANAGEMENT DISCUSSION AND ANALYSIS


During Reporting Period, the Group launched the OX05C sensor, the automotive industry's first global shutter HDR sensor for in-cabin driver and occupant monitoring systems. The sensor is the first and only 5-MP BSI global shutter HDR sensor in the automotive industry specifically designed for in-cabin driver monitoring systems (DMS) and occupant monitoring systems (OMS). The OX05C global shutter HDR sensor is capable of clearly capturing images of the entire cabin and improving algorithm accuracy even under high-brightness lighting conditions. The sensor has a pixel size of only 2.2 microns and adopts the Group's breakthrough Nyxel® NIR technology, achieving industry-leading quantum efficiency at the 940 nm NIR wavelength, which can further enhance DMS and OMS performance under dark conditions. In addition, the OX05C sensor integrates on-chip RGB-IR separation functionality and is capable of separately outputting separated RGB and IR data through virtual channels, without the need for a dedicated image signal processor or back-end processing, thereby releasing more bandwidth for other tasks. The OX05C has a 1S package size of only 6.61 mm × 5.34 mm, representing a 30% reduction compared with its predecessor, the OX05B (7.94 mm × 6.34 mm), thereby providing automobile manufacturers with greater design flexibility and allowing cameras to be installed at multiple positions within the cockpit. In addition, when upgrading from the OX05B to the new-generation OX05C, manufacturers are not required to replace the camera lens, thereby offering significant advantages in design and cost.

In 2025, the Group's OX01N1B image sensor for in-cabin driver monitoring systems (DMS) was launched. It is a 1.5-MP RGB-IR or monochrome back-side illuminated global shutter sensor with a 2.2-micron pixel size and a 1/4.51-inch optical format. Its key features include industry-leading NIR quantum efficiency of up to 36%, excellent low-light performance, high modulation transfer function for superior image quality and resolution, low power consumption, and an optical format suitable for compact camera module designs. Powered by the Group's OmniPixel®4-GS technology, the OX01N1B enables simultaneous image detection across all pixels, thereby ensuring distortion-free imaging during fast motion. The design of driver monitoring systems requires consideration of multiple factors. Leveraging the Group's continuously expanding product portfolio, the Group provides automobile manufacturers with a variety of cost and performance options, thereby enabling flexible installation of DMS cameras in different positions in next-generation vehicle designs. The OX01N1B integrates ASIL-B and cybersecurity functions in compliance with the latest industry standards and adopts the Group's a-CSP™ packaging technology, enabling higher-performance image sensors to be installed within more compact camera spaces.

MANAGEMENT DISCUSSION AND ANALYSIS

Leveraging its product development experience, market positioning and customer base in the automotive CMOS sector, the Group has further expanded horizontally and launched automotive solutions including SerDes, PMICs, microcontroller units (MCU) and system basis chips (SBC). As demand among consumers in the PRC automotive market for vehicle intelligentization continues to increase, intelligent driving assistance and smart cockpit functions have become standard features in a growing number of vehicle models. Meanwhile, the iteration and upgrade of automotive EEA architectures is also accelerating, and an increasing number of electronic control units are being integrated into one or more domain controllers. These two major trends have imposed higher requirements on the performance, functional safety, information security and stability of MCUs.

In 2025, the Group launched the high-performance MCU OMX2x4B. As the first product in this series, OMX2x4B adopts a high-performance Arm® Cortex®-M7 core with a main frequency of up to 300 MHz, supports up to 4 MB embedded Flash and 512 KB SRAM, supports A/B SWAP OTA updates, and is equipped with an Evita Full-grade hardware security module and 10/100M Ethernet. The OMX2x4B series offers single-core and dual-core options, as well as BGA196 and BGA257 packages, for customer selection, and is suitable for application scenarios such as cockpit domain controllers, body domain controllers, door controllers, thermal management systems, battery management systems, and front-view integrated units. In addition, during the Reporting Period, the Group's OMX14x series automotive-grade MCU chips also successfully obtained ISO 26262 ASIL-B functional safety product certification issued by CATARC Huacheng Certification, laying a solid foundation for the Group's independent R&D in MCU functional safety, enriching the Group's product portfolio in the automotive-grade MCU field, particularly for scenarios with clear functional safety requirements.

In the field of automotive analog chips, the Group launched a new 2 Gbps SerDes product series, including the OTX9211 serializer and the OTX9342 deserializer in 2025. The OTX9211 and OTX9342 2 Gbps automotive camera video serializer/deserializer products are mainly used in high-speed transmission scenarios for intelligent driving and cockpit systems, such as surround-view/side-view/rear-view systems, DMS/OMS, and streaming media rearview mirrors. Demand in the automotive market for advanced driver assistance systems is currently increasing rapidly, and as a high-speed transmission solution therefor, demand for SerDes is likewise surging. The OTX9211 and OTX9342 satisfy AEC-Q100 Grade 2 and ASIL-B functional safety requirements. This product series has already obtained project designations from multiple domestic automobile manufacturers and Tier 1 suppliers.

In 2025, the Group launched a new high-performance SBC solution for body control applications, the OKX0330. The OKX0330 is the second product in the Group's SBC series. It integrates modules such as LDOs, CAN/LIN transceivers, watchdogs and high-side switches, and is mainly used in body control applications such as seat control, doors and windows, thermal management and vehicle lighting, fully satisfying customers' various application requirements. The product further optimizes EMC performance by adding CAN SIC functionality, saving external common-mode inductors, reducing the design cost of peripheral circuits, and supporting ASIL-B functional safety system design.

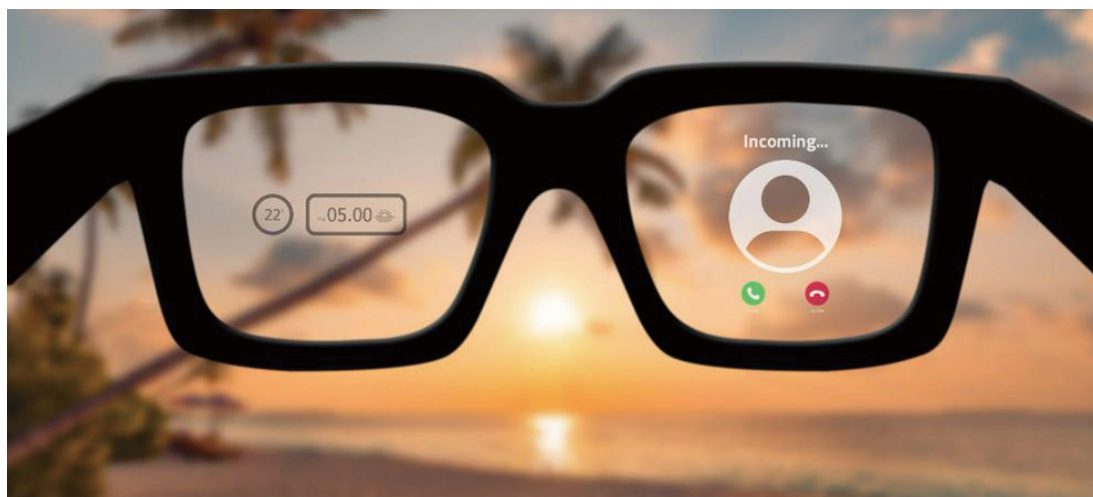
As modern vehicles continue to demand higher levels of comfort and safety, automotive-grade analog chips are playing an increasingly important role in automotive electronic systems. As comfort and safety requirements continue to upgrade, automotive-grade analog chips serve as core support for body electronics and intelligent driving systems. Stable power supply, fault diagnosis and protection capabilities are of critical importance. Intelligent driving and body domains are subject to stringent safety requirements, and comprehensive diagnostic and protection mechanisms are the design core for related applications. The Group's automotive analog chips closely address customer requirements,

MANAGEMENT DISCUSSION AND ANALYSIS

focusing on signal consistency and strong anti-interference capability, and relying on integrated solutions to achieve a balance among high safety levels of ASIL-B/D, high efficiency and low cost for automotive-grade products. In the future, the Group will continue to enhance its automotive product matrix, accelerate customer validation and product introduction, and further explore incremental opportunities in the automotive market. Going forward, as localization continues to progress and demand for intelligentization is further released, growth momentum is expected to continue.

(2) Emerging Markets

In 2025, the Group launched the OP03021 Liquid Crystal on Silicon (LCOS) panel, the industry's first ultra-low power single-chip LCOS small panel for next-generation smart glasses. This product adopts a 0.26-inch optical format and achieves a resolution of 1632 × 1536 under a 90Hz field-sequential input, helping next-generation smart glasses to achieve higher resolution and a wider field of view. These are critical features urgently demanded by consumers, which can provide a more immersive, realistic and comfortable augmented reality (AR) experience amidst the increasing popularization of smart glasses. The OP03021 full-color field-sequential LCOS panel is currently the only smart glasses solution on the market that integrates an array, driver and memory into an ultra-low power single-chip architecture.



The LCOS display technology developed by the Group displays or modulates information through surface reflection illuminated by external LEDs or lasers as light sources. It has demonstrated application potential in multiple fields due to its high resolution, high light utilization rate and low cost advantages. Through continuous research and development investment and innovation, the Group has completed the whole-industry-chain layout from LCOS chip design and R&D to production. The Group's LCOS products adopt a unique integrated driver design and feature small size, high pixel density, narrow pixel pitch, low power consumption and excellent display effects. They have achieved volume supply in smart glasses (AR/XR/MR glasses), micro-projection, automotive AR head-up displays and wavelength selective switches (WSS) for all-optical communication transmission networks.

As the semiconductor industry continues to develop to satisfy the growing demand for intelligent, real-time data processing, edge AI applications are emerging as a key growth driver. The large-scale application of multimodal and edge AI has significantly elevated the demand for CIS image sensors in terms of data perception, pre-processing and reasoning adaptability, driving the upgrade of CIS from traditional image acquisition devices to intelligent perception portals equipped with front-end intelligent

MANAGEMENT DISCUSSION AND ANALYSIS

processing capabilities. CIS works with other sensors to achieve high-precision spatial and temporal synchronization to support multimodal fusion reasoning. Under constraints of low power consumption, high real-time performance and high reliability, CIS serves as the core hardware foundation for edge AI perception and reasoning, facilitating the transformation of terminal products in emerging markets from merely “seeing” to “understanding.”

(3) Smartphones

In 2025, the Group launched the OV50X, a 50-MP sensor featuring ultra-high dynamic range within the smartphone industry, enabling cinematic video recording. With a pixel size of 1.6 μm , it is specifically designed for flagship smartphones and features capabilities to capture HDR video in a single exposure, excellent low-light performance, rapid autofocus, and high frame rates. The OV50X image sensor was designed with the needs of professional videographers and photographers fully in mind. It is equipped with a large 1-inch optical format sensor providing a single-exposure HDR of nearly 110 dB. Consequently, smartphones utilized by consumers are able to capture high-quality videos and photos under various complex lighting conditions (such as challenging shooting scenarios including sunrise, sunset, night-time, or cloudy days). The Group’s TheiaCel[®] technology extends single-exposure HDR to nearly 110 dB, currently achieving the highest range among similar products in its class. In addition, the OV50X supports quad phase detection with 100% coverage, delivering outstanding autofocus performance. Based on the Group’s PureCel[®]Plus-S stacked-die technology, the OV50X achieves excellent low-light performance.

Furthermore, the Group launched the OV50R CIS. This sensor achieves an ultra-high dynamic range of up to 110 dB for single-exposure video and preview functions, while also possessing excellent low-light performance, rapid autofocus, and high frame rate characteristics. The OV50R features 50-MP with a pixel size of 1.2 μm and is specifically tailored for high-end consumer electronics products such as smartphones, sports cameras, vlog cameras, and compact cameras. The launch of the OV50R marks the Group’s further expansion of the TheiaCel[®] product series, extending its patented technology to a broader smartphone sector. As an industry-leading image sensor, the OV50R adopts a 1/1.3-inch optical format and is specifically designed for high-end primary cameras, supporting 4K 3-channel HDR and a high frame rate of 60 frames per second (fps). Compared with the previous-generation 1.2 μm LOFIC OV50K, the new TheiaCel[®] sensor OV50R reduces power consumption by approximately 20%, effectively extending HDR video recording time while ensuring system stability. Leveraging the OV50R, more smartphones and sports cameras will be able to capture high-quality videos and photos around the clock, effortlessly handling even complex lighting environments.

4. Deepening Supply Chain Integration, Releasing Synergistic Value

To ensure product quality, stable production capacity supply and cost control, chip design companies need to establish close cooperative relationships with their principal foundries and packaging and testing service providers. The Group’s semiconductor design and sales business has long adopted the fabless model, conducting in-depth cooperation with principal foundries and packaging and testing service providers, providing a relatively solid guarantee for stable product supply. During the Reporting Period, the Group continued to conduct in-depth cooperation with existing foundries and packaging service providers. Meanwhile, while fully ensuring product quality, the Group has transferred some relatively mature products to domestic foundries, providing guarantees for the Group’s growing capacity requirements while also helping the Group improve production efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

During this Reporting Period, the Group coordinated the development strategy of each business segment, fully leveraging the synergistic effects of each business system, effectively promoting net profit growth and the release of profitability, enhancing the Group's business scale and competitiveness in the semiconductor field. The Group's various product lines have relatively high consistency in end customers. The Group can provide comprehensive solutions to customers through synergistic development of various product lines.

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

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

This H Share offering and listing is an important measure for the Company to improve its domestic and overseas financing platforms and optimize its capital structure. Leveraging the "A+H" dual capital platform, the Company will coordinate the utilization of resources from both domestic and overseas markets, continuously improving its global governance structure and operating system. The successful receipt of proceeds provides solid funding support for the Company's medium-to-long-term strategic implementation. According to the relevant plans in the Prospectus, proceeds will be primarily used for the following areas: First, to increase key technology R&D investment, focusing on frontier technology development in core business areas including image sensors, analog solutions and display solutions, consolidating technological barriers. Second, to deepen global market penetration, improve overseas sales networks and localized service systems, enhancing global customer response capabilities and market share. Third, to appropriately deploy strategic investments and acquisitions, seeking synergistic opportunities along the industry chain upstream and downstream, expanding business boundaries.

In the future, the Company will continue to adhere to technological innovation, rewarding shareholders through steady operations and sustainable development.

6. Convertible Bond Fundraising Project Completed, Surplus Proceeds Permanently Supplementing Working Capital

The Company's convertible bond fundraising projects have all been implemented and completed in 2024. On March 31, 2025, the Company held the First Extraordinary General Meeting of 2025, which reviewed and approved the "Proposal on the Completion of Publicly Issued Convertible Corporate Bond Fundraising Projects and Permanent Supplementation of Working Capital with Surplus Proceeds." During the implementation process of the fundraising projects, the Company strictly complied with fundraising management regulations, prudently used the proceeds, and effectively ensured the smooth advancement of fundraising projects as planned, promoting the development of the Company's principal business and enhancing the Company's overall profitability. After all fundraising projects have been implemented and completed, the Company will permanently supplement working capital with surplus proceeds, which is beneficial for maximizing the efficiency of proceeds usage, aligns with the Company's actual operational development needs, and is in the interests of all shareholders.

During this Reporting Period, the Company has transferred a cumulative RMB382 million (including interest income) from proceeds special accounts to the Company's other accounts to permanently supplement working capital, and has completed the relevant proceeds special account closure procedures.

MANAGEMENT DISCUSSION AND ANALYSIS

7. Improving Talent Incentive Mechanisms and Talent Development, Energizing the Core Team

The Group firmly believes that talent is the primary element of technological innovation and has always placed talent strategy at the core of development. Adhering to the principle of “people-oriented,” the Company is committed to building a diverse, equal and inclusive workplace ecosystem. Through providing market-competitive compensation and benefits, systematic training resources and unobstructed career development paths, the Company effectively protects employee rights and interests and helps employees resonate with the Company’s development and grow together.

In talent development, the Group relies on the OV-Learning online learning platform to build a training system covering all positions and the full career cycle. Combined with the actual needs of each business line, the Group continuously optimizes course content and training formats to ensure the precision and effectiveness of talent development. Meanwhile, the Group actively expands talent recruitment channels, establishing regular cooperation mechanisms with multiple renowned domestic and overseas universities. The Group deeply taps outstanding graduates and industry experts, continuously enriching the reserve talent pipeline and enhancing industry influence.

To further consolidate core team stability, the Group continuously improves long-term incentive mechanisms. Through equity incentive plans and employee stock ownership plans, employees share in the fruits of enterprise development, effectively stimulating the enthusiasm and creativity of key personnel. During this Reporting Period, while continuously advancing the orderly exercise of the two 2023 stock option incentive plans, the Group further launched the grant registration for the 2025 Stock Option Incentive Plan, fully demonstrating the Company’s firm determination for joint development with employees.

Through establishing and improving employee incentive and constraint mechanisms, the Group fully mobilizes the enthusiasm of core employees, enhances employee team cohesion, and achieves joint development of employees and the Group, thereby ensuring the stability of the Group’s core team. Through multiple measures, the Group’s core team has maintained high stability, with an employee attrition rate of only 5.34% in 2025, fully demonstrating the effectiveness of the talent strategy and team cohesion.

8. Multiple Measures to Reward Investors, Implementing Share Cancellation and Multiple Dividends Per Year

(1) Cancellation of Repurchased Shares

To enhance investor confidence and improve the long-term investment value of the Company’s shares, build a stable investor structure, and promote the Company’s sustainable and healthy development, based on confidence in the Company’s future development prospects and recognition of the Company’s value, the Company comprehensively considered its own operating conditions, financial situation, future profitability and other factors, and continuously conducted repurchases of a portion of the Company’s shares using proprietary funds through centralized competitive trading. During the Reporting Period, the Company held the 43rd meeting of the Sixth Board of Directors and the 2024 Annual General Meeting, which reviewed and approved the “Proposal on Changing the Purpose of 2024 Share Repurchases and Cancellation,” agreeing to cancel 11,213,200 shares held in the Company’s repurchase special securities account and correspondingly reduce registered capital. During this Reporting Period, the above shares were cancelled on August 7, 2025, with the Company’s total share capital correspondingly reduced by 11,213,200 shares.

MANAGEMENT DISCUSSION AND ANALYSIS

(2) Actively Promoting Multiple Cash Dividends Per Year

The Company places great importance on reasonable investment returns for investors. While ensuring the reasonable needs of principal business development, combined with actual operating conditions and development plans, the Company strictly implements shareholder dividend return plans and profit distribution policies in accordance with relevant laws and regulations, bringing long-term, stable investment returns to investors and enhancing the sense of gain for the broad investor community. During the Reporting Period, the Company implemented the 2024 annual profit distribution plan and the 2025 interim profit distribution plan, with total cash dividends distributed of RMB746,652,847.24. On April 16, 2025, the Company announced the 2024 annual profit distribution plan and completed this profit distribution on August 1, 2025, with total cash dividends distributed of RMB264,459,672.84. On October 29, 2025, the Company announced the 2025 interim profit distribution plan and completed this profit distribution on November 24, 2025, with total cash dividends distributed of RMB482,193,174.40.

9. Advancing Science Based Targets initiative (SBTi) and Promoting Corporate Sustainability

The Group upholds the mission statement of “Empower the Sensing by Technology (赋能科技·感知无限)” and the service philosophy of “Greater Synergy Creates More Value for Customers.” Relying on its core competencies of “continuous technological innovation, diversified and outstanding talents, and a highly synergistic supply chain and customer base,” the Group has established a sustainable development strategy. The Group has also set up a three-tier ESG governance structure comprising the Board of Directors, the Strategy and ESG Committee, and the Strategy and ESG Working Group. The corresponding ESG governance functions are clearly defined to achieve top-down supervision of ESG matters, ensure the smooth implementation of the Group’s ESG initiatives, realize a win-win situation for both economic and social responsibilities, and further enhance the Company’s value creation capabilities.

The Group actively responds to the SBTi. The Company’s subsidiary, OmniVision Technologies, Inc. (**OmniVision US**), submitted its SBTi commitment letter in 2023, pledging short-term, long-term, and net-zero greenhouse gas emission reduction targets, which successfully passed SBTi validation in January 2025. Concurrently, OmniVision US completed the product carbon footprint accounting for the OV10652. By precisely identifying emission sources across the entire product production lifecycle, this laid a solid foundation for refined emission reduction management at the product end. In addition, OmniVision US actively responded to the CDP Climate Change Questionnaire and achieved a “B-” rating, fully reflecting its favorable performance in areas such as climate governance and carbon emission management.

CORE COMPETITIVENESS

1. R&D Capabilities

As a semiconductor design company adopting a “fabless” business model, the Group’s R&D capabilities constitute its core competitiveness. The technical R&D departments across the Group’s various product lines serve as core departments within its organizational structure. In 2025, the Group’s R&D investments in the semiconductor design and sales business amounted to approximately RMB3,680 million, representing 15.46% of the revenue from the semiconductor design and sales business, and an increase of 13.38% as compared with the previous year. The Group continuously and stably increases its R&D investments across various product fields to provide sufficient assurance for product upgrades and the R&D of new products.

As of the end of the Reporting Period, the Group held 4,993 authorized patents, comprising 4,787 invention patents and 206 utility model patents. Additionally, the Group possessed 136 IC layout designs and 86 software copyrights.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Core Technologies

Through years of independent R&D and technological evolution, the Group has accumulated significant technological advantages in the fields of CIS circuit design, packaging, digital image processing, and supporting software. The Group is one of the pioneers in the CIS industry to commercialize BSI technology, and successfully brought PureCel® and PureCel®Plus technologies into mass-produced products in 2013. In response to the smartphone market's demand for application scenarios such as high pixel counts, depth of field control, optical zoom, and biometric recognition, the application of the Group's core technologies, including PureCel®, PureCel®Plus, and RGB-Ir, provides smartphones with industry-leading, high-quality static image acquisition and video performance. High image capturing performance is ensured even under low-light conditions. Image sensors equipped with the Group's HDR technology can effectively eliminate artifacts and achieve the restoration of extreme contrast scenes.

In addition, the Group's technological accumulations in LFM technology, global shutter technology, and Nyxel® NIR and ultra-low light technologies have endowed the Group with distinct competitive advantages in fields such as high-end wide dynamic range image sensors tailored for the automotive market, ultra-low power solutions tailored for the surveillance market, NIR and low-light sensors tailored for the surveillance market, and global shutter sensors for emerging markets such as smart glasses (XR devices, including AR/AI glasses). The Group's R&D team continuously improves its brand-new silicon semiconductor architecture and processes, breaking new records in quantum efficiency.

The Group's newly launched TheiaCel® technology series resolves HDR performance challenges across various application scenarios through an easily implementable solution. Current HDR imaging technology has entered a new phase wherein existing solutions can no longer adequately satisfy the critical demands of the industry. In response to this challenge, the Group has provided an answer with its innovative TheiaCel® technology.

By integrating LOFIC technology with the Group's proprietary HDR technology, TheiaCel® technology achieves the performance of outputting outstanding image quality under any lighting conditions. The initial application of this technology focuses on the automotive sector utilizing a 2.1-micron pixel process. Combined with DCG™ HDR technology, it significantly enhances imaging performance in low-light environments and resolves the issue of LED light source flicker. In 2025, the Group's TheiaCel® product line was awarded the BIG Innovation Award by the Business Intelligence Group for its innovative breakthroughs in high dynamic range imaging, LED flicker mitigation, low-light performance, and high reliability in the automotive field, demonstrating the Group's technology leadership and industry influence in the automotive image sensor space.

The CameraCubeChip® technology products developed by the Group can provide the comprehensive functions of image sensing, processing, and single-chip output. While fully ensuring low-light sensitivity, it innovatively combines wafer-level optics with CIS to provide ultra-compact sensors suitable for medical market equipment, demonstrating outstanding performance in medical device fields such as endoscopic applications in the medical market.

The LCOS display technology developed by the Group displays or modulates information through surface reflection illuminated by external LEDs or lasers as light sources. It has demonstrated application potential in multiple fields due to its high resolution, high light utilization rate, and low cost advantages. Through continuous R&D investment and innovation, the Group has completed the whole-industry-chain layout from LCOS chip design and R&D to production, becoming the global technology leader and the largest capacity manufacturing base in the LCOS industry at one stroke. The Group's LCOS products adopt a unique integrated

MANAGEMENT DISCUSSION AND ANALYSIS

driver design and feature small size, high pixel density, narrow pixel pitch, low power consumption, and excellent display effects. They have achieved mass production and supply in smart glasses (AR/XR/MR glasses), micro-projection, automotive AR head-up displays, and wavelength selective switches for all-optical communication transmission networks.

The Group's display chips integrate LCD DDIC and touch driver chips into one, effectively reducing module thickness, saving system area, and optimizing supply chain costs. Leveraging mass production experience with tier-one smartphone brands, the Company has successively launched new products supporting FHD/HD high frame rates. Based on patented technology, it provides rich image color, contrast, and clarity enhancement solutions while improving touch signal-to-noise ratio and reducing mis-touch and failure risks. Through recessed BUMP specification design, the products better meet smartphone narrow-bezel requirements. The product portfolio covers small-to-medium-sized consumer electronics, medium-sized IT terminals, and automotive electronics. OLED DDIC has been successfully adopted by tier-one panel manufacturers and entered mass production. The TED chip meets notebook computer lightweight trends with its four advantages of low power consumption, narrow backplane, low carbon emissions, and high cost-effectiveness. Automotive display driver chips have obtained customer validation and design-in.

The Group's core technological capabilities in the discrete device industry are primarily reflected in its technological reserves for device structures and process flows. In the discrete device field, the Group has mastered multiple core patented technologies including Trench, multi-layer epitaxy, backside thinning, and flip-chip, building a comprehensive process platform to effectively address application challenges such as high integration and low power consumption. In the PMIC field, the Company has established a rigorous and scientific R&D system, achieving technology independence from the design stage. The Group took the lead domestically in developing high-frequency, high-rejection-ratio LDOs (100K–1MHz, with a minimum PSRR exceeding 55 dB). Leveraging the characteristics of low power consumption and outstanding product performance, the Group's products have achieved domestic substitution for high-end imported models. Building on this foundation, the Group has deeply positioned itself in the dual-engine markets of consumer electronics and industrial applications, with a strategic focus on automotive electronics as a core second growth curve. Automotive-grade products strictly comply with AEC-Q100 certification, high functional safety ratings, and wide temperature range reliability requirements, precisely targeting the high-speed signal transmission and power management needs of intelligent driving and cockpit scenarios. Multiple new products have passed validation by leading automakers and Tier 1 suppliers.

3. Brand Awareness

Leveraging the Group's rich product portfolio, mature technology advantages, and integrated solution capabilities, the Group continues to increase market share and enhance brand recognition. In the CIS field, the Group is one of the earliest companies engaged in related design, development and sales, establishing extensive brand influence and market recognition worldwide. Based on 2024 revenue, the Group is one of the world's top three CIS suppliers, the world's third-largest smartphone CIS supplier, and the world's largest automotive image sensor supplier. The Group possesses deep technology expertise, having independently developed multiple core patented technologies including back-side illumination (OmniBSI™), NIR (Nyxel®), and LFM. In the high-end smartphone field, flagship products such as 50-MP and one-inch large-sensor image sensors have entered the supply chains of mainstream domestic Android manufacturers' premium models. In the automotive field, the Group's products are widely used in ADAS, autonomous driving, cockpit monitoring, and other scenarios, with support from globally leading autonomous driving computing platforms.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Product Line

Compared to major competitors, the Group's CIS product types and application scope have significant advantages. In addition to mainstream markets such as smartphones, automotive electronics and tablets, the Group's products also extensively cover multiple verticals including medical, security surveillance, smart glasses, panoramic cameras and action cameras, having formed a comprehensive product portfolio with relatively high market share. In recent years, the Group has actively integrated into the "AI+" technology wave, with its products increasingly widely deployed in AI-related scenarios, including environmental perception in intelligent driving systems, motion capture and interaction in smart glasses, among others. Leveraging the customer stickiness the Group has established in existing application markets, as well as the advantages of multi-product line synergistic promotion, the large-scale deployment of CIS in various AI-driven scenarios will further enhance the value the Group creates for end customers.

5. Fabless Business Model

Facing industry characteristics of rapid market hotspot transitions, relatively short product lifecycles and fast technology iteration, the fabless model adopted by the Group makes the enterprise more efficient and flexible, possessing certain competitive advantages. Meanwhile, as wafer fabrication process difficulty continues to increase, foundries focused on process technology research will demonstrate increasingly significant advantages in production efficiency and product yield. Under this trend, competitive advantages will shift toward fabless companies like the Group that have established long-term cooperative relationships with mainstream foundries.

6. Supply Chain and Customer

As a semiconductor chip design company, the Group focuses solely on chip R&D and design, with wafer fabrication and packaging and testing all conducted through outsourced processing. The selected foundries are primarily internationally renowned, domestically industry-leading and publicly listed companies. The Group has formed long-term partnership relationships with outsourced processing foundries, which can provide adequate production capacity guarantees for the Group. Through years of effort, the Group has achieved relatively high market share across multiple markets, with products generating synergistic effects. Going forward, the Group will continue to create value for customers and achieve mutual growth with customers.

7. Sales and Service

The Group possesses a field applications engineer team with high technical expertise, strong execution capabilities and excellent service capabilities. This team has thorough understanding of the Group's product performance, technical parameters and new product features, enabling them to help the Group rapidly introduce products to market. For downstream electronic product manufacturers, this team can proactively provide various product application solutions based on customers' R&D project requirements, assisting customers in reducing R&D costs so they can concentrate their resources on electronic product production and marketing. This also allows the Group to better understand customer requirements, thereby enabling products developed under the R&D model to respond rapidly to market demands.

MANAGEMENT DISCUSSION AND ANALYSIS

8. Talent and Team Composition

The semiconductor design industry is a knowledge-intensive industry. An R&D team equipped with innovative technological concepts, experienced industrialization talent, and a highly qualified operational and management team serve as crucial safeguards for the high-speed development and maintained competitiveness of the enterprise. The Group attaches great importance to the building of its R&D team, having recruited a group of scientific research personnel with senior working backgrounds from both domestic and overseas markets, while also attracting outstanding university graduates from across the country to join. As at December 31, 2025, the Group has a total of 2,681 R&D personnel, of whom 61.06% hold master's degrees or above, covering numerous disciplines such as electronic engineering, microelectronics, materials engineering, algorithms, and software, with profound work experience in related industry sectors. The composition of the Group's core management team is well-structured, encompassing various aspects including operational management, technology R&D, product development, marketing, and financial management. This strong complementarity ensures the scientific nature and effectiveness of the Group's decision-making. The Group's core technical personnel and management team have remained stable over the long term, demonstrating a strong sense of identity and participation regarding the Group's future development strategies.

FINANCIAL REVIEW

REVENUE

The table below sets forth the absolute amounts and percentages of the Group's revenue of main business for 2025 and 2024 by business line, region and sales channel:

Unit: RMB Currency: RMB

For the year ended December 31,

	2025		2024		Year-on-year change
	Amount RMB	Percentage of revenue of main business %	Amount RMB	Percentage of revenue of main business %	
Revenue of main business	28,814,589,212.28	100.00	25,669,793,296.12	100.00	12.25
By business line					
Advanced digital imaging solutions	21,245,839,825.85	73.73	19,190,117,757.17	74.76	10.71
Display solutions	941,127,046.72	3.27	1,028,217,878.65	4.01	-8.47
Analog solutions	1,613,056,259.54	5.60	1,422,025,207.78	5.54	13.43
Semiconductor design services	109,758,335.97	0.38	90,515,250.32	0.35	21.26
Semiconductor distribution	4,904,807,744.19	17.02	3,938,917,202.20	15.34	24.52
By region					
Mainland China	5,752,526,329.78	19.96	4,708,047,486.03	18.34	22.18
Outside Mainland China	23,062,062,882.49	80.04	20,961,745,810.09	81.66	10.02
By sales channel					
Semiconductor design and sales					
— direct sales	10,098,836,509.76	35.05	10,169,106,039.66	39.62	-0.69
Semiconductor design and sales					
— distribution	13,701,186,622.35	47.55	11,471,254,803.94	44.69	19.44
Semiconductor design services	109,758,335.97	0.38	90,515,250.32	0.35	21.26
Semiconductor distribution	4,904,807,744.19	17.02	3,938,917,202.20	15.34	24.52

FINANCIAL REVIEW

In 2025, the Group achieved operating revenue of RMB28.855 billion, representing a year-over-year increase of 12.14% compared to 2024. Of this total, semiconductor design business product sales revenue reached RMB 23.800 billion, accounting for 82.60% of the Group's principal business revenue, an increase of 9.98% over the prior year. The Group's semiconductor distribution business generated revenue of RMB4.905 billion, accounting for 17.02% of the Group's principal business revenue, an increase of 24.52% over the prior year. During the reporting period, market demand recovered, and coupled with the Group's product adoption in the high-end smartphone market and the continued penetration of autonomous driving applications in the automotive market, the Group's operating revenue achieved significant growth.

Within the Group's semiconductor design business in 2025, the image sensor solutions business achieved operating revenue of RMB21.246 billion, accounting for 73.73% of principal business revenue, an increase of 10.71% over the prior year. The revenue growth was primarily attributable to a substantial increase in sales revenue from the Group's image sensor products targeting the automotive intelligent driving and emerging application markets. Revenue derived from the automotive market reached approximately RMB7.471 billion, an increase of 26.52% compared to the same period of the prior year, with market share continuing to rise. Revenue from emerging markets reached approximately RMB2.369 billion, representing a year-over-year increase of 211.85%. Affected by overall industry adjustments and the transition cycle of the Group's flagship products, revenue from the smartphone market for the Group's image sensor business was RMB8.272 billion during the reporting period, a year-over-year decline of 15.61%. During the reporting period, the Group's 200-megapixel image sensor product passed customer verification and was successfully adopted, which is expected to open up new growth opportunities for the Group's market share expansion. Revenue derived from the medical market reached approximately RMB974 million, an increase of 45.66% compared to the same period of the prior year.

During the reporting period, the Group continued to strengthen its cooperation with downstream customers to steadily improve its market share. The Group's analog solutions business achieved operating revenue of RMB1.613 billion, an increase of 13.43% compared to the same period of the prior year. During the reporting period, the Group's automotive analog IC business generated operating revenue of RMB296 million, accounting for 18.32% of the analog solutions business, an increase of 47.54% compared to the same period of the prior year. The automotive business has become the core driver of growth for the Group's analog segment. Going forward, as localization adoption deepens and demand for intelligent solutions continues to grow, the potential for further performance growth will be progressively unlocked.

During the reporting period, due to declining market demand for mobile phone LCD-TDDI products and supply redundancy, standard product pricing remained under sustained pressure. The Group's display solutions business achieved operating revenue of RMB941 million, a decrease of 8.47% compared to the same period of the prior year. The Group's continuously expanding product portfolio and application markets are expected to create additional growth opportunities for the display solutions business.

FINANCIAL REVIEW

GROSS PROFIT AND GROSS PROFIT MARGIN OF MAIN BUSINESS

The table below sets forth the absolute gross profit amounts and gross profit margins of main business of the Group for 2025 and 2024 by business line, region and sales channel:

Unit: RMB Currency: RMB

	For the year ended December 31,			
	2025	2024	2025	2024
	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	RMB	%	RMB	%
Gross profit/Gross margin of main business	8,814,731,708.66	30.59	7,537,770,248.58	29.36
By business line				
Advanced digital imaging solutions	7,644,061,662.17	35.98	6,623,973,852.65	34.52
Display solutions	134,520,898.75	14.29	83,497,366.09	8.12
Analog solutions	543,695,453.73	33.71	501,165,251.10	35.24
Semiconductor design services	107,239,266.97	97.70	41,370,301.46	45.71
Semiconductor distribution	385,214,427.03	7.85	287,763,477.28	7.31
By region				
Mainland China	1,159,258,528.99	20.15	820,568,885.48	17.43
Outside Mainland China	7,655,473,179.66	33.20	6,717,201,363.10	32.05
By sales channel				
Semiconductor design and sales				
— direct sales	3,412,560,732.16	33.79	3,378,776,362.08	33.23
Semiconductor design and sales				
— distribution	4,909,717,282.49	35.83	3,829,860,107.75	33.39
Semiconductor design services	107,239,266.97	97.70	41,370,301.46	45.71
Semiconductor distribution	385,214,427.03	7.85	287,763,477.28	7.31

Due to a growth rate of operating costs that was lower than that of the operating revenue, influenced by factors such as product mix optimization and cost control, it resulted in an increase in the gross profit margin of the Group's products.

FINANCIAL REVIEW

SELLING EXPENSES

The table below sets forth the Group's selling expenses and percentages of revenue for 2025 and 2024:

	<i>Unit: RMB Currency: RMB</i>					
	For the year ended December 31,					
	2025		2024		Year-on-year change	
	RMB	%	RMB	%	%	
Selling expenses	564,341,702.89	1.96	556,748,830.55	2.16	1.36	

Selling expense remains stable.

ADMINISTRATIVE EXPENSES

The table below sets forth the Group's administrative expenses percentages of revenue for 2025 and 2024:

	<i>Unit: RMB Currency: RMB</i>					
	For the year ended December 31,					
	2025		2024		Year-on-year change	
	RMB	%	RMB	%	%	
Administrative expenses	696,392,890.54	2.41	748,445,193.45	2.91	-6.95	

Changes in administrative expenses are primarily due to the decrease in depreciation and amortization expenses in 2025.

RESEARCH AND DEVELOPMENT EXPENSES

The table below sets forth the Group's research and development expenses and percentages of revenue for 2025 and 2024:

	<i>Unit: RMB Currency: RMB</i>					
	For the year ended December 31,					
	2025		2024		Year-on-year change	
	RMB	%	RMB	%	%	
Research and development expenses	2,842,872,872.68	9.85	2,622,086,780.18	10.19	8.42	

Changes in the R&D expenses are primarily due to the increase in employee remuneration in 2025.

FINANCIAL REVIEW

FINANCIAL POSITION

(1) Description of Balance Sheet Items

	As a		Unit: RMB		Currency: RMB
	As of December 31, 2025	percentage of total assets %	As of December 31, 2024	percentage of total assets %	Year- on-year change %
Notes receivable	118,051,125.21	0.27	24,402,389.74	0.06	383.77
Financing receivables	219,184,600.13	0.50	116,383,270.33	0.30	88.33
Non-current assets due within one year	7,107,154.13	0.02	76,882,297.18	0.20	-90.76
Other current assets	264,585,436.00	0.61	172,327,859.64	0.44	53.54
Long-term receivables	—	—	3,232,875.92	0.01	-100.00
Long-term equity investments	731,904,412.98	1.68	464,026,971.94	1.19	57.73
Investments in other equity instruments	4,072,955.13	0.01	1,648,706,536.09	4.23	-99.75
Construction in progress	1,124,835,082.69	2.58	533,792,251.60	1.37	110.73
Development costs	1,400,985,470.98	3.21	1,063,475,215.96	2.73	31.74
Deferred tax assets	529,162,056.55	1.21	400,677,068.47	1.03	32.07
Short-term borrowings	2,078,985,512.66	4.77	1,085,629,854.18	2.79	91.50
Taxes payable	342,964,171.34	0.79	229,093,833.77	0.59	49.70
Other current liabilities	4,127,007.76	0.01	2,003,403.70	0.01	106.00
Long-term borrowings	1,617,721,215.79	3.71	3,471,950,000.00	8.91	-53.41
Deferred income	45,690,625.84	0.10	22,021,717.84	0.06	107.48
Other non-current liabilities	—	—	88,760,000.00	0.23	-100.00
Non-current liabilities due within one year	6,004,932,453.27	13.77	2,652,588,253.22	6.81	126.38
Bonds payable	—	—	2,523,927,350.23	6.48	-100.00

FINANCIAL REVIEW

(2) Asset-liability ratio

As at December 31, 2025, the Group's asset-liability ratio was 35.43% (as at December 31, 2024: 37.89%). The decrease in the asset-liability ratio was primarily attributable to the Company's increase of cash and cash equivalents resulting from operating activities during the Reporting Period.

The following table sets forth the absolute amounts of the Group's total assets and total liabilities, asset-liability ratio, defined as the proportion of total liabilities to total assets and liability-equity ratio (defined as the ratio of total liabilities to net assets), as of December 31, 2025 and 2024:

	<i>Unit: RMB</i>	<i>Currency: RMB</i>
	As of	As of
	December 31,	December 31,
	2025	2024
Total assets	43,600,508,995.65	38,964,573,303.84
Total liabilities	15,446,649,874.69	14,762,183,202.89
Asset- liability ratio	35.43%	37.89%
Liability-equity ratio	54.87%	60.99%

(3) Pledge/Mortgage Assets

As at December 31, 2025, the net book value of the Group's pledged/mortgaged assets used for guarantee and various deposits amounted to RMB20,955,239.42 (as at December 31, 2024: RMB32,565,642.97). Such assets primarily include cash and cash equivalents.

CASH FLOW

The table below sets forth the absolute amounts from the Group's consolidated statement of cash flows for 2025 and 2024:

	<i>Unit: RMB</i>		<i>Currency: RMB</i>
	For the year ended December 31,		Year-on-year
	2025	2024	change
			%
Net Cash Flows from operating activities	4,119,514,939.45	4,771,871,581.03	-13.67
Net Cash Flows from investing activities	-820,025,522.16	-810,592,514.78	-1.16
Net Cash Flows from financing activities	-437,173,797.50	-3,006,777,630.13	85.46

Change in net cash flows from operating activities are mainly due to the increase in cash paid for goods and services in 2025. Net cash flows from investing activities remains stable. The change in net cash flows from financing activities are primarily due to the decrease in cash paid for debt repayments in 2025.

FINANCIAL REVIEW

WORKING CAPITAL AND FINANCIAL RESOURCES

The Group maintains sufficient cash and cash equivalents to ensure capital flexibility. The Group's cash and bank balance mainly comprise cash at bank, cash at hand, and others. The table below sets forth the absolute amounts of cash and cash equivalents of the Group as of December 31, 2025 and 2024:

	<i>Unit: RMB</i> As of December 31, 2025	<i>Currency: RMB</i> As of December 31, 2024
Cash on hand	238,481.07	140,833.15
Balances with banks	12,765,527,159.39	10,155,019,265.49
Other monetary funds	55,043,104.70	30,187,569.78
Total	12,820,808,745.16	10,185,347,668.42

The Group's cash and bank balance increased from RMB10.19 billion as of December 31, 2024 to RMB12.82 billion as of December 31, 2025. This increase was mainly attributable to the Group's operating activities.

The Group obtains financing based on market interest rates and its capital operation plans. The Group's bank loans are sourced from commercial banks and financial institutions in Mainland China and other countries or regions. The table below sets forth the absolute amounts of bank loans as of December 31, 2025 and December 31, 2024:

The following table sets forth the breakdown of our borrowings as of the dates indicated:

	<i>Unit: RMB</i> As of December 31, 2025	<i>Currency: RMB</i> 2024
Long-term borrowings due within 1 year	3,289,825,983.96	2,483,501,152.67
Short-term borrowing	2,078,985,512.66	1,085,629,854.18
Long-term borrowing	1,617,721,215.79	3,471,950,000.00

The changes in borrowings were in line with the needs of the Group's working capital management in the ordinary course of our business. Specifically, the decrease in non-current bank borrowing from December 31, 2024 to December 31, 2025 was mainly due to reclassification of certain non-current borrowings that will mature in one year and repaying part of the long-term loans.

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

FINANCIAL REVIEW

CAPITAL COMMITMENT

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

	<i>Unit: RMB Currency: RMB</i>	
	As of December 31,	
	2025	2024
	RMB	RMB
Contracted, but not provided for purchase of property, plant and equipment	655,518,197.44	1,063,765,623.84
Contracted, but not provided for purchase of intangible assets	162,604,720.34	30,000,000.00

Material Investments, Acquisitions, and Disposals

As at December 31, 2025, the Group did not hold any material investment, which refer to an investment with investment amounts in an investee company that accounted for 5% or more of the Group's total assets.

In 2025, the Group did not undertake any material acquisitions or disposals of subsidiaries, associates, and joint ventures.

As at December 31, 2025, the Group had no other plans for material investments or acquisitions of capital assets.

CAPITAL EXPENDITURE

The table below sets forth the absolute amounts of the Group's capital expenditure for 2025 and 2024:

	<i>Unit: RMB Currency: RMB</i>	
	For the year ended December 31,	
	2025	2024
Capital Expenditure	2,336,419,221.97	1,248,619,064.85

The Group's capital expenditures primarily comprise expenditures for the purchases of fixed assets, as well as the purchases of intangible assets and other long-term assets. In 2025, its capital expenditures amounted to RMB2.34 billion, mainly used for expanding its property, plant and equipment. The Group's anticipated capital expenditures are subject to changes from time to time, based on a variety of factors including its business strategy, prevailing market conditions, regulatory environment and the outlook of its results of operations.

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

CONTINGENCIES

As at December 31, 2025, save as the information disclosed in Note XIV to the consolidated financial statements, the Group had no other contingent liabilities.

FOREIGN EXCHANGE RISK

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The functional currency of the Group is RMB whereas functional currency of the subsidiaries is determined based on the primary economic environment in which they operate. The Group manages its foreign exchange risk by performing regular reviews of our net foreign exchange exposures and tries to minimize these exposures through natural hedges, wherever possible.

Notwithstanding that the Group operates mainly in the PRC, United States and Singapore with most of the transactions settled in RMB and USD, the management considers that the Company's business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group are denominated in the currencies other than the respective functional currencies of the Group's entities.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2025, the Group had no material off-balance sheet arrangements.

USE OF PROCEEDS

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

Pursuant to the approval granted by the China Securities Regulatory Commission (CSRC) in the Approval Document [2025] No. 2208 "Notice of Filing for the Overseas Issuance and Listing of OmniVision Integrated Circuits Group, Inc.", issued on December 9, 2025, the Company completed the issuance of H shares and listed them on the Main Board of the Hong Kong Stock Exchange on January 12, 2026. The Hong Kong public offering and international placement resulted in the issuance of a total of 45,800,000 H shares with a par value of RMB1.00 per share, at an issue price of HK\$104.80 per share. Subsequently, on February 6, 2026, the Company exercised the over-allotment option and issued an additional 4,941,100 H shares with a par value of RMB1.00 per share at an issue price of HK\$104.80 per share. The Company issued a total of 50,741,100 H shares in this offering, raising gross proceeds of HK\$5,318 million (approximately RMB4.778 billion), with net proceeds of approximately RMB4.677 billion (approximately RMB92.18 per share) after deducting issuance costs incurred directly by issuing new shares. According to the Prospectus, the net proceeds from this H-share offering are allocated as follows: approximately 70% for investment in research and development of key technologies, approximately 10% for continual investment in global market penetration and business expansion, approximately 10% for strategic investments and/or acquisitions, and approximately 10% for working capital and general corporate purposes. There have been no changes to the intended use of proceeds as disclosed in the Prospectus.

FINANCIAL REVIEW

The following table sets forth a summary of the intended use of net proceeds from the global offering and their expected timeline of full utilization. Since the H Shares of the Company were listed on the Main Board of the Stock Exchange on January 12, 2026, details of the utilization of net proceeds from the global offering was not available during the Reporting Period.

Item	Planned use of proceeds		As of December 31, 2025		Expected timeline for utilization of the unutilized net proceeds
	Percentage of net proceeds from the Global Offering	Net proceeds from the Global Offering	Utilized amount	Unutilized amount	
Investment in the research and development of key technologies	70%	RMB3.274 billion	N/A	N/A	By December 31, 2035
— Recruitment and retention of R&D talents	50%	RMB2.339 billion	N/A	N/A	By December 31, 2035
— Continued construction of R&D center in Lingang, Shanghai, China	8%	RMB374 million	N/A	N/A	By December 31, 2035
— Wafer fabrication (tape-out) costs	8%	RMB374 million	N/A	N/A	By December 31, 2035
— Purchase of R&D software tools	4%	RMB187 million	N/A	N/A	By December 31, 2035
Global market penetration and business expansion	10%	RMB468 million	N/A	N/A	By December 31, 2035
Strategic investments and/or acquisitions	10%	RMB468 million	N/A	N/A	By December 31, 2028
Working capital and general corporate uses	10%	RMB467 million	N/A	N/A	By December 31, 2028
Total	100%	RMB4.677 billion	N/A	N/A	N/A

FIVE-YEAR FINANCIAL SUMMARY

FIVE-YEAR FINANCIAL HIGHLIGHTS

Unit: RMB Currency: RMB

Item	For the year ended December 31,				
	2025	2024	2023	2022	2021
(1) Total operating revenue	28,854,805,517.49	25,730,639,138.12	21,020,641,622.86	20,078,179,456.15	24,103,509,570.58
Including: Operating revenue	28,854,805,517.49	25,730,639,138.12	21,020,641,622.86	20,078,179,456.15	24,103,509,570.58
(2) Total operating costs	24,091,023,072.35	22,109,126,801.15	20,260,247,846.70	18,298,574,185.80	19,479,261,810.80
Including: Operating costs	20,015,173,377.35	18,154,402,520.87	16,446,397,811.26	13,903,320,125.54	15,789,593,193.99
Taxes and surcharges	45,922,153.76	40,368,068.49	32,522,371.13	24,578,943.09	23,275,807.58
Selling expenses	564,341,702.89	556,748,830.55	467,329,222.72	516,283,994.85	515,309,962.99
Administrative expenses	696,392,890.54	748,445,193.45	623,053,285.91	764,850,313.62	685,326,403.30
Research and development expenses	2,842,872,872.68	2,622,086,780.18	2,234,134,605.38	2,495,586,864.04	2,110,218,107.86
Finance expenses	(73,679,924.87)	(12,924,592.39)	456,810,550.30	593,953,944.66	355,538,335.08
Including: Interest expense	302,467,921.86	326,700,977.29	534,001,852.22	493,887,828.44	410,452,622.81
Interest income	394,403,443.41	330,260,984.95	95,904,316.56	27,318,005.49	25,450,137.44
Add: Other income	73,253,821.16	59,191,718.04	59,697,113.97	82,386,606.24	42,190,334.46
Investment income	11,833,700.60	182,459,207.66	73,477,291.21	1,047,367,727.84	614,082,368.69
Including: Investment income from associates and joint ventures	(23,574,318.07)	(33,277,397.59)	(38,830,114.65)	(46,285,593.15)	(18,050,535.14)
Gains from changes in fair value	74,404,738.66	57,989,663.27	231,332,098.34	(221,235,912.56)	(80,674,109.66)
Credit impairment losses	(29,895,068.42)	(11,400,857.96)	(90,853,252.24)	35,445,966.41	(21,935,365.89)
Asset impairment losses	(287,056,350.68)	(647,611,843.31)	(369,111,357.50)	(1,432,210,563.14)	(178,438,915.98)
Gains on disposal of assets	20,783.35	8,796,860.25	1,857,181.80	7,104,717.14	260,079.60
(3) Operating profit	4,606,344,069.81	3,270,937,084.92	666,792,851.74	1,298,463,812.28	4,999,732,151.00
Add: Non-operating income	1,520,422.11	12,921,067.86	26,490,342.43	5,276,201.66	5,022,757.56
Less: Non-operating expenses	7,044,333.75	5,389,881.39	1,836,928.84	2,417,420.64	2,678,134.90
(4) Total profit	4,600,820,158.17	3,278,468,271.39	691,446,265.33	1,301,322,593.30	5,002,076,773.66
Less: Income tax expenses	569,132,514.42	(5,833,935.16)	147,623,435.14	342,747,708.47	455,584,546.30

FIVE-YEAR FINANCIAL SUMMARY

Item	For the year ended December 31,				
	2025	2024	2023	2022	2021
(5) Net profit	4,031,687,643.75	3,284,302,206.55	543,822,830.19	958,574,884.83	4,546,492,227.36
(I) Classification by going concern status					
1. Net profit from continuing operations	4,031,687,643.75	3,284,302,206.55	543,822,830.19	958,574,884.83	4,546,492,227.36
(II) Classification by ownership attribution					
1. Net profit attributable to owners of the Company	4,045,416,530.33	3,323,242,749.90	555,623,916.73	990,308,727.22	4,476,807,102.38
2. Profit or loss attributable to non-controlling interests	(13,728,886.58)	(38,940,543.35)	(11,801,086.54)	(31,733,842.39)	69,685,124.98
(6) Other comprehensive income, net of tax	(34,012,811.38)	353,151,189.07	182,246,548.70	808,080,446.90	(184,398,617.66)
(I) Other comprehensive income attributable to owners of the Company, net of tax	(33,780,681.58)	352,996,582.07	182,135,633.21	807,379,488.68	(184,554,609.63)
1. Other comprehensive income that will not be reclassified to profit or loss	493,017,003.71	70,933,595.07	(117,126,947.49)	(416,231,921.76)	94,220,331.68
Changes in fair value of investments in other equity instruments	493,017,003.71	70,933,595.07	(117,126,947.49)	(416,231,921.76)	94,220,331.68
2. Other comprehensive income that may be reclassified to profit or loss	(526,797,685.29)	282,062,987.00	299,262,580.70	1,223,611,410.44	(278,774,941.31)
Other comprehensive income reclassifiable to profit or loss under the equity method	261,479.53	(748,128.03)	(377,368.09)	(409,466.92)	(4,638.64)
Exchange differences on translation of foreign currency financial statements	(527,059,164.82)	282,811,115.03	299,639,948.79	1,224,020,877.36	(278,770,302.67)
(II) Other comprehensive income attributable to non-controlling interests, net of tax	(232,129.80)	154,607.00	110,915.49	700,958.22	155,991.97
(7) Total comprehensive income	3,997,674,832.37	3,637,453,395.62	726,069,378.89	1,766,655,331.73	4,362,093,609.70
(I) Total comprehensive income attributable to owners of the Company	4,011,635,848.75	3,676,239,331.97	737,759,549.94	1,797,688,215.90	4,292,252,492.75
(II) Total comprehensive income attributable to non-controlling interests	(13,961,016.38)	(38,785,936.35)	(11,690,171.05)	(31,032,884.17)	69,841,116.95
(8) Earnings per share:					
(I) Basic earnings per share (RMB/share)	3.37	2.77	0.47	0.84	3.83
(II) Diluted earnings per share (RMB/share)	3.36	2.77	0.47	0.84	3.80

FIVE-YEAR FINANCIAL SUMMARY

Unit: RMB Currency: RMB

Item	As of December 31,				
	2025	2024	2023	2022	2021
Total assets	43,600,508,995.65	38,964,573,303.84	37,743,164,482.50	35,191,024,382.67	32,080,548,387.14
Non-current assets	17,133,957,954.88	17,160,351,990.42	17,478,958,902.06	15,577,701,037.52	11,784,884,848.33
Current assets	26,466,551,040.77	21,804,221,313.42	20,264,205,580.44	19,613,323,345.15	20,295,663,538.81
Total liabilities	15,446,649,874.69	14,762,183,202.89	16,248,476,852.13	17,089,931,593.50	15,775,552,804.72
Non-current liabilities	2,860,579,697.83	7,166,755,701.54	7,179,826,068.86	6,716,689,787.43	7,075,822,421.63
Current liabilities	12,586,070,176.86	7,595,427,501.35	9,068,650,783.27	10,373,241,806.07	8,699,730,383.09
Net assets	28,153,859,120.96	24,202,390,100.95	21,494,687,630.37	18,101,092,789.17	16,304,995,583.14

DIRECTORS AND SENIOR MANAGEMENT

The Directors and senior management of the Company since the H Share Listing and up to the Latest Practicable Date are:

Executive Directors

Mr. YU Renrong
(虞仁榮先生)

Mr. YU Renrong (虞仁榮先生), aged 59, is the Director and Chairman of the Board. Mr. Yu founded the Company in 2007 and served as the deputy chairman of the Board of Directors and general manager from May 2007 to April 2011. Since April 2011, Mr. Yu has been the chairman of the Board of Directors.

Mr. Yu has 35 years of experience in the electronics industry. From July 1990 to May 1992, Mr. Yu was an engineer of Inspur Group Co., Ltd. (浪潮集團有限公司). Mr. Yu was a sales manager of the Beijing representative office of Longyue Electronic (HK) Limited* (龍躍電子(香港)有限公司) from June 1992 to February 1998. From February 1998 to September 2001, Mr. Yu served as the chairman of the board of directors of Beijing Huaqing Xingchang Science and Trade Co., Ltd. (北京華清興昌科貿有限公司). Mr. Yu held several positions within the Group, including the executive director and manager of Beijing Jinghongzhi Technology Co., Ltd. (北京京鴻志科技有限公司) from September 2001 to November 2020, the executive director and general manager of Shenzhen Jinghongzhi Electronics Co., Ltd. (深圳市京鴻志電子有限公司) from May 2003 to October 2020, and the chairman of the board of directors of HK WACHING ELECTRONIC (GROUP) LIMITED (香港華清電子(集團)有限公司) from September 2006 to present. Mr. Yu also served as the chairman of the board of directors of Beijing Taihe Zhiheng Technology Co., Ltd.* (北京泰合志恒科技有限公司) from July 2014 to January 2021. Mr. Yu has been the director of Wuhan Guohe Technology Co., Ltd. (武漢果核科技有限公司) since July 2014. Since September 2015, he has been serving as the general partner of Shanghai Jingen Asset Management Partnership Enterprise (Limited Partnership) (上海京恩資產管理合夥企業(有限合夥)). From September 2017 to present, Mr. Yu has been the director and general manager of Beijing OmniVision Technologies Company Limited (北京豪威科技有限公司). Since January 2018, he has also been serving as a non-executive director of HENGHUI Technology Corporation Limited (新恒匯電子股份有限公司), a company listed on the Shenzhen Stock Exchange (SZSE: 301678). Since May 2024, Mr. Yu has been a non-executive director of Ingenic Semiconductor Co., Ltd. (北京君正集成電路股份有限公司), a company listed on the Shenzhen Stock Exchange (SZSE: 300223).

Mr. Yu graduated from Tsinghua University (清華大學) with a bachelor's degree in engineering, specializing in radio communications technology and information systems, in July 1990.

DIRECTORS AND SENIOR MANAGEMENT

Mr. WU Xiaodong
(吳曉東先生)

Mr. WU Xiaodong (吳曉東先生), aged 57, is a Director of the Company. He joined the Group in January 2018 and was elected as a Director in November 2022. He also serves as senior vice president of global sales and marketing of the Group.

Mr. Wu has more than 30 years of experience in the semiconductor industry. From April 1989 to February 2004, he served as senior sales manager of the semiconductor division of Motorola, Inc. From February 2004 to April 2005, Mr. Wu served as the marketing director of Shanghai Freescale Technology Co., Ltd.* (上海飛思卡爾科技有限公司). He was the general manager in China of Xilinx China Technology Co., Ltd.* (賽靈思中國科技有限公司) from April 2005 to August 2008. From August 2008 to September 2012, Mr. Wu served as the president of the Asia Pacific region of Tiler Corporation (泰邇睿公司). Mr. Wu served as the sales vice president of the Asia Pacific region of Lantiq Information Technology Co., Ltd.* (領特通信技術有限公司) from October 2012 to June 2015. From July 2015 to December 2017, he served as the general manager of Marvell Technology (Shanghai) Co., Ltd.* (美滿技術(上海)有限公司). From June 2022 to October 2025, he served as a director of Shanghai Jingxin Haotong Semiconductor Technology Co., Ltd. (上海景芯豪通半導體科技有限公司), a company mainly engaged in semiconductor research and development. Mr. Wu has been serving as the director of Xinkai Medical Technology (Shanghai) Co., Ltd. (心凱諾醫療科技(上海)有限公司) since January 28, 2021.

Mr. Wu obtained a bachelor's degree in radio communications technology and a master's degree in communications and electronic systems from Tianjin University (天津大學) in July 1987 and March 1989, respectively, and an MBA degree from Northwestern University in December 2003.

DIRECTORS AND SENIOR MANAGEMENT

Mr. JIA Yuan
(賈淵先生)

Mr. JIA Yuan (賈淵先生), aged 51, is a Director of the Company. Mr. Jia was elected as a Director in June 2018 and served as deputy general manager of the Company from July 2023 to March 2026. He also served as secretary to the board of directors from February 2011 to September 2021 and as chief financial officer from February 2011 to June 2025.

Mr. Jia was an audit manager at Shanghai Accountants Firm Co., Ltd. (上海會計師事務所有限公司) from August 1996 to July 2001. He was a senior manager at BDO Certified Public Accountants Co., Ltd. (立信會計師事務所有限公司) from August 2001 to January 2011. Mr. Jia was a director of Shanghai Simpli Semiconductor Co., Ltd. *(上海夷易半導體有限公司) from November 2017 to July 2025. He has been serving as a supervisor of Hefei Weihao Semiconductor Technology Co., Ltd.* (合肥韋豪半導體技術有限公司) since December 2018. He has been the executive director of OmniVision Analog Integrated Circuit (Beijing) Co., Ltd.* (豪威模擬集成電路(北京)有限公司) since January 2020. Mr. Jia has also been the executive director of Zhejiang Will Investment Co., Ltd. (浙江韋爾投資有限公司) since June 2020.

Mr. Jia obtained a bachelor's degree in accounting from Hangzhou Dianzi University (杭州電子科技大學) (previously known as Hangzhou Electronic Industrial College* (杭州電子工業學院)) in July 1996. Mr. Jia is a non-practicing member of the Chinese Institute of Certified Public Accountants. He also holds the qualification certificate for serving as the secretary to the board of directors issued by the Shenzhen Stock Exchange in June 2011.

On March 6, 2026, Mr. Jia tendered his resignation as an Executive Director and deputy general manager of the Company due to his personal career planning. He will continue to carry out his duties as an Executive Director until, and his resignation will become effective upon, the election of a new Executive Director. For more details, please refer to the announcement of the Company dated March 6, 2026. As of the Latest Practicable Date, the Board has considered and approved Dr. GAO Wenbao as a candidate for the Executive Director, and the appointment of Dr. Gao as the Executive Director is subject to the consideration and approval by the shareholders at the general meeting of the Company.

DIRECTORS AND SENIOR MANAGEMENT

Ms. QIU Huanping
(仇歡萍女士)

Ms. QIU Huanping (仇歡萍女士), aged 51, has been a Director of the Company since October 2023. Under PRC law, she is an employee-representative director of the Company.

Ms. Qiu joined the Group in September 2003 as human resources supervisor, and currently serves as senior director of human resources of the Group. Before joining the Company, Ms. Qiu was an assistant in the business department of Haier Group Corporation (海爾集團公司) from July 1998 to January 1999. Ms. Qiu served as the manager of human resources and administration at Shanghai Mingshi Computer Co., Ltd.* (上海明釋電子有限公司) from January 2000 to December 2001 and at Aoduo (Shanghai) Construction Products Co., Ltd.* (奧多(上海)建築制品有限公司) from January 2002 to August 2003.

Ms. Qiu graduated from the Department of Computer Science and Engineering at Tongji University (同濟大學) in July 1998.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Mr. LYU Dalong
(呂大龍先生)

Mr. LYU Dalong (呂大龍先生), aged 64, has served as a Director of the Company since June 2020.

Mr. Lyu possesses extensive experience in the fields of engineering and technology. From 1992 to 1993, he served as the general manager of Hainan Zhongfa Company China Township Enterprises Investment and Development Corporation* (中國鄉鎮企業投資開發有限公司海南中發公司). He was the general manager of Hainan Guoshitong Investment Company* (海南國世通投資公司) and Beijing Wanquan Garden Real Estate Development Co., Ltd. (北京萬泉花園物業開發有限公司) from 1993 to 2001. Between 2001 and 2021, Mr. Lyu served as director, manager, chairman, and/or general manager at companies such as Huaqing Jiye Investment Management Co., Ltd.* (華清基業投資管理有限公司), Tongfang Huaqing Investment Management Co., Ltd.* (同方華清投資管理有限公司), Qingdao Qingmai High-Energy Electronic Irradiation Co., Ltd.* (青島青邁高能電子輻照有限公司), Beijing Qidi Mingde Venture Capital Co., Ltd.* (北京啟迪明德創業投資有限公司), Beijing Huaqing Borong Technology Co., Ltd.* (北京華清博融科技有限公司), Beijing Jiarui Intelligent Technology Group Co., Ltd.* (北京伽睿智能科技集團有限公司), and Zhongshan Xinnuo Technology Co., Ltd.* (中山新諾科技股份有限公司). Mr. Lyu remains in these positions to date. Mr. Lyu has served as a non-executive director of HENGHUI Technology Corporation Limited (新恒匯電子股份有限公司), a company listed on the Shenzhen Stock Exchange (SZSE: 301678), since June 2019. He served as an independent director at Chongqing VDL Electronics Co., Ltd. (重慶市紫建電子股份有限公司), a company listed on the Shenzhen Stock Exchange (SZSE: 301121) specializing in the design, production, and sale of rechargeable lithium-ion battery products, from May 2024 to October 2025. Additionally, Mr. Lyu has served as an independent director at Tus-Design Group Co., Ltd. (啟迪設計集團股份有限公司), a company engaged in whole-process engineering design and consulting listed on the Shenzhen Stock Exchange (SZSE: 300500), since June 2024.

Mr. Lyu obtained a bachelor's degree in engineering, specializing in air conditioning engineering, from Tsinghua University (清華大學) in July 1983.

DIRECTORS AND SENIOR MANAGEMENT

Ms. CHEN Yu
(陳瑜女士)

Ms. CHEN Yu (陳瑜女士), aged 48, has been a Director of the Company since June 2025.

From July 1998 to July 2002, Ms. Chen was an engineer in the Equipment Department of Shanghai Hua Hong NEC Electronics Co., Ltd. (上海華虹NEC電子有限公司), where she was responsible for product research and development. From August 2002 to May 2011, Ms. Chen served as an engineer in the quality engineering department, a chief engineer in the new technology introduction department, and a senior manager in the customer engineering department of Semiconductor Manufacturing International* (中芯國際), a company dual listed on the Hong Kong Stock Exchange (HKEX: 981) and the Shanghai Stock Exchange (SHSE: 688981). From June 2011 to March 2018, Ms. Chen was head of the sales department of Shanghai Huali Microelectronics Co., Ltd.* (上海華力微電子有限公司). From March 2018 to February 2022, Ms. Chen served as the head of the sales department of Shanghai Huali Integrated Circuit Corporation (上海華力集成電路製造有限公司). Ms. Chen currently serves as a managing director of Yuanhe Puhua (Suzhou) Investment Management Co., Ltd.* (元禾璞華(蘇州)投資管理有限公司). She has also served as a director of several companies, including Suzhou Sail Science & Technology Co., Ltd. (蘇州賽爾科技有限公司) since January 2024; Xi'an Jili Electronic New Material Co., Ltd.* (西安吉利電子新材料股份有限公司) and Zhejiang Yasheng Semiconductor Equipment Co., Ltd. (浙江亞笙半導體設備有限公司) since March 2024; Honghu (Suzhou) Semiconductor Technology Co., Ltd.* (泓滸(蘇州)半導體科技有限公司) since May 2024; Ningbo Chuangrun New Material Co., Ltd. (寧波創潤新材料有限公司) since July 2024; and Dierberg (Shenzhen) Intelligent Technology Co., Ltd. (帝爾博格(深圳)智能科技有限公司) since August 2024. Since September 2024, Ms. Chen has been a director of Suzhou Tengxin Microelectronics Co., Ltd. (蘇州騰芯微電子有限公司), Feejoy Technology (Shanghai) Co., Ltd. (飛卓科技(上海)股份有限公司), and Gyrobot Technology (Suzhou) Co., Ltd. (捷螺智能設備(蘇州)有限公司). Ms. Chen has also been a director of Youwei Image Technology (Suzhou) Co., Ltd. (有為圖像技術(蘇州)有限公司), Xinshuai Intelligent Technology (Suzhou) Co., Ltd.* (芯率智能科技(蘇州)有限公司), Xihe Microelectronics Technology (Shanghai) Co., Ltd.* (矽赫微科技(上海)有限公司), and Shanghai Zhiman Technology Co., Ltd. (上海知滿科技有限公司), with appointments to these boards beginning between January 2025 and December 2025.

Ms. Chen obtained a bachelor's degree in chemical engineering from East China University of Science and Technology (華東理工大學) in July 1998 and an EMBA degree from Fudan University (復旦大學) in June 2017.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Mr. ZHU Liting
(朱黎庭先生)

Mr. ZHU Liting (朱黎庭), aged 64, has been an independent non-executive Director of the Company since June 2022.

Mr. Zhu was an attorney at Boss & Young Attorney at Law (上海邦信陽中建中匯律師事務所) from 1997 to 2017 where the last position he held was partner. He has been a partner at Grandway Law Offices (北京國楓(上海)律師事務所) since 2017. Since June 2019, he has been an independent director of Shanghai Guangdian Electric (Group) Co., Ltd. (上海廣電電氣(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (SHSE: 601616). He has also been a director of Lao Feng Xiang Co., Ltd. (老鳳祥股份有限公司) since June 2019, a company listed on the Shanghai Stock Exchange (SHSE: 600612). From December 2021 to January 2025, Mr. Zhu served as an independent director of Omh Science Group Co., Ltd. (東杰智能科技集團股份有限公司), an intelligent manufacturing service provider listed on the Shenzhen Stock Exchange (SZSE: 300486). Since November 2025, Mr. Zhu has also served as an independent director of Zhejiang Wansheng Co., Ltd. (浙江萬盛股份有限公司), a company engaged in the research and development of functional fine chemicals, listed on the Shanghai Stock Exchange (SHSE: 603010).

Mr. Zhu obtained a bachelor's degree in law from Fudan University (復旦大學) in July 2003.

DIRECTORS AND SENIOR MANAGEMENT

Ms. FAN Mingxi
(范明曦女士)

Ms. FAN Mingxi (范明曦女士), aged 46, has served as an independent non-executive Director of the Company since June 2025.

From July 2003 to October 2008, Ms. Fan held various positions in the global markets division of Deutsche Bank AG, Hong Kong Branch, with her most recent position being vice president, equity structuring. From October 2008 to March 2024, Ms. Fan held various positions in the global markets department of UBS AG Hong Kong Branch, where her most recent position was managing director, deputy head of Global Markets, China. Since September 2025, Ms. Fan has served as an independent director of Proya Cosmetics Co., Ltd. (珀萊雅化妝品股份有限公司), a beauty and personal care company listed on the Shanghai Stock Exchange (SHSE: 603605).

Ms. Fan obtained a bachelor's degree in international finance and accounting in July 2001 and a master's degree in applied economics in July 2003, both from Tsinghua University (清華大學).

Mr. MOU Lei
(牟磊先生)

Mr. MOU Lei (牟磊先生), aged 63, has served as an independent non-executive Director of the Company since June 2025.

From October 1996 to June 2023, he was a partner at PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合伙)). Since February 2024, he has served as an independent director of CITIC Bank International (China) Co., Ltd.* (中信銀行國際(中國)有限公司).

Mr. Mou graduated from Shanghai Lixin Technical School of Accounting (上海立信會計專科學校) (now known as Shanghai Lixin University of Accounting and Finance (上海立信會計金融學院)) in July 1983. He was qualified as a certified public accountant in the PRC in October 1988.

DIRECTORS AND SENIOR MANAGEMENT

Senior Management

Dr. GAO Wenbao
(高文寶博士)

Dr. GAO Wenbao, Ph.D. (高文寶博士), aged 51, has served as general manager of the company since November 2025. From July 2003 to October 2025, Dr. Gao held various positions in the group of BOE Technology Group Co., Ltd. (京東方科技集團股份有限公司), a leading supplier of semiconductor display technologies, products and services, listed on the Shenzhen Stock Exchange (SZSE: 000725 and 200725). He served as a director of BOE Technology Group Co., Ltd. (京東方科技集團股份有限公司) from June 2019 to October 2025, and a director of its listed subsidiary, BOE Varitronix Limited (SEHK: 0710), from September 2018 to October 2025. Dr. GAO has served as chairman of Chengdu ET Microelectronics Co., Ltd. (成都翌創微電子有限公司) since March 2026.

As of the Latest Practicable Date, the Board has considered and approved Dr.GAO Wenbao as a candidate of an Executive Director, and the appointment of Dr.Gao as an Executive Director is subject to the consideration and approval by the shareholders at the general meeting of the Company.

Dr. Gao obtained a bachelor's degree in microelectronic technology in July 1998 and his Ph.D. in microelectronics and solid-state electronics in July 2003, both from Jilin University (吉林大學). Dr. Gao is a professor-level senior engineer. He also holds a China Patent Gold Award, jointly granted by the China National Intellectual Property Administration and the World Intellectual Property Organization in November 2012.

Mr. WANG Song
(王崧先生)

Mr. Wang Song (王崧先生), aged 50, was appointed as deputy general manager of the Company in November 2025, prior to which he served as general manager from June 2020. Mr. Wang has been the senior vice president of OmniVision Technologies (Shanghai) Co., Ltd. (豪威科技(上海)有限公司) since October 2017, prior to which he was a senior director at Knowles Electronics (Shanghai) Co., Ltd. (樓世電子(上海)有限公司) from October 2015 to October 2017 and a director of Nidec Compressor (Beijing) Co., Ltd. (尼得科壓縮機(北京)有限公司) from October 2013 to October 2015. Before that, he was with ON Semiconductors (Hong Kong) Limited (安森美半導體(香港)有限公司) from August 2000 to October 2013, with his last position there being chief representative and director of its Beijing office. He has been an independent director of WeEn Semiconductors Co., Ltd. (瑞能半導體科技股份有限公司) (stock code: 873928, a company listed on NEEQ) from June 2019 to December 2025, and served as an observer of the Board since December 2025. Since December 2025, he has been an independent director of Xi'an UnilC Semiconductor Co., Ltd. (西安紫光國芯半導體股份有限公司) (stock code: 874451, a company listed on NEEQ).

Mr. Wang obtained a double bachelor's degree in economics of technology and radio communications technology in July 1998 from Tianjin University (天津大學), and an EMBA degree in December 2016 from Xi'an Jiaotong University (西安交通大學).

DIRECTORS AND SENIOR MANAGEMENT

Mr. XU Xing
(徐興先生)

Mr. XU Xing (徐興先生), aged 44, has served as the chief financial officer of the Group since June 2025. From August 2006 to December 2011, Mr. Xu was an audit manager at KPMG Huazhen LLP (畢馬威華振會計師事務所(特殊普通合夥)). He was a partner at PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)) from January 2012 to February 2021. Mr. Xu holds various positions within the Group, including serving as the financial director, China, of the Company since March 2021, a director of OmniVision Technology (Beijing) Limited Corp (豪威科技(北京)股份有限公司) since September 2022, a director of Shaoxing OmniVision Micro-display Technology Co., Ltd.* (紹興豪威微顯示技術股份有限公司) since December 2022, and a director of OmniVision Semiconductor (Shaoxing) Co., Ltd.* (豪威半導體(紹興)有限公司) since March 2024.

Mr. Xu obtained a bachelor's degree in financial management in June 2004 from Wuhan University (武漢大學) and a master's degree in accounting in June 2006 from the same institution. He is a non-practising member of the Chinese Institute of Certified Public Accountants.

Ms. REN Bing
(任冰女士)

Ms. REN Bing (任冰女士), aged 34, has served as the secretary to the Board of Directors since September 2021 and as director of the securities investment department of the Company since August 2020. Ms. Ren also served as the securities affairs representative of the Company from July 2015 to September 2021.

Ms. Ren obtained a bachelor's degree in law in July 2013 from Southwest University of Political Science and Law (西南政法大學) and a master's degree in law in June 2015 from Soochow University (蘇州大學). She holds a legal professional qualification certificate issued by the Ministry of Justice of the PRC in August 2013, as well as a board secretary certificate issued by the Shanghai Stock Exchange in September 2016.

CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company is pleased to report to the shareholders of the Company on the corporate governance of the Company for the year ended December 31, 2025.

CORPORATE GOVERNANCE CULTURE AND VALUE

The Company is committed to ensuring that its affairs are conducted in accordance with high quality standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. The Company continuously improves its governance structure, strengthens the development of business ethics, and enhances comprehensive risk management, thereby laying a solid foundation to support high-quality growth of the Company.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately; and
- the delivery of high-quality products and services to the satisfaction of customers.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving good corporate governance standards.

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

The Company has adopted the principles and code provisions of the Corporate Governance Code contained in Appendix C1 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as the basis of the Company’s corporate governance practices.

CORPORATE GOVERNANCE REPORT

The Company's Shares have been listed on the Main Board of the Stock Exchange since January 12, 2026 (the "**Listing Date**"). The Company was not listed as at December 31, 2025, therefore, the CG Code was not applicable to the Company during the year ended December 31, 2025 but has applied to the Company since the Listing Date. The chairman of the Board takes primary responsibility for ensuring that good corporate governance practices and procedures are established.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. As the Company's shares were not listed on the Stock Exchange as at December 31, 2025, the relevant rules of the Model Code, to which the Directors were subject, were not applicable to the Company during the year ended December 31, 2025.

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

The Company also requires officers and employees of the Group who, because of such office or employment, is likely to possess inside information in relation to the Company or its securities, be also bound by the Model Code, which prohibits them to deal in securities of the Company at any time when he/she possesses inside information in relation to those securities. No incident of non-compliance of the Model Code by the relevant officers and employees was noted by the Company for the period from the Listing Date to the Latest Practicable Date.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of Executive Directors and Non-executive Directors (including Independent Non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

CORPORATE GOVERNANCE REPORT

Board Composition

The Board currently comprises nine Directors, consisting of four Executive Directors, two Non-executive Directors and three Independent Non-executive Directors.

The composition of the Board since the Listing Date is as follows:

Executive Directors

Mr. YU Renrong (虞仁榮先生) (*Chairman of the Board*)

Mr. WU Xiaodong (吳曉東先生)

Mr. JIA Yuan (賈淵先生)

Ms. QIU Huanping (仇歡萍女士)

Non-executive Directors

Mr. LYU Dalong (呂大龍先生)

Ms. CHEN Yu (陳瑜女士)

Independent Non-executive Directors

Mr. ZHU Liting (朱黎庭先生)

Ms. FAN Mingxi (范明曦女士)

Mr. MOU Lei (牟磊先生)

Each of our Directors has confirmed that he/she obtained the legal advice referred to in Rule 3.09D of the Listing Rules on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on June 16, 2025, and he/she has confirmed he/she understood his/her obligations as a director of a listed issuer.

The biographical details of the Directors is set out in the section headed “Directors and Senior Management” of this Annual Report. Save as disclosed above, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship(s)) between the Board members and chief executive of the Company.

CORPORATE GOVERNANCE REPORT

Directors' Attendance Records

As the Company was listed on the Stock Exchange on January 12, 2026, during the period from the Listing Date and up to the Latest Practicable Date, the Board convened three board meetings, four Audit Committee meetings, two Remuneration Committee meetings, one Nomination Committee meeting and two Strategy and ESG Committee meetings. The Company did not hold any general meeting during the period from the Listing Date and up to the Latest Practicable Date. The attendance of each Director at the above meetings is set out in the table below:

Name of Director	Attendance/Number of Meetings				Strategy and ESG Committee
	Board	Audit Committee	Remuneration Committee	Nomination Committee	
Executive Directors					
Mr. YU Renrong (Chairman of the Board)	3/3	—	—	—	2/2
Mr. WU Xiaodong	3/3	—	—	—	—
Mr. JIA Yuan	3/3	—	—	—	—
Ms. QIU Huanping	3/3	—	—	1/1	—
Non-executive Directors					
Mr. LYU Dalong	3/3	—	—	—	—
Ms. CHEN Yu	3/3	—	—	—	—
Independent Non-executive Directors					
Mr. ZHU Liting	3/3	4/4	2/2	—	2/2
Ms. FAN Mingxi	3/3	4/4	2/2	1/1	2/2
Mr. MOU Lei	3/3	4/4	2/2	1/1	—

As the Company was listed on the Stock Exchange on January 12, 2026, the Chairman did not hold a meeting with the Independent Non-executive Directors without the presence of other Directors during the year ended December 31, 2025.

Board Meetings

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

CORPORATE GOVERNANCE REPORT

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including Non-executive Directors and Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The Independent Non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Chairman and General Manager

The positions of Chairman and General Manager are held by Mr. YU Renrong and Dr. GAO Wenbao respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The General Manager focuses on the Group's business development and daily management and operations generally.

Independent Non-executive Directors

The Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the Independent Non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all Independent Non-executive Directors are independent.

CORPORATE GOVERNANCE REPORT

Board Independence Evaluation

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence and formulate an action plan for improvement, if appropriate.

As the Company's Shares was listed on the Main Board of the Stock Exchange on January 12, 2026, the Board has not reviewed the mechanisms during the year ended December 31, 2025.

Appointment and Re-election of Directors

Code Provision B.2.2 states that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. According to the Articles of Association of the Company, Directors who are not employee representatives are elected or replaced by the shareholders' meeting and their term of office shall be three years. Directors are eligible for re-election upon expiry of their term of office, while the renewed term of office of independent non-executive Directors shall not exceed six years.

Particulars of Directors' Service Contracts

We have entered into a service agreement with each of the Directors. According to the service agreements, the term of office of each Director shall end upon the conclusion of the current Board in accordance with the applicable laws, regulations and the Articles of Association, and shall not exceed three years. There is no Director who has entered into a service contract with the Company that cannot be terminated by the Company within one year without compensation (other than statutory compensation).

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

The Directors have been provided with necessary information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

 CORPORATE GOVERNANCE REPORT

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. External training for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended December 31, 2025 and up to the Latest Practicable Date, the Company organized training sessions conducted by the legal advisers for all Directors. The training sessions covered a wide range of relevant topics including Directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual have been provided to the Directors for their reference and studying.

The training records of the Directors for the year ended December 31, 2025 and up to the Latest Practicable Date are summarized as follows:

Directors	Type of Training ^{Note}
Executive Directors	
Mr. YU Renrong (<i>Chairman of the Board</i>)	A/B
Mr. WU Xiaodong	A/B
Mr. JIA Yuan	A/B
Ms. QIU Huanping	A/B
Non-Executive Directors	
Mr. LYU Dalong	A/B
Ms. CHEN Yu	A/B
Independent Non-Executive Directors	
Mr. ZHU Liting	A/B
Ms. FAN Mingxi	A/B
Mr. MOU Lei	A/B

Note:

Types of Training

A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, Remuneration and Evaluation Committee, Nomination Committee and Strategy and ESG Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Audit Committee consists of three members, namely Mr. MOU Lei, Ms. FAN Mingxi, and Mr. ZHU Liting, all are independent non-executive Directors. Mr. MOU Lei is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee held 8 meetings during the year ended December 31, 2025, to review the quarter, the interim and annual financial reports and significant issues on the financial reporting, operational and internal control systems and the effectiveness of the internal audit function, appointment of external auditors and connected transactions. The Audit Committee also held 4 online and offline meetings with the external auditors without the presence of the Executive Directors.

Remuneration and Evaluation Committee

The Remuneration and Evaluation Committee consists of three members, namely Mr. ZHU Liting, Ms. FAN Mingxi, and Mr. MOU Lei, all of whom are independent non-executive Directors. Mr. ZHU Liting is the chairman of the Remuneration and Evaluation Committee.

The terms of reference of the Remuneration and Evaluation Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of each Director and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

During the year ended December 31, 2025, the Remuneration and Evaluation Committee met 6 times during the year to consider the relevant matters regarding 2025 Stock Option Incentive Plan, 2023 First Phase Stock Option Incentive Plan, 2023 Second Phase Stock Option Incentive Plan and to review and make recommendation to the Board on the remuneration policy and the remuneration packages of Directors and senior management.

CORPORATE GOVERNANCE REPORT

During the year ended December 31, 2025, the remuneration of the senior management (excluding Executive Directors), whose biographical details are included in section headed “Directors and Senior Management” of this Annual Report, during the year falls within the following bands:

Remuneration (HK Dollar)	Number of Individuals
1 to 500,000	1
1,000,001 to 1,500,000	1
1,500,001 to 2,000,000	1
3,000,001 to 3,500,000	1

The Company’s remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company’s affairs, and Directors and senior management participate in determining their own remuneration. Non-independent directors holding positions in the Company shall have their annual salary determined in accordance with their respective positions, and no separate remuneration shall be paid. Non-independent directors not holding positions in the Company shall not receive remuneration from the Company. The General Manager and other senior management of the Company are subject to annual performance evaluation, with results linked to annual salary. Actual annual salary may be adjusted appropriately based on the basic annual salary in light of evaluation results. Performance evaluation shall be conducted by the Remuneration and Evaluation Committee of the Board of Directors.

Independent Non-executive Directors are remunerated on an annual basis, and shall not receive options to be granted under the Company’s share option scheme.

Nomination Committee

The Nomination Committee consists of three members, namely Ms. FAN Mingxi (independent non-executive Director), Ms. QIU Huanping (executive Director), and Mr. MOU Lei (independent non-executive Director). Ms. FAN Mingxi is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, reviewing the Board Diversity Policy and the Director Nomination Policy and assessing the independence of Independent Non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company’s Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

CORPORATE GOVERNANCE REPORT

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, before making recommendations to the Board.

During the year ended December 31, 2025, the Nomination Committee held 3 meetings to consider and recommend to the Board on the Directors and the appointment of senior managements. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board was maintained.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee reviews regularly the structure, size and composition of the Board and make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

- (A) at least one of members of the Board shall be female;
- (B) at least one-third of the members of the Board shall be independent non-executive Directors;
- (C) at least one of the members of the Board shall have obtained accounting or other professional qualifications;

CORPORATE GOVERNANCE REPORT

An analysis of the Board's current composition based on the measurable objectives is set out below:

Gender Male: 6 Directors Female: 3 Directors	Age Group 41–50: 2 Directors 51–60: 4 Directors 61–70: 3 Directors
Designation Executive Directors: 4 Directors Non-executive Directors: 2 Directors Independent Non-executive Directors: 3 Directors	Educational Background Business Administration: 1 Director Account and Finance: 3 Directors Legal: 1 Director Engineering: 4 Directors
Nationality Chinese: 9 Directors	Business Experience Accounting & Finance: 3 Directors Legal: 1 Director Experience Related to the Company's Business: 5 Directors

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Diversity Policy.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including senior management as at December 31, 2025:

	Percentage of female employees (number)	Percentage of male employees (number)
Senior Management	25% (1)	75% (3)
Other employees	47.8% (2,942)	52.2% (3,214)
Overall workforce	47.8% (2,943)	52.2% (3,217)

The Board had set and achieved a target of having at least one female Director, and considers the current gender diversity to be satisfactory. Details on the gender ratio of the Group together with relevant data can be found in the 2025 Environmental, Social and Governance Report.

CORPORATE GOVERNANCE REPORT

Director Nomination Policy

The Nomination Committee has adopted a nomination policy which sets out the nomination procedures, as well as the processes and criteria for identifying, selecting and recommending candidates for directorship. For further details, please refer to the Terms of Reference for the Nomination Committee. After assessing the Company's needs for new Directors and senior management, and taking into account the Board Diversity Policy, the Nomination Committee identifies suitable candidates through various channels, including internal sources within the Group and the talent market, and collects information on the proposed candidates, such as their professional background, academic qualifications, professional skills, titles, detailed work experience and all concurrent positions, and compiles such information into written materials. With the consent of the nominees, the Nomination Committee conducts a qualification review of the preliminary candidates in accordance with the eligibility requirements for Directors and senior management. When electing new Directors or appointing senior management, the Nomination Committee submits to the Board its recommendations and relevant materials on the director candidates and the proposed senior management appointees and carries out follow-up work based on the Board's decisions and feedback.

The Nomination Committee will review the Director Nomination Policy as and when appropriate to ensure its effectiveness.

Strategy and ESG Committee

The Strategy and ESG Committee was established by the Board for making recommendations to the Board on the long-term development strategy and major investment decisions and on sustainable development planning and ESG related matters, in particular, the aspects as stipulated in the Appendix C2 Environmental, Social and Governance Reporting Code to the Listing Rules. Strategy and ESG Committee consists of three members, namely Mr. YU Renrong (executive Director), Mr. ZHU Liting (independent non-executive Director) and Ms. FAN Mingxi (independent non-executive Director). Mr. YU Renrong is the chairman of the Strategy and ESG Committee.

During the year ended December 31, 2025, the Strategy and ESG Committee met 5 times to review the Company's strategic policies, such as approving the issue of overseas listed shares and the listing of the Company on the Main Board of the Stock Exchange, the change of the Company name, and the change of the purpose of repurchased shares.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is fully aware of its responsibilities for risk management and internal control systems, and it fully acknowledges the value and importance of adequate risk management and internal control systems. The Company has established the “Internal Audit Regulations” and “Risk Management Regulations”, as well as set up risk management systems and internal control systems. These systems are designed to manage, rather than eliminate, the risk of failure to achieve the Company’s business objectives, and to only provide reasonable and not absolute assurance against material misstatement or loss.

The Company’s Audit Committee is responsible for guiding and supervising the establishment and implementation of the internal audit system; regularly reviewing the work plans and reports submitted by the Internal Audit Department; and reporting to the Board on the progress and quality of and material issues (if any) discovered during the internal audit; regularly reviewing the Company’s financial reports and auditors’ report to ensure the efficiency and adequacy of the internal control systems. The Company has an Internal Audit Department. It conducts internal audits under the leadership of the Board and Audit Committee, and it also conducts assessment of the effectiveness of internal control and risk management of the Company and its subsidiaries, and of the authenticity and completeness of financial information. Specifically, such responsibilities include: (1) to inspect and evaluate the completeness, reasonableness, and effectiveness of the implementation of the internal control systems; (2) to audit the legality, compliance, authenticity, and completeness of accounting information and other relevant economic information, as well as the financial income and expenditure and related economic activities reflected; and (3) to assist the Company and its subsidiaries in establishing anti-fraud mechanisms, and to pay attention to and inspect possible fraudulent conducts during the internal audit process. The Internal Audit Department reports to the Audit Committee every quarter on the implementation of the internal audit plan and issues found during internal audit.

The scope of the Company’s internal control assessment includes organizational structure, development strategy, corporate culture, social responsibility, human resources, funding activities, sales business, procurement business, warehousing business, asset management, R&D activities, financial reporting, budget management, contract management, financing management, investment management, guarantee management, seal management, related-party transactions, internal information transmission, and information systems, in order to standardize daily operations and management as well as achieve internal control objectives.

The Company highly values risk management, promptly identifies and systematically analyzes risks in the operations that are related to achieving internal control objectives, promotes integration of risk management and internal monitoring, reasonably determines risk tolerance and risk response strategies, and enhances risk prevention capabilities. The basic process of risk management includes the following major tasks: collecting initial information on risk management, risk assessment, developing risk management strategies, developing and implementing risk response measures, and monitoring and improving risk management. The Strategy and ESG Committee will also identify and assess the relevant risks in the Group’s ESG field as well as raise queries

CORPORATE GOVERNANCE REPORT

and provide response strategies on important matters that affect the Group in fulfilling ESG-related work. To address the potential risks and opportunities brought about by climate change, the Group has integrated climate change management into its overall risk management system. Through identifying, assessing, responding and monitoring climate risks and opportunities, the Company ensures comprehensive management on its climate-related risks, while effectively capturing the climate-related development opportunities.

The Group has launched an internal control evaluation for 2025, and the scope of evaluation covered the main aspects of the Company's operation management, with a focus on high-risk areas, mainly including: funding activities, procurement business, sales business, and related-party transactions. The Company's Audit Committee and Board have successively considered and approved the "2025 Internal Control Evaluation Report". Such report assessed the Group's risk management and internal control systems and reviewed the efficiency of such systems, and no violations of the laws, regulations, rules and systems were found, nor was there any significant inadequacy or any major faults in compliance monitoring and risk management. The Company has also engaged BDO Certified Public Accountants (立信會計師事務所) to audit the effectiveness of the Company's internal control over financial reporting for the year ended December 31, 2025. BDO Certified Public Accountants believes that the Company has maintained effective internal control over financial reporting in all material aspects in accordance with the "Basic Standard for Enterprise Internal Control (企業內部控制基本規範)" and relevant regulations during the year ended December 31, 2025. The Board is of the view that the Group's risk management system and internal control systems have operated effectively for the year ended December 31, 2025.

The Group has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Group has an internal reporting channel that is open and available for employees of the Group to report any suspected corruption and bribery. Employees can also make anonymous reports to the internal audit function, which is responsible for investigating the reported incidents and taking appropriate measures. The Group continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

During the year ended December 31, 2025, the Group held business ethics trainings to all employees. There were no non-compliance cases in relation to bribery and corruption.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

 CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements with the support of the accounting and finance team.

The Directors have prepared the financial statements in accordance with the China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The financial statements of the Group are prepared on a going concern basis, the Directors are of the view that they give a true and fair view of the financial position, performance and cash flow of the Group for the year ended December 31, 2025, and the disclosure of other financial information and report therein complies with relevant legal requirements.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report of this Annual Report.

AUDITORS' REMUNERATION

The remuneration paid and payable to the external auditors of the Company in respect of audit services and non-audit services for the year ended December 31, 2025 is set out below:

Service Category	Fees Paid/Payable RMB0,000
Audit Services ^(Note)	368
Non-audit Services	0
Total	368

Note: The audit services listed in the table above includes the 2025 financial statements and internal control audit (including tax).

COMPANY SECRETARY

Ms. REN Bing and Ms. LAU Yee Wa have been appointed as the Company's joint company secretaries. Ms. LAU Yee Wa is currently a director of Corporate Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services.

CORPORATE GOVERNANCE REPORT

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Ms. REN Bing has been designated as the primary contact person at the Company which would work and communicate with Ms. LAU Yee Wa on the Company's corporate governance and secretarial and administrative matters.

As the Company was listed on the Main Board of the Stock Exchange on January 12, 2026, during the Reporting Period, the requirement of 15 hours of relevant professional training of the company secretary as set out in Rule 3.29 of the Listing Rules was not applicable for the Company.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

Pursuant to the Article 54 of the Articles of Association of the Company, the shareholders who individually or jointly hold not less than 10% of the shares (on a one-share-one-vote basis, excluding treasury shares) of the Company shall have the right to request the Board to convene an EGM, and shall make such request to the Board in writing. The Board shall, pursuant to relevant laws, administrative regulations, and the Articles of Association, give a written reply on whether to convene the EGM or not within 10 days after receipt of the proposal. If the Board agrees to convene the EGM, it shall serve a notice of such a meeting within five days after the resolution is made by the Board. In the event of any changes to the original proposal in the notice, the consent of relevant shareholders shall be obtained. If the Board does not agree to hold the EGM or fails to give a reply within 10 days after receipt of the request, shareholders severally or jointly holding not less than 10% of the Company's shares (on a one-share-one-vote basis, excluding treasury shares) shall be entitled to request in writing the Audit Committee to convene an EGM. If the Audit Committee agrees to convene the EGM, it shall serve a notice of such meeting within five days after receipt of the request. In the event of any changes to the original proposal in the notice, the consent of relevant shareholders shall be obtained. If the Audit Committee fails to give the notice of such a meeting within the specified time limit, it shall be deemed to have failed to convene or preside over the Shareholders' Meeting, in which case, the shareholders who either individually or jointly hold not less than 10% of the Company's shares (on a one-share-one-vote basis, excluding treasury shares) for not less than 90 consecutive days may convene and preside over the meeting by themselves.

Putting Forward Proposals at General Meetings

Pursuant to the Article 59 of the Articles of Association of the Company, where the Company convenes a Shareholders' Meeting, the Board, Audit Committee, and shareholder(s) individually or jointly holding more than 1% of the Company's shares may make proposals to the Company. The shareholders individually or jointly holding more than 1% of the Company's shares may raise a temporary proposal and submit it to the convener in writing 10 days before the Shareholders' Meeting is held. The convener shall, within 2 days after receipt of the proposal, issue a supplementary notice to announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' Meeting for consideration, except where the temporary proposal violates laws, administrative regulations or the Articles of Association, or falls outside the scope of the powers of the Shareholders' Meeting.

CORPORATE GOVERNANCE REPORT

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send enquiries to the Company.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: OmniVision Technology Park 88 Shangke Road Pilot Free Trade Zone Shanghai PRC
(For the attention of the Securities Investment Department)

Email: will_stock@corp.ovt.com

Investor hotline: +86 2150805043

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Shareholders' Communication Policy

The Board of the Company considered and approved the Shareholder's Communication Policy on December 13, 2025. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively. As the Company was listed on the Stock Exchange on January 12, 2026, during the year ended December 31, 2025, the Board has not reviewed the implementation and effectiveness of its Shareholder's Communication Policy.

CORPORATE GOVERNANCE REPORT

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

“Corporate Communication” as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors’ report, annual accounts together with a copy of the auditor’s report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) the quarterly report; (d) a notice of meeting; (e) a listing document; (f) a circular; and (g) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange’s website (www.hkex.com.hk) in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company’s securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules. Shareholders and non-registered holders of the Company’s securities shall have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communication (in printed form or through electronic means).

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Articles of Association) on the Stock Exchange’s website in a timely manner in accordance with the Listing Rules.

(c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange’s website will also be published on the Company’s website (<https://www.omnivision-group.com/>).

(d) Shareholders’ Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders’ questions.

CORPORATE GOVERNANCE REPORT

(e) Shareholders' Enquiries

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's H share registrar, Tricor Investor Services Limited, via its online holding enquiry service at <https://srhk.vistra.com/Default.aspx>, or send email to is-enquiries@vistra.com or call its hotline at +852 2980 1333, or go in person to its public counter at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Enquiries about Corporate Governance or Other Matters put to the Board and the Company

Shareholders may send any enquiries to the Board by email: will_stock@corp.ovt.com or by post to OmniVision Technology Park 88 Shangke Road Pilot Free Trade Zone Shanghai PRC. Shareholders may call the Company at +86 2150805043 for any assistance.

(f) Results Presentation

The Company's results presentation will be made available through an online platform to facilitate interaction and communication with investors.

(g) Other Investor Relations Communication Platforms

Investor/analysts briefings, roadshows (both domestic and international), marketing activities for investors will be conducted on a regular basis.

Amendments to Constitutional Documents

The Articles of Association of the Company has been amended and restated, with effect from the Listing Date. In light of the increase in issued share capital and registered capital, the Board proposes to amend related provisions relating to the issued share capital and registered capital, which shall be subject to the approval of the shareholders of the Company at a general meeting. Please refer to the announcement of the Company dated March 6, 2026 for details. Save for the aforesaid disclosed, during the year ended December 31, 2025 and up to the Latest Practicable Date, no change has been made to the Articles of Association.

The latest version of the Articles of Association is available on the websites of the Company at www.omnivision-group.com and the Stock Exchange at www.hkexnews.hk.

CORPORATE GOVERNANCE REPORT

Dividend Policy

The Company has adopted a Dividend Policy on payment of dividends. We may distribute dividends in the form of cash, stocks or a combination of cash and stocks. Any proposed distribution of dividends is subject to the discretion of the Board and the approval of our shareholders. The Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, business prospects, operating requirements, capital requirements, payments by our subsidiaries of cash dividends to us, statutory, regulatory and contractual considerations and any other factors that the Board may deem relevant. A decision to declare or to pay any dividends in the future, and the amount of such dividends, will hence depend on these factors. According to the applicable PRC laws and our dividend policy we may pay dividends out of our profit after tax only after we have made the (i) recovery of accumulated losses, if any; (ii) allocations to the statutory reserve equivalent to 10% of our Company's profit after tax, and, when the statutory reserve reaches and is maintained at or above 50% of our Company's total issued share capital, no further allocations to this statutory reserve will be required; and (iii) allocations, if any, to a discretionary common reserve as approved by our shareholders in a shareholders' meeting.

Furthermore, according to our dividend policy, the accumulated profits distributed in cash for the most recent three years shall not be less than 30% of our Company's average annual distributable profits realized for the same three-year period. For each year that we record profits and positive accumulated undistributed profit, we shall distribute dividends in cash and such cash dividends distributed shall not be less than 10% of our Company's distributable profits realized for the same period, except the (i) occurrence of significant investments (excluding fundraising activities) where the investment amount for the relevant year exceeds 10% of our Company's audited net assets as of the end of the most recent financial year; or (ii) occurrence of significant capital expenditures where we intend to invest, acquire assets or purchase equipment within the next 12 months and the accumulated expenditure of which is expected to reach or exceed 10% of our Company's audited net assets as of the end of the most recent financial period.

There can be no assurance that a dividend will be proposed or declared in any given year. The information on policies relating to dividends constitutes forward-looking statements, which are not guarantees of future financial performance.

REPORT OF THE DIRECTORS

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The Group is a global fabless semiconductor design company, with CMOS image sensor (CIS) being its major product. It is distinguished by its proprietary technologies, diversified products and solution portfolio, flexible fabless business model, and extensive customer network and supply chain ecosystems.

The Group is currently engaged in three main business lines: advanced digital imaging solutions, display solutions and analog solutions, and continues to expand its product and solution offerings to serve verticals such as smartphone, automobile, medical, surveillance, and emerging markets (machine vision, smart glasses, and Edge AI). Its comprehensive suite of business lines and strong design capabilities enable the company to design, develop, and market a wide range of highly integrated semiconductor solutions designed for mission-critical applications across diverse industry verticals.

BUSINESS REVIEW AND RESULTS

A review of the business of the Group during the Reporting Period is provided in “Management Discussion and Analysis” of this annual report. An analysis of the Group’s performance during the Reporting Period using key financial performance indicators is provided in the Financial Review on pages 28 to 37 of this annual report.

The results of the Group for the Reporting Period are set out in the Consolidated Income Statement in the Independent Auditor’s Report on pages 99 to 100 of this annual report.

DIVIDEND DISTRIBUTION

In November 2025, the Company distributed the 2025 interim cash dividend of RMB4.00 (tax inclusive) for every 10 Shares to all Shareholders. Authorized by the Company’s 2024 annual general meeting held on June 10, 2025, the interim distribution proposal was approved at the sixth meeting of the seventh Board on October 28, 2025. The total cash dividend amount for interim dividend distributions was RMB482,193,174.40.

The Board of Directors proposes a final dividend distribution for 2025, with a distribution of RMB1.00 per 10 Shares. The proposed dividend distribution is subject to approval at the Company’s 2025 annual general meeting and will be paid in Hong Kong dollars for H shares. For details on the Company’s profit distribution and dividend policy, please refer to “Dividend Policy” under “Corporate Governance Report” in this annual report.

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

REPORT OF THE DIRECTORS

FUTURE AND OUTLOOK

Continuous Investments in R&D for Key Technologies

Robust R&D investment remains a core strategic priority underpinning the Group's long-term growth trajectory. The Group will continue to increase its R&D efforts to maintain the competitive advantage of its proprietary core technologies and to translate these technologies into a product portfolio that addresses a broad market demand. This includes the Group's continuous efforts to further expand addressable markets through mergers and acquisitions (M&A) and investments, with a focus on targets that create synergies with our existing product portfolio and support horizontal expansion into emerging markets.

From the product innovation perspective, the Group will develop its products and solutions to address customers' current and anticipated needs, offering a comprehensive portfolio of high-quality, cost-effective products while exploring new applications within its target markets through integrated business lines. Concurrently, it will continue to identify downstream application scenarios and deliver solutions across multiple industry verticals. The Group believes that its customer base will achieve continuous and steady growth as the company continues to expand its product portfolio that satisfies a diverse range of application scenarios. The company intends to deepen long-term partnerships with global industry leaders and end-use customers across multiple verticals, actively participate in their product development cycles, and create additional cross-selling opportunities.

The Group believes that an innovative talent team forms the foundation of its ability to continuously drive innovation in developing new technology solutions. It will continue to implement its talent strategy by recruiting semiconductor professionals with extensive industry experience on a global basis and continue to strengthen its engagement and collaboration with key stakeholders across the Group's network and ecosystem.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

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

MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period,

- (i) the Group's purchases with the largest supplier accounted for 25.73% of its total purchases;
- (ii) the Group's purchases with the five largest suppliers accounted for 62.07% of its total purchases;
- (iii) the Group's largest customers accounted for 24.64% of its total revenue; and
- (iv) the Group's five largest customers accounted for 49.58% of its total revenue.

During the Reporting Period, none of the Company's Directors or their respective close associates or any Shareholders who, to the knowledge of the Directors, own more than 5% of the issued shares (excluding treasury shares), had any interests in any of the Group's top five customers or suppliers.

REPORT OF THE DIRECTORS

SUBSIDIARIES

Details of the major subsidiaries of the Company as of December 31, 2025 are set out in note V.(8) to the consolidated financial statements.

SHARE CAPITAL

As of the end of the Reporting Period, the total share capital of the Company was RMB1,209,759,889, comprising 1,209,759,889 A Shares with a nominal value of RMB1.00 each, all of which are listed on the Shanghai Stock Exchange. Details of movements in the share capital of the Company during the Reporting Period are set out in note V.(40) to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

For changes in the Company's reserves and distributable reserves, please refer to the "Consolidated statement of changes in shareholder's equity" and notes V.(42) to V.(46) to the consolidated financial statements.

BANK AND OTHER BORROWINGS

Particulars of bank and other borrowings of the Group as at December 31, 2025 are set out in note V.(26), V.(32), V.(34) to the consolidated financial statements.

SHARE SCHEMES

Stock Option Incentive Plans

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

1. Purpose

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

2. Administration

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

 REPORT OF THE DIRECTORS

3. Participants

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

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

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

Stock Option Incentive Plan	Maximum number of A Shares which may be issued and as a percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date
2023 First Phase Stock Option Incentive Plan	3,371,681 (0.27%)
2023 Second Phase Stock Option Incentive Plan	5,554,926 (0.44%)
2025 Stock Option Incentive Plan	19,983,400 (1.58%)

5. Duration of the Stock Option Incentive Plans

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

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

REPORT OF THE DIRECTORS

6. Maximum entitlement of participants

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

7. Consideration for the granted options

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

8. Vesting and exercise arrangements

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

Options may be exercised by a grantee provided that:

- (i) the conditions below are fulfilled at the time of exercise of options:
 - (a) with respect to the Company, none of the following circumstances having occurred:
 - (1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the registered accountant with respect to the Company's accountants' report for the most recent fiscal year;
 - (2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the registered accountant with respect to the internal control report contained in accountants' report for the most recent fiscal year;
 - (3) the Company has not distributed dividends in accordance with the laws and regulations, the Articles of Association or its public commitment within the last 36 months after its listing;
 - (4) applicable laws and regulations prohibit the implementation of any share incentive scheme; or
 - (5) any other circumstances determined by the CSRC;
 - (b) with respect to a grantee, none of the following circumstances having occurred:
 - (1) the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;
 - (2) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months;
 - (3) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office within the last 12 months;
 - (4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;

REPORT OF THE DIRECTORS

- (5) the grantee is prohibited from participating in any incentive plan of listed companies according to the laws and regulations; or
 - (6) any other circumstances determined by the CSRC; and
- (ii) the annual assessment and performance targets as set out under the Stock Option Incentive Plans are achieved.

The exercise schedule of the options granted are either:

- (a) exercisable in tranches of 30% during the exercise period that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 24-month anniversary of the date of grant;
- (b) exercisable in tranches of 35% in each of the four exercise periods that occur between the first trading date after the 24-month anniversary from the date of grant and the last trading day up to the 36-month anniversary of the date of grant; or
- (c) exercisable in tranches of 35% in each of the three exercise periods that occur between the first trading date after the 36-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant.

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

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

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

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

REPORT OF THE DIRECTORS

9. Determination of exercise price

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

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

10. Outstanding options

Details of the options granted, and movements during the year ended December 31, 2025 are as follows:

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

Name or category of participants	Date of grant	As at January 1, 2025			As at December 31, 2025			Weighted average closing price immediately before the date of exercise of options during the year (RMB/Share)	
		Number of options outstanding	Exercise Price (RMB/Share) ⁽²⁾	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of options outstanding		Exercise Price (RMB/Share) ⁽²⁾
<i>Directors (on individual named basis)</i>									
Mr. JIA Yuan	October 10, 2023	119,881	RMB78.63	77,881	—	—	42,000	RMB78.01	RMB130.25
Mr. WU Xiaodong	October 10, 2023	59,940	RMB78.63	17,940	—	—	42,000	RMB78.01	RMB128.41
Five highest paid individuals in aggregate ⁽³⁾	October 10, 2023	654,342	RMB78.63	305,328	—	—	349,014	RMB78.01	RMB137.16
Employees (other grantees excluding five highest paid individuals) in aggregate	October 10, 2023	5,629,454	RMB78.63	2,210,679	170,414	135,682	3,112,679	RMB78.01	RMB129.61

REPORT OF THE DIRECTORS

Notes:

- (1) Please refer to the section headed "8. Vesting and exercise arrangements" for the vesting/exercise period of the options.
- (2) Pursuant to the provisions of the 2023 First Phase Stock Option Incentive Plan regarding the adjustment of the exercise price of the granted options, the exercise price was adjusted on August 1, 2025 from RMB78.63 to RMB78.41 and on November 24, 2025 from RMB78.41 to RMB78.01, respectively.
- (3) During the Reporting Period, no options were granted under the 2023 First Phase Stock Option Incentive Plan. Therefore, the number of Shares that may be issued in respect of options granted under the 2023 First Phase Stock Option Incentive Plan during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue (excluding treasury shares) is nil.
- (4) No share options were available for grant under the 2023 First Phase Stock Option Incentive Plan as at the beginning and the end of the Reporting Period.

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

Name or category of participants	Date of grant	As at January 1, 2025					As at December 31, 2025		Weighted average closing price immediately before the date of exercise of options during the year (RMB/Share)
		Number of options outstanding	Exercise Price (RMB/Share) ⁽²⁾	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of options outstanding	Exercise Price (RMB/Share) ⁽²⁾	
<i>Directors (on individual named basis)</i>									
Ms. QIU Huanping	October 10, 2023	14,900	RMB78.63	5,000	—	—	9,900	RMB78.01	RMB130.38
Five highest paid individuals in aggregate ⁽³⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employees in aggregate	October 10, 2023	10,060,448	RMB78.63	3,265,428	529,800	321,150	5,944,070	RMB78.01	RMB133.08

Notes:

- (1) Please refer to the section headed "8. Vesting and exercise arrangements" for the vesting/exercise period of the options.
- (2) Pursuant to the provisions of the 2023 Second Phase Stock Option Incentive Plan regarding the adjustment of the exercise price of the granted options, the exercise price was adjusted on August 1, 2025 from RMB78.63 to RMB78.41 and on November 24, 2025 from RMB78.41 to RMB78.01, respectively.
- (3) During the Reporting Period, no options were granted under the 2023 Second Phase Stock Option Incentive Plan. Therefore, the number of Shares that may be issued in respect of options granted under the 2023 Second Phase Stock Option Incentive Plan during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue (excluding treasury shares) is nil.
- (4) No share options were available for grant under the 2023 Second Phase Stock Option Incentive Plan as at the beginning and the end of the Reporting Period.

REPORT OF THE DIRECTORS

(c) 2025 Stock Option Incentive Plan⁽¹⁾

Name or category of participants	Date of grant	As at January 1, 2025				As at December 31, 2025				Weighted average closing price immediately before the date of exercise of options during the year (RMB/Share)
		Number of options outstanding	Exercise Price (RMB/Share) ⁽²⁾	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of options outstanding	Exercise Price (RMB/Share) ⁽²⁾	
<i>Directors (on individual named basis)</i>										
Mr. JIA Yuan	March 31, 2025	N/A	N/A	200,000	—	—	—	200,000	RMB138.67	N/A
Mr. WU Xiaodong	March 31, 2025	N/A	N/A	40,000	—	—	—	40,000	RMB138.67	N/A
Ms. QIU Huanping	March 31, 2025	N/A	N/A	25,000	—	—	—	25,000	RMB138.67	N/A
Five highest paid individuals in aggregate ⁽³⁾	March 31, 2025	N/A	N/A	553,120	—	—	—	553,120	RMB138.67	N/A
Employees (other grantees excluding five highest paid individuals) in aggregate	March 31, 2025	N/A	N/A	19,165,280	—	—	—	19,165,280	RMB138.67	N/A

Notes:

- (1) The 2025 Stock Option Incentive Plan was adopted in March 2025. The closing price of the A Shares immediately prior to the date of grant (i.e. March 31, 2025) was RMB133.40 per Share. Please refer to the section headed "8. Vesting and exercise arrangements" for the vesting/exercise period of the options. Pursuant to the provisions of the 2025 Stock Option Incentive Plan, the interval between the grant date and the first exercise date of the outstanding share options shall be no less than 12 months. As at the Latest Practicable Date, none of outstanding options granted under the 2025 Stock Option Incentive Plan had vested and become exercisable.
- (2) Pursuant to the provisions of the 2025 Stock Option Incentive Plan regarding the adjustment of the exercise price of the granted options, the exercise price was adjusted on August 1, 2025 from RMB139.29 to RMB139.07 and on November 24, 2025 from RMB139.07 to RMB138.67, respectively.
- (3) The number of Shares that may be issued in respect of options granted under the 2025 Stock Option Incentive Plan during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue (excluding treasury shares) is approximately 1.66%.
- (4) No share options were available for grant under the 2025 Stock Option Incentive Plan as at the beginning and the end of the Reporting Period.

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EQUITY-LINKED AGREEMENTS

Public Issuance of Convertible Bonds

To further optimize the debt structure, broaden financing channels and satisfy funding needs of our Company, in December 2020, the Company completed the public issuance of the convertible bonds in the aggregate principal amount of RMB2,440 million issued in December 2020 (the “Convertible Bonds”) to the then Shareholders and public investors. The Convertible Bonds have a maturity date of December 27, 2026 and carry varied interest rates from 0.20% in the first year to 2.00% in the sixth year. The conversion period of the Convertible Bonds lasts from six-months after the completion of the issuance of the Convertible Bonds until its maturity date on December 27, 2026. As of the Latest Practicable Date, our Company has issued 35,089 A shares as a result of the conversion of the Convertible Bonds. As of the Latest Practicable Date, Convertible Bonds of RMB2,432,389,000 in principal amount were outstanding, with a conversion price of RMB159.12 per A Share. Assuming all remaining Convertible Bonds are converted, based on the conversion price as of the Latest Practicable Date, the Company will issue 15,286,507 new A Shares, accounting for 1.21% of the total number of Shares in issue as of the Latest Practicable Date.

Dilution Effect of the Conversion of Convertible Bonds

Assuming all outstanding Convertible Bonds were converted as at December 31, 2025, the dilutive impact on the then number of issued Shares of the Company and the respective shareholdings of the substantial Shareholders will be as follows:

Shareholders	As at December 31, 2025			Assuming the Convertible Bonds are fully converted into A Shares at the conversion price of RMB159.12 per Share as at December 31, 2025		
	Number of A Shares	Approximate percentage in relevant class of Shares ⁽¹⁾ %	Approximate percentage in total share capital ⁽¹⁾ %	Number of A Shares	Approximate percentage in relevant class of Shares ⁽¹⁾ %	Approximate percentage in total share capital ⁽¹⁾ %
Mr. YU Renrong ⁽²⁾	378,576,912	31.21%	31.21%	378,591,485	30.90%	30.90%
Shaoxing Weihao Management ⁽²⁾	378,576,912	31.21%	31.21%	378,591,485	30.90%	30.90%
Mr. YU Xiaorong ⁽²⁾	378,576,912	31.21%	31.21%	378,591,485	30.90%	30.90%
Number of total issued Shares	1,209,758,889	100.00%	100.00%	1,225,045,427	100.00%	100.00%

Notes:

- (1) As at December 31, 2025, the Company had 1,209,758,889 issued Shares, comprising 1,209,758,889 A Shares with a nominal value of RMB1.00 each, all of which were listed on the Shanghai Stock Exchange.
- (2) Mr. YU Renrong was ultimate beneficial owner of the general partner of Shaoxing Weihao Management. Mr. YU Xiaorong was the brother of Mr. YU Renrong. Shaoxing Weihao Management and Mr. YU Xiaorong were parties acting in concert with Mr. YU Renrong pursuant to PRC law. Each of Mr. YU Renrong, Shaoxing Weihao Management and Mr. YU Xiaorong was deemed to be interested in all the A Shares in which each of them was interested.

REPORT OF THE DIRECTORS

As the potential issuance and allotment of the A Shares upon full conversion of the outstanding Convertible Bonds would have anti-dilutive effect on the earnings per share, the Convertible Bonds full conversion has not been included in calculating diluted earnings per share of the Company for the year ended December 31, 2025.

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

It would be equally financially advantageous for the holders of the Convertible Bonds to convert or redeem the convertible securities thereunder based on the implied internal rate of return thereof, when the Company's share price approximates to the conversion price in the future.

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

DIRECTORS AND SENIOR MANAGEMENT

From the Listing Date to the Latest Practicable Date, the general information and biographies of the Directors, and members of the senior management are set out in the section headed "Directors and Senior Management" of this annual report.

EMPLOYEES

The following table sets forth a breakdown of the Group's employees by function as of December 31, 2025:

Function	As of December 31, 2025	
	Number of Employees	% of Total
Research and development	2,681	43.52
Production	2,249	36.51
Sales and marketing	732	11.88
General and administrative	234	3.80
Logistics	148	2.40
Finance	116	1.89
Total	6,160	100.00

REPORT OF THE DIRECTORS

Remuneration Policy of Employees

Remunerations for employees are paid on time according to the remuneration system of the Company. The Company decides the regular salaries of the employees according to the Group's value and evaluation performances and decides the variable salary according to the Group's and employee's performance. The remuneration distribution shows more consideration for strategic talent and ensures the market competitiveness in the salary of core talent. The Company shall make dynamic adjustments to the staff remuneration policy according to regional differences, number of employees, staff turnover, environment changes in the industry and paying ability of the Company.

As required by PRC laws and regulations, the Group participates in various employee social security plans that are organized by municipal and provincial governments, including, among other things, pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing fund plans through a PRC government-mandated benefit contribution plan. The Group is required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of its staff, up to a maximum amount specified by the local government from time to time.

Employee Training

The Company focuses on three core competencies — leadership, professional expertise and general skills — continuously improving its training system and developing a diverse range of training programs. The Group's training system comprehensively covers new hires, frontline managers, and mid-to-senior level managers, while also addressing the development needs of employees across different functions and levels, including administrative and R&D roles. In addition, the Group has established a systematic onboarding training and mentorship program for new graduates. During the Reporting Period, leveraging the internal new graduate mentorship system, the Group supported the growth of new graduates through an integrated development model combining centralized training, mentor guidance, executive forums and one-on-one meetings, while regularly conducting satisfaction surveys to continuously track their work capability development.

As a knowledge-intensive and technology-intensive enterprise, the Group has established and continuously improved its training policies, including the Training Management Procedure (《培訓管理程序文件》), the Internal Lecturer Management System (《內部講師管理制度》) and the New Graduate Mentor Management System (《應屆生導師管理制度》), to ensure that training is carried out in a standardized and systematic manner. Building on this foundation, the Group actively encourages employees to pursue self-directed learning and integrate high-quality internal and external training resources to support employees in continuously improving their professional skills and management capabilities. During the Reporting Period, the Group conducted a total of 120 employee training activities across its global operations, with annual training expenditures in Mainland China exceeding RMB480,000.

For details of the employees of the Group, please refer to 2025 Environmental, Social and Governance (ESG) Report published by the Company.

REPORT OF THE DIRECTORS

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

INTERESTS OF DIRECTORS IN TRANSACTION, ARRANGEMENT OR CONTRACT

The Directors have confirmed that other than business of the Group, none of the Directors had a material interest, directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

During the year ended December 31, 2025, none of the Directors and Controlling Shareholders had interests in any business which competes directly or indirectly with our business under Rule 8.10 of the Listing Rules.

CONTRACTS AND RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Save for Mr. YU Renrong's service contract in respect of his position within the Group, no contract of significance or contract of significance for the provision of services has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders during the year ended December 31, 2025.

REMUNERATION POLICY

The Remuneration and Evaluation Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals are set out in note XII.5(4) to the consolidated financial statements. For the year ended December 31, 2025, none of the Directors has waived or agreed to waive any emoluments.

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

As at December 31, 2025, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange

REPORT OF THE DIRECTORS

pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Interests in the Company

Name of Director/ Chief Executive	Nature of interests	Class of Shares	Number of Shares/ Underlying Shares ⁽¹⁾	Approximate percentage in relevant class of Shares ⁽¹⁾	Approximate percentage in total share capital ⁽¹⁾
Mr. YU Renrong ⁽²⁾⁽³⁾	Interest of person acting in concert	A Shares	972,000 (L)	0.08%	0.08%
	Interest in controlled corporation	A Shares	74,132,662 (L)	6.13%	6.13%
	Beneficial owner	A Shares	303,472,250 (L)	25.09%	25.09%
Mr. WU Xiaodong ⁽⁴⁾	Beneficial owner	A Shares	54,370 (L)	0.004%	0.004%
Mr. JIA Yuan ⁽⁵⁾	Beneficial owner	A Shares	3,962,641 (L)	0.33%	0.33%
Ms. QIU Huanping ⁽⁶⁾	Beneficial owner	A Shares	8,082 (L)	0.0005%	0.0005%

Notes:

- The letter "L" denotes the long position in the Shares, the letter "S" denotes short position in the Shares and the letter "P" denotes lending pool. As at December 31, 2025, the Company had 1,209,759,889 issued Shares, comprising 1,209,759,889 A Shares with a nominal value of RMB1.00 each, all of which were listed on the Shanghai Stock Exchange.
- Mr. YU Renrong was ultimate beneficial owner of the general partner of Shaoxing Weihao Management. Mr. YU Xiaorong was the brother of Mr. YU Renrong. Shaoxing Weihao Management and Mr. YU Xiaorong were parties acting in concert with Mr. YU Renrong pursuant to PRC law. Each of Mr. YU Renrong, Shaoxing Weihao Management and Mr. YU Xiaorong was deemed to be interested in all the A Shares in which each of them was interested.
- Mr. YU Renrong was the ultimate beneficial owner of the general partner of Shaoxing Weihao Management. Accordingly, Mr. YU Renrong was deemed to be interested in the 74,132,662 A Shares held by Shaoxing Weihao Management. Mr. YU Renrong is also deemed to be interested in the Convertible Bonds with an outstanding principal amount of RMB2,319,000 held by Shaoxing Weihao Management as of December 31, 2025.
- Mr. WU Xiaodong was also entitled to subscribe for 82,000 A Shares pursuant to the outstanding stock options granted to him under the 2023 First Phase Stock Option Incentive Plan and the 2025 Stock Option Incentive Plan, subject to the conditions thereof.
- Mr. JIA Yuan was also entitled to subscribe for 242,000 A Shares pursuant to the outstanding stock options granted to him under the 2023 First Phase Stock Option Incentive Plan and the 2025 Stock Option Incentive Plan, subject to the conditions thereof.
- Ms. QIU Huanping was also entitled to subscribe for 34,900 A Shares pursuant to the outstanding stock options granted to her under the 2023 Second Phase Stock Option Incentive Plan and the 2025 Stock Option Incentive Plan, subject to the conditions thereof.

REPORT OF THE DIRECTORS

Save as disclosed above, as at December 31, 2025, none of the Directors, and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and Hong Kong Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at December 31, 2025, to the best knowledge of the Directors, the following persons/entities (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept under Section 336 of the SFO were as follows:

Shareholder	Nature of interests	Class of Shares	Number of Shares/ Underlying Shares ⁽¹⁾⁽²⁾	Approximate percentage in relevant class of Shares ⁽¹⁾⁽²⁾	Approximate percentage in total share capital ⁽¹⁾⁽²⁾
Shaoxing Weihao Management	Interest of person acting in concert ⁽³⁾	A Shares	304,444,250 (L)	25.17%	25.17%
	Beneficial owner ⁽⁴⁾	A Shares	74,132,662 (L)	6.13%	6.13%
Shanghai Qingen	Interest in controlled corporation ⁽⁵⁾	A Shares	74,132,662 (L)	6.13%	6.13%
Qingdao Qingen	Interest in controlled corporation ⁽⁶⁾	A Shares	74,132,662 (L)	6.13%	6.13%
Mr. YU Xiaorong	Interest of person acting in concert ⁽³⁾	A Shares	377,604,912 (L)	31.21%	31.21%
	Beneficial owner	A Shares	972,000 (L)	0.08%	0.08%
EIT Education Foundation	Beneficial owner	A Shares	71,200,100 (L)	5.89%	5.89%

Notes:

- The letter "L" denotes the long position in the Shares, the letter "S" denotes short position in the Shares and the letter "P" denotes lending pool. As at December 31, 2025, the Company had 1,209,758,889 issued Shares, comprising 1,209,758,889 A Shares with a nominal value of RMB1.00 each, all of which were listed on the Shanghai Stock Exchange.
- Excluding A Shares issuable upon the conversion of the outstanding Convertible Bonds.
- Mr. YU Renrong is the direct beneficial owner of 303,472,250 A Shares of the Company and indirectly holds 74,132,662 A Shares of the Company through Shaoxing Weihao Management. Shanghai Qingen, which holds 99.72% partnership interest in Shaoxing Weihao Management, is the general partner of Shaoxing Weihao Management. Qingdao Qingen, which holds 0.28% partnership interest in Shaoxing Weihao Management, is the limited partner of Shaoxing Weihao Management. Qingdao Qingen holds 1.25% partnership interest in Shanghai Qingen and is the general partner of Shanghai Qingen. Mr. YU Renrong holds 98.75% partnership interest in Shanghai Qingen and is the limited partner of Shanghai Qingen. Mr. YU Renrong holds

REPORT OF THE DIRECTORS

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

4. Shaoxing Weihao Management held a total of 74,132,662 A Shares. Shaoxing Weihao Management also held Convertible Bonds with an outstanding principal amount of RMB2,319,000.
5. Shanghai Qingen holds 99.72% partnership interest in, and is the general partner of, Shaoxing Weihao Management. Accordingly, Shanghai Qingen is deemed to be interested in the 74,132,662 A Shares held by Shaoxing Weihao Management.
6. Qingdao Qingen holds 1.25% partnership interest in Shanghai Qingen and is the general partner of Shanghai Qingen. Shanghai Qingen holds 99.72% partnership interest in, and is the general partner of, Shaoxing Weihao Management. Qingdao Qingen holds 0.28% partnership interest in, and is the limited partner of Shaoxing Weihao Management. Accordingly, Qingdao Qingen is deemed to be interested in the 74,132,662 A Shares held by Shaoxing Weihao Management.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares) during the Reporting Period. For details on the changes in treasury shares, please refer to “Treasury Shares” in note V.(43) to the consolidated financial statements.

CONTINUING CONNECTED TRANSACTION

During the Reporting Period, the Group did not have any continuing connected transactions that are required to be disclosed under Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

During the Reporting Period, the Group entered into certain transactions with “related parties” as defined under applicable accounting standards. Related party transactions are disclosed in note XII.(5) to the consolidated financial statements.

No related party transactions set out in note XII.(5) to the consolidated financial statements constitute connected transactions or continuing connected transactions that are required to be disclosed under Chapter 14A of the Hong Kong Listing Rules.

REPORT OF THE DIRECTORS

DONATIONS

During the Reporting Period, the Group made donations of approximately RMB55.5 thousand. The Group has provided targeted subsidies to the Shanghai Guangci Disabled Children's Welfare Home (上海廣慈殘疾兒童福利院) for eight consecutive years, and has also participated in activities such as "Children's Book Donation (童書樂捐)" and the scholarship program in Miao Zhong Village in Chongming.

PRE-EMPTIVE RIGHTS

The Company's shareholders are not entitled to have pre-emptive right according to the provisions of Chinese law and the Articles of Association.

COMPANY'S COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Board is responsible for the review and supervision of the Company's compliance with policies and procedures in relation to laws and regulatory requirements with the assistance of the Company's internal audit department, legal department and securities investment department.

The Company has formulated compliance procedures to ensure compliance with laws and regulations applicable to the Company. During the Reporting Period, the Company has continued to enhance its internal control and management, improved the regulations and institutions and procedures of compliance management and business management; promptly implemented the requirements made by regulators and self-regulatory organizations during the Company's operation, constantly strengthened publicity and training in fields like laws and compliance culture and raised every business department's awareness of prevention from compliance risks in the process of conducting business.

PERMITTED INDEMNITY PROVISION

The permitted indemnity provision for Directors is currently in force and remained in force during the Reporting Period. The Company has maintained appropriate insurance coverage in respect of the potential legal actions and liabilities of the Directors and senior management.

COMPLIANCE OF THE MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry with each of the Directors, they have confirmed that they had complied with such code of conduct from the Listing Date up to the Latest Practicable Date.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. As at the date of this report, the Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors. The Board has adopted the code provisions as set out in the CG Code as its corporate governance code. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 56 to 75 of this annual report.

REPORT OF THE DIRECTORS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

For further details of the Company's environmental, social and governance efforts and performance, please refer to the 2025 Environmental, Social and Governance Report separately released on the same day as this annual report.

TAX RELIEF

1. A Shareholders

In accordance with provisions of the "Notice on Relevant Issues of Implementation of Individual Income Tax Policy of Dividends and Bonus Differentiation of Listed Companies" (Cai Shui [2012] No. 85) 《關於實施上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2012]85號)) and the "Notice on Relevant Issues of Individual Income Tax Policy of Dividends and Bonus Differentiation of Listed Companies" (Cai Shui [2015] No. 101) 《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號)), for dividends and bonuses of individual investors received from listed companies from the date when individual investors acquire shares of the company till the equity registration date, if shareholding period is more than one year, individual income tax will be exempted; if shareholding period is not more than one year (including one year), the listed company will not withhold and remit individual income tax and the amount of tax payable will be calculated on the transfer of shares by an individual investor based on the period of holding the shares.

As for Shareholders of resident enterprises, income tax of cash bonuses will be paid by themselves.

Listed companies will withhold and remit enterprise income tax at the tax rate of 10% for qualified foreign institutional investors (QFII) in accordance with provisions of the "Notice on Relevant Issues Regarding the Withholding and Payment of Enterprise Income Tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII" (Guo Shui Han [2009] No. 47) 《關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函[2009]47號)). If the QFII shareholders intend to claim the preferential treatment as stipulated in tax treaties (arrangements) for their dividend and bonus incomes, they may by themselves, or may entrust a withholding agent on their behalf to, apply to the competent tax authority of the listed company for the treatment as stipulated in such tax treaties.

Pursuant to the provisions under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) 《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for dividends and bonus incomes received by investors (including enterprises and individuals) in the Hong Kong market from investing in A Shares listed on the SHSE, the implementation of differentiated tax policies based on period of shareholding is suspended before Hong Kong Securities Clearing Co., Ltd. meets the conditions of providing identification, terms of shareholding and other specific data of investors to China Securities Depository and Clearing Corporation Limited, and the income taxes thereof are withheld and paid by the listed company at the rate of 10%, which should be duly declared to the competent tax authority. For Hong Kong investors who are tax residents from another country and that country has entered into a tax treaty with the PRC stipulating a tax rate of lower than 10% for dividends, those enterprises or individuals may by themselves, or may entrust a withholding agent on their behalf to, apply to the competent tax authority of the listed company for the treatment as stipulated in such tax treaties.

REPORT OF THE DIRECTORS

2. H Shareholders

In accordance with the provisions of the “Notice of the State Administration of Taxation on Individual Income Tax Collection Issues Following the Repeal of the Document with the Number of Guo Shui Fa [1993] No. 045” (Guo Shui Han [2011] No. 348) 《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號), withholding and remitting obligor will withhold and remit individual income tax as per item of “interest, dividends and bonus income” for dividends and bonuses income of overseas resident individual shareholders from the domestic non-foreign-funded enterprises by issuing shares in Hong Kong. When the domestic non-foreign-funded enterprise issues shares in Hong Kong, its overseas resident individual shareholders will enjoy relevant tax preference in accordance with the tax convention signed by China and the country stated in the residential identity and tax arrangement of Mainland China and Hong Kong (Macau). In general, the tax rate for dividend is 10% in accordance with relevant tax convention and provisions on tax arrangement. To simplify tax collection and management, when a domestic non-foreign funded enterprise that has issued shares in Hong Kong distributes dividends and bonuses, individual income tax will be generally withheld and remitted at the tax rate of 10% and application is not necessary. If the tax rate for dividends is not fall within 10%, the following provisions shall apply: (1) for residents from countries which have entered into tax treaties with a tax rate of lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the competent tax authorities, the excess tax amounts withheld will be refunded; (2) for residents from countries which have entered into tax treaties with a tax rate of higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the effective tax rate under the treaties when distributing dividends without application; (3) for residents from countries without tax treaties or otherwise, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividends.

In accordance with the provisions of the “Notice on Relevant Issues that PRC Resident Enterprises Distribute Dividends to Overseas Non-resident Enterprise Shareholders of H shares and Withhold and Remit Enterprise Income Tax” (Guo Shui Han [2008] No. 897) 《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號), when PRC resident enterprises distribute dividends for 2008 and future years to overseas non-resident enterprise shareholders of H-shares, they will withhold and remit enterprise income tax at the tax rate of 10%.

In accordance with provisions of the “Notice on Tax Policies about Inter-communication Pilot of Shanghai-Hong Kong Stock Exchange Mechanism” (Cai Shui [2014] No. 81) 《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號), H-share companies will withhold individual income tax at the tax rate of 20% for dividend and bonus of individual investors in Mainland China who invest in H-shares listed on the Hong Kong Stock Exchange via the Shanghai-Hong Kong Stock Connect. Individual income tax will be collected in accordance with the above provisions for dividends and bonuses income of the securities investment fund in Mainland China which invests in listed shares of the Hong Kong Stock Exchange via the Shanghai-Hong Kong Stock Connect. H-share companies will not withhold dividend and bonus income tax for dividends and bonuses of enterprise investors in Mainland China who invest in listed shares of the Hong Kong Stock Exchange via the Shanghai-Hong Kong Stock Connect and income tax will be paid by the enterprises themselves. Dividends and bonuses income obtained by resident enterprises in Mainland China as they have continuously held H-shares for 12 months will be exempted from enterprise income tax according to laws.

Under the current practice of the Inland Revenue Department, no tax is payable in Hong Kong in respect of dividends paid by the Company.

Shareholders of the Company will pay relevant taxes and/or enjoy tax concession in accordance with the above provisions.

REPORT OF THE DIRECTORS

SUFFICIENCY OF PUBLIC FLOAT

As of the Latest Practicable Date, based on the available information and to the best knowledge of the Directors, the Company's public float complies with the minimum public float requirements under the Hong Kong Listing Rules upon the listing of the H Shares of the Company.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years are set out on page 38 of this annual report. This summary does not form part of the audited consolidated financial statements.

AUDIT COMMITTEE

The Audit Committee consists of three Independent Non-executive Directors, being Mr. MOU Lei (Chairman), Mr. ZHU Liting and Ms. FAN Mingxi. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group and overseeing the audit process.

The Audit Committee has reviewed, together with the management and external auditors of the Company, the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended December 31, 2025.

AUDITOR

The Company has not changed its domestic auditors in the past three years. The consolidated financial statements for the financial year ended December 31, 2025 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP, the Company's domestic financial report auditing firm, in accordance with the China Accounting Standards for Business Enterprises. For details, please refer to the announcement of the Company dated March 6, 2026 in relation to alignment in preparation of financial reports in accordance with the China Accounting Standards for Business Enterprises.

By order of the Board

OmniVision Integrated Circuits Group, Inc.

YU Renrong

Executive Director and Chairman of the Board

Hong Kong, March 30, 2026

AUDITOR'S REPORT

2026-ZAB027

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

Opinion

We have audited the accompanying financial statements of OmniVision Integrated Circuits Group, Inc. (“OmniVision” or the “**Company**”), which comprise the consolidated and parent company balance sheets as at December 31, 2025, the consolidated and parent company income statements, the consolidated and parent company statements of cash flows, and the consolidated and parent company statements of changes in owners’ equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of OmniVision as at December 31, 2025, and the consolidated and parent company financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing (“**CSAs**”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of OmniVision in accordance with China Independence Standard for Certified Public Accountants No. 1 — Independence for Audit and Review Engagements and China Code of Ethics for Certified Public Accountants (“**the CICPA Code**”) and have fulfilled our other ethical responsibilities in accordance with the CICPA Code. The independence requirements for audits of public interest entities have been applied in our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

AUDITOR'S REPORT

Key Audit Matters (continued)

We identified the following key audit matters in our audit:

Key Audit Matters	How these matters were addressed in the audit
Revenue recognition	
<p>As disclosed in Note V(47) to the financial statements, revenue from semiconductor design and semiconductor distribution amounted to RMB23,800.02 million and RMB4,904.81 million, respectively, for the year ended December 31, 2025.</p> <p>The Company recognizes revenue when goods are shipped based on confirmed orders and after obtaining customers' signed delivery acknowledgements or receipt confirmations. For export sales, revenue is recognized upon completion of customs clearance procedures based on export customs declarations and bills of lading. The Company recognizes revenue when it has the present right to payment, the significant risks and rewards of ownership have transferred, legal title has transferred, physical possession has transferred, and the customer has accepted the goods. For product sales under the distributor model, the Company determines the transaction price based on the consideration it expects to be entitled to receive from end customers when the goods are transferred, and recognizes revenue after the distributor obtains control of the goods following delivery.</p> <p>Because revenue is one of OmniVision's key performance indicators and there is an inherent risk that management may manipulate the timing of revenue recognition to achieve specific targets or expectations, we identified revenue recognition as a key audit matter.</p>	<p>The principal audit procedures we performed in relation to revenue recognition included:</p> <ol style="list-style-type: none"> 1. Obtaining an understanding of, and testing, key internal controls over sales and collections; 2. Selecting major sales contracts and orders, examining their key terms, identifying terms and conditions relevant to the transfer of control in light of business practices, and evaluating whether the Company's revenue recognition policies comply with Accounting Standards for Business Enterprises; 3. Performing analytical procedures on revenue and costs, including analyses of revenue, costs and gross margin fluctuations; 4. On a sample basis, examining inventory dispatch records, sales contracts/orders, customers' signed delivery acknowledgements or receipt confirmations, export customs declarations, bills of lading and other supporting documents relating to revenue recognized during the year; 5. Examining collection records, sending confirmations for accounts receivable balances at year end, and assessing the occurrence of sales revenue; and 6. Performing cut-off testing on revenue recognized immediately before and after the balance sheet date.

AUDITOR'S REPORT
Key Audit Matters (continued)

Key Audit Matters	How these matters were addressed in the audit
Estimation of the fair value of financial instruments	
<p>As disclosed in Note XI(1) to the financial statements, as at December 31, 2025, the carrying amounts of financial assets classified within Level 2 and Level 3 of the fair value hierarchy were RMB344.86 million and RMB3,660.09 million, respectively, aggregating RMB 4,004.94 million.</p> <p>Management estimates the fair value of Level 2 and Level 3 financial instruments primarily by applying appropriate valuation techniques and significant valuation assumptions.</p> <p>Because determining the fair value of these financial instruments involves significant uncertainty in accounting estimates, and because the complexity of the valuation models and the subjectivity of key inputs give rise to significant inherent risk, we identified the estimation of the fair value of financial instruments as a key audit matter.</p>	<p>The principal audit procedures we performed in relation to the estimation of the fair value of financial instruments included:</p> <ol style="list-style-type: none"> 1. Obtaining an understanding of the internal controls and valuation processes relevant to estimating the fair value of financial instruments and evaluating the design and operating effectiveness of key controls; 2. For sampled financial instruments measured at Level 2 and Level 3 fair value, reviewing investment agreements signed during the year, understanding relevant investment terms, and identifying provisions relevant to the valuation of the instruments; 3. Obtaining the asset valuation reports issued by external valuers engaged by management and evaluating their independence and professional competence; 4. With the assistance of internal valuation specialists, evaluating the reasonableness of the valuation methods and key assumptions adopted in the reports issued by management's external valuers, and on a sample basis checking the mathematical accuracy of the valuation results; and 5. Evaluating whether the related disclosures on the fair value of financial instruments are appropriate in accordance with the relevant accounting standards.

AUDITOR'S REPORT

Key Audit Matters (continued)

Key Audit Matters	How these matters were addressed in the audit
Goodwill impairment	
<p>As disclosed in Note V(21) to the financial statements, as at December 31, 2025, the gross carrying amount of goodwill was RMB3,856.07 million, and the related impairment provision was RMB237.49 million.</p> <p>Because the year-end goodwill balance is significant and the results of the goodwill impairment test are highly dependent on management's judgment, we identified goodwill impairment as a key audit matter.</p>	<p>The principal audit procedures we performed in relation to goodwill impairment included:</p> <ol style="list-style-type: none"> 1. Reading the valuation reports issued by external valuation specialists engaged by management and evaluating their independence and professional competence; 2. Reviewing the historical data used in the goodwill impairment test; 3. With the assistance of valuation specialists, evaluating the reasonableness of the valuation methods and key assumptions and parameters adopted in the reports issued by management's external valuers; and 4. Checking the accuracy and adequacy of the disclosures relating to the goodwill impairment test in the financial statements.

AUDITOR'S REPORT

Other Information

Management of OmniVision (“**Management**”) is responsible for the other information. The other information comprises all of the information included in OmniVision’s 2025 annual report, other than the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing OmniVision’s ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate OmniVision or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing OmniVision’s financial reporting process.

AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- (4) Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on OmniVision's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause OmniVision to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within OmniVision to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S REPORT**Auditor's Responsibilities for the Audit of the Financial Statements
(continued)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**BDO CHINA Shu Lun Pan
Certified Public Accountants LLP**

**Certified Public Accountant of China:
(Engagement Partner)**

Certified Public Accountant of China:

Shanghai, China

March 30, 2026

CONSOLIDATED BALANCE SHEET

December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Assets	Note V	Ending Balance	Ending Balance of Prior Year
Current Assets:			
Cash and Bank Balances	1	12,820,808,745.16	10,185,347,668.42
Settlement Reserves			
Funds Lent			
Financial Assets Held for Trading	2	125,672,949.95	
Derivative Financial Assets			
Notes Receivable	3	118,051,125.21	24,402,389.74
Accounts Receivable	4	3,943,876,335.94	3,963,932,711.09
Financing Receivables	5	219,184,600.13	116,383,270.33
Prepayments	6	298,291,718.25	250,946,527.91
Premiums Receivable			
Reinsurance Receivables			
Reinsurance Contract Reserves Receivable			
Other Receivables	7	70,551,711.67	57,800,367.77
Financial Assets Purchased Under Resale Agreements			
Inventories	8	8,598,421,264.33	6,956,198,221.34
Including: Data Resources			
Contract Assets			
Assets Held for Sale			
Non-current Assets Due Within One Year	9	7,107,154.13	76,882,297.18
Other Current Assets	10	264,585,436.00	172,327,859.64
Total Current Assets		26,466,551,040.77	21,804,221,313.42

CONSOLIDATED BALANCE SHEET

December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Assets	Note V	Ending Balance	Ending Balance of Prior Year
Non-current Assets:			
Loans and Advances Granted			
Debt Investments			
Other Debt Investments			
Long-term Receivables	11		3,232,875.92
Long-term Equity Investments	12	731,904,412.98	464,026,971.94
Investments in Other Equity Instruments	13	4,072,955.13	1,648,706,536.09
Other Non-current Financial Assets	14	3,656,012,172.91	3,346,755,140.13
Investment Properties	15	222,728,508.25	241,662,560.00
Fixed Assets	16	3,442,032,997.38	3,125,547,285.14
Construction in Progress	17	1,124,835,082.69	533,792,251.60
Productive Biological Assets			
Oil and Gas Assets			
Right-of-use Assets	18	139,402,493.62	153,941,138.12
Intangible Assets	19	1,995,511,856.56	2,216,190,415.09
Including: Data Resources			
Development Costs	20	1,400,985,470.98	1,063,475,215.96
Including: Data Resources			
Goodwill	21	3,618,577,023.19	3,632,186,985.62
Long-term Prepaid Expenses	22	137,552,010.42	168,577,431.89
Deferred Tax Assets	23	529,162,056.55	400,677,068.47
Other Non-current Assets	24	131,180,914.22	161,580,114.45
Total Non-current Assets		17,133,957,954.88	17,160,351,990.42
Total Assets		43,600,508,995.65	38,964,573,303.84

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

Legal Representative:

GAO Wenbao

Person in Charge of Accounting:

XU Xing

Head of Accounting Department:

XU Xing

CONSOLIDATED BALANCE SHEET

December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Liabilities and Shareholders' Equity	Note V	Ending Balance	Ending Balance of Prior Year
Current Liabilities:			
Short-term Borrowings	26	2,078,985,512.66	1,085,629,854.18
Borrowings from Central Bank Funds Borrowed			
Financial Liabilities Held for Trading			
Derivative Financial Liabilities			
Notes Payable			
Accounts Payable	27	2,234,501,984.64	1,935,439,220.32
Advances from Customers			
Contract Liabilities	28	240,285,078.55	225,672,725.17
Financial Assets Sold Under Repurchase Agreements			
Deposits and Placements from Banks and Other Financial Institutions			
Funds from Securities Brokerage			
Funds from Securities Underwriting			
Employee Benefits Payable	29	349,228,870.82	332,329,059.86
Taxes Payable	30	342,964,171.34	229,093,833.77
Other Payables	31	1,331,045,097.82	1,132,671,151.13
Fees and Commissions Payable			
Reinsurance Payables			
Liabilities Held for Sale			
Non-current Liabilities Due Within One Year	32	6,004,932,453.27	2,652,588,253.22
Other Current Liabilities	33	4,127,007.76	2,003,403.70
Total Current Liabilities		12,586,070,176.86	7,595,427,501.35

CONSOLIDATED BALANCE SHEET

December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Liabilities and Shareholders' Equity	Note V	Ending Balance	Ending Balance of Prior Year
Non-current Liabilities:			
Insurance Contract Reserves			
Long-term Borrowings	34	1,617,721,215.79	3,471,950,000.00
Bonds Payable	35		2,523,927,350.23
Including: Preference Shares			
Perpetual Bonds			
Lease Liabilities	36	95,285,668.89	96,931,987.36
Long-term Payables			
Long-term Employee Benefits Payable			
Provisions	37	472,803,347.70	433,332,921.94
Deferred Income	38	45,690,625.84	22,021,717.84
Deferred Tax Liabilities	23	629,078,839.61	529,831,724.17
Other Non-current Liabilities	39		88,760,000.00
Total Non-current Liabilities		2,860,579,697.83	7,166,755,701.54
Total Liabilities		15,446,649,874.69	14,762,183,202.89
Shareholders' Equity:			
Share Capital	40	1,209,759,889.00	1,216,123,535.00
Other Equity Instruments	41	232,974,864.81	233,015,762.90
Including: Preference Shares			
Perpetual Bonds			
Capital Reserve	42	11,165,891,382.98	11,545,441,480.82
Less: Treasury Shares	43	348,056,924.73	1,439,898,046.74
Other Comprehensive Income	44	418,976,477.56	574,893,050.66
Specific Reserves			
Surplus Reserve	45	328,318,602.61	203,693,079.22
General Risk Reserve			
Retained Earnings	46	15,164,190,737.12	11,867,916,685.90
Total Equity Attributable to Owners of the Company		28,172,055,029.35	24,201,185,547.76
Non-controlling Interests		-18,195,908.39	1,204,553.19
Total Shareholders' Equity		28,153,859,120.96	24,202,390,100.95
Total Liabilities and Shareholders' Equity		43,600,508,995.65	38,964,573,303.84

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

Legal Representative:

GAO Wenbao

Person in Charge of Accounting:

XU Xing

Head of Accounting Department:

XU Xing

PARENT COMPANY BALANCE SHEET

December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Assets	Note XVIII	Ending Balance	Ending Balance of Prior Year
Current Assets:			
Cash and Bank Balances		252,302,857.34	124,399,759.25
Financial Assets Held for Trading		13,607,590.30	
Derivative Financial Assets			
Notes Receivable		224,045,321.25	12,749,178.96
Accounts Receivable	1	1,340,272,218.68	1,052,872,579.09
Financing Receivables		97,065,924.66	50,260,779.65
Prepayments		259,167,133.02	294,589,018.68
Other Receivables	2	2,609,406,119.67	4,351,585,247.02
Inventories		96,220,820.20	116,771,409.13
Including: Data Resources			
Contract Assets			
Assets Held for Sale			
Non-current Assets Due Within One Year		3,232,875.92	2,809,776.51
Other Current Assets		45,014,492.65	592,511.38
Total Current Assets		4,940,335,353.69	6,006,630,259.67

PARENT COMPANY BALANCE SHEET

December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Assets	Note XVIII	Ending Balance	Ending Balance of Prior Year
Non-current Assets:			
Debt Investments			
Other Debt Investments			
Long-term Receivables			3,232,875.92
Long-term Equity Investments	3	24,593,418,513.55	23,578,231,311.88
Investments in Other Equity Instruments			
Other Non-current Financial Assets		787,887,773.95	874,591,076.65
Investment Properties		124,780,817.63	128,784,850.64
Fixed Assets		31,901,587.05	44,153,891.74
Construction in Progress			
Productive Biological Assets			
Oil and Gas Assets			
Right-of-use Assets		17,591,210.42	33,094,134.48
Intangible Assets		3,399,497.31	19,624,969.65
Including: Data Resources			
Development Costs			
Including: Data Resources			
Goodwill			
Long-term Prepaid Expenses			2,713,958.82
Deferred Tax Assets			147,709,408.71
Other Non-current Assets		20,269,550.00	
Total Non-current Assets		25,579,248,949.91	24,832,136,478.49
Total Assets		30,519,584,303.60	30,838,766,738.16

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

Legal Representative:

GAO Wenbao

Person in Charge of Accounting:

XU Xing

Head of Accounting Department:

XU Xing

PARENT COMPANY BALANCE SHEET

December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Liabilities and Shareholders' Equity	Note XVIII	Ending Balance	Ending Balance of Prior Year
Current Liabilities:			
Short-term Borrowings		1,516,732,826.58	1,083,017,927.06
Financial Liabilities Held for Trading			
Derivative Financial Liabilities			
Notes Payable			
Accounts Payable		34,300,310.25	36,153,806.76
Advances from Customers			
Contract Liabilities		1,619,616.25	1,500,475.73
Employee Benefits Payable		8,193,378.53	7,612,473.46
Taxes Payable		1,346,703.24	7,133,570.86
Other Payables		426,997,409.91	452,369,807.36
Liabilities Held for Sale			
Non-current Liabilities Due Within One Year		5,526,523,093.69	2,548,750,121.25
Other Current Liabilities		210,550.12	195,061.84
Total Current Liabilities		7,515,923,888.57	4,136,733,244.32
Non-current Liabilities:			
Long-term Borrowings		959,399,999.98	3,249,200,000.00
Bonds Payable			2,523,927,350.23
Including: Preference Shares			
Perpetual Bonds			
Lease Liabilities		5,490,695.67	17,557,361.57
Long-term Payables			
Long-term Employee Benefits Payable			
Provisions			
Deferred Income		97,372.55	377,156.02
Deferred Tax Liabilities		18,784,161.53	
Other Non-current Liabilities			88,671,240.00
Total Non-current Liabilities		983,772,229.73	5,879,733,107.82
Total Liabilities		8,499,696,118.30	10,016,466,352.14

PARENT COMPANY BALANCE SHEET

December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Liabilities and Shareholders' Equity	Note XVIII	Ending Balance	Ending Balance of Prior Year
Shareholders' Equity:			
Share Capital		1,209,759,889.00	1,216,123,535.00
Other Equity Instruments		232,974,864.81	233,015,762.90
Including: Preference Shares			
Perpetual Bonds			
Capital Reserve		19,927,593,495.86	20,315,306,140.73
Less: Treasury Shares		348,056,924.73	1,439,898,046.74
Other Comprehensive Income		6,015,045.34	5,753,565.81
Specific Reserves			
Surplus Reserve		328,318,602.61	203,693,079.22
Retained Earnings		663,283,212.41	288,306,349.10
Total Shareholders' Equity		22,019,888,185.30	20,822,300,386.02
Total Liabilities and Shareholders' Equity		30,519,584,303.60	30,838,766,738.16

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

Legal Representative:

GAO Wenbao

Person in Charge of Accounting:

XU Xing

Head of Accounting Department:

XU Xing

CONSOLIDATED INCOME STATEMENT

For the Year Ended December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note	Reporting Period	Prior Period
I. Total Operating Revenue		28,854,805,517.49	25,730,639,138.12
Including: Operating Revenue	47	28,854,805,517.49	25,730,639,138.12
Interest Income			
Earned Premiums			
Fee and Commission Income			
II. Total Operating Costs		24,091,023,072.35	22,109,126,801.15
Including: Operating Costs	47	20,015,173,377.35	18,154,402,520.87
Interest Expense			
Fee and Commission Expense			
Surrender Value			
Net Claim Expenses			
Net Provision for Insurance Contract Liabilities			
Policyholder Dividend Expense			
Reinsurance Expenses			
Taxes and Surcharges	48	45,922,153.76	40,368,068.49
Selling Expenses	49	564,341,702.89	556,748,830.55
Administrative Expenses	50	696,392,890.54	748,445,193.45
Research and Development Expenses	51	2,842,872,872.68	2,622,086,780.18
Finance Expenses	52	-73,679,924.87	-12,924,592.39
Including: Interest Expense		302,467,921.86	326,700,977.29
Interest Income		394,403,443.41	330,260,984.95
Add: Other Income	53	73,253,821.16	59,191,718.04
Investment Income (Losses Shown with "-")	54	11,833,700.60	182,459,207.66
Including: Investment Income from			
Associates and Joint Ventures		-23,574,318.07	-33,277,397.59
Gains on Derecognition of Financial Assets			
Measured at Amortized Cost			
Foreign Exchange Gains (Losses are presented with a "-" sign)			
Net Exposure Hedge Gains (Losses Shown with "-")			
Gains from Changes in Fair Value (Losses Shown with "-")	55	74,404,738.66	57,989,663.27
Credit Impairment Losses (Losses Shown with "-")	56	-29,895,068.42	-11,400,857.96
Asset Impairment Losses (Losses Shown with "-")	57	-287,056,350.68	-647,611,843.31
Gains on Disposal of Assets (Losses Shown with "-")	58	20,783.35	8,796,860.25

CONSOLIDATED INCOME STATEMENT

For the Year Ended December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note V	Reporting Period	Prior Period
III. Operating Profit (Losses are presented with a “-” sign)		4,606,344,069.81	3,270,937,084.92
Add: Non-operating Income	59	1,520,422.11	12,921,067.86
Less: Non-operating Expenses	60	7,044,333.75	5,389,881.39
IV. Total Profit (Total losses are presented with a “-” sign)		4,600,820,158.17	3,278,468,271.39
Less: Income Tax Expense	61	569,132,514.42	-5,833,935.16
V. Net Profit (Net losses are presented with a “-” sign)		4,031,687,643.75	3,284,302,206.55
(I) Classification by Going Concern Status			
1. Net Profit from Continuing Operations (Net losses are presented with a “-” sign)		4,031,687,643.75	3,284,302,206.55
2. Net Profit from Discontinued Operations (Net losses are presented with a “-” sign)			
(II) Classification by Ownership Attribution			
1. Net Profit Attributable to Owners of the Company (Net losses are presented with a “-” sign)		4,045,416,530.33	3,323,242,749.90
2. Profit or Loss Attributable to Non-controlling Interests (Net losses are presented with a “-” sign)		-13,728,886.58	-38,940,543.35
VI. Other Comprehensive Income, Net of Tax		-34,012,811.38	353,151,189.07
Other Comprehensive Income Attributable to Owners of the Company, Net of Tax		-33,780,681.58	352,996,582.07
(I) Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss		493,017,003.71	70,933,595.07
1. Remeasurement of Defined Benefit Plans			
2. Other Comprehensive Income Not Reclassifiable to Profit or Loss Under the Equity Method			
3. Changes in Fair Value of Investments in Other Equity Instruments		493,017,003.71	70,933,595.07
4. Changes in Fair Value Attributable to the Entity's Own Credit Risk			

CONSOLIDATED INCOME STATEMENT

For the Year Ended December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note V	Reporting Period	Prior Period
(II) Other Comprehensive Income That May Be Reclassified to Profit or Loss		-526,797,685.29	282,062,987.00
1. Other Comprehensive Income Reclassifiable to Profit or Loss Under the Equity Method		261,479.53	-748,128.03
2. Changes in Fair Value of Other Debt Investments			
3. Amount of Financial Assets Reclassified into Other Comprehensive Income			
4. Credit Impairment Allowance for Other Debt Investments			
5. Cash Flow Hedge Reserve			
6. Exchange Differences on Translation of Foreign Currency Financial Statements		-527,059,164.82	282,811,115.03
7. Other			
Other Comprehensive Income Attributable to Non-controlling Interests, Net of Tax		-232,129.80	154,607.00
VII. Total Comprehensive Income		3,997,674,832.37	3,637,453,395.62
Total Comprehensive Income Attributable to Owners of the Company		4,011,635,848.75	3,676,239,331.97
Total Comprehensive Income Attributable to Non-controlling Interests		-13,961,016.38	-38,785,936.35
VIII. Earnings per Share:			
(I) Basic Earnings per Share (RMB/share)	62	3.37	2.77
(II) Diluted Earnings per Share (RMB/share)	62	3.36	2.77

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

Legal Representative:
GAO Wenbao

Person in Charge of Accounting:
XU Xing

Head of Accounting Department:
XU Xing

PARENT COMPANY INCOME STATEMENT

For the Year Ended December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note XVIII	Reporting Period	Prior Period
I. Operating Revenue	4	3,222,296,979.17	1,559,695,549.29
Less: Operating Costs	4	1,333,639,409.13	1,118,051,684.76
Taxes and Surcharges		5,735,287.08	5,594,229.69
Selling Expenses		63,268,015.86	59,593,821.46
Administrative Expenses		74,274,690.38	80,678,978.21
Research and Development Expenses		342,905,935.62	411,184,735.46
Finance Expenses		252,126,545.41	255,394,654.16
Including: Interest Expense		268,592,254.94	307,413,314.37
Interest Income		19,371,625.95	31,460,914.46
Add: Other Income		28,637,710.74	30,393,754.63
Investment Income (Losses Shown with "-")	5	325,263,252.98	790,809,138.07
Including: Investment Income from Associates and Joint Ventures		-30,267,801.93	-25,775,164.88
Gains on Derecognition of Financial Assets Measured at Amortized Cost			
Net Exposure Hedge Gains (Losses Shown with "-")			
Gains from Changes in Fair Value (Losses Shown with "-")		-84,339,084.87	55,572,074.47
Credit Impairment Losses (Losses Shown with "-")		-47,834,059.35	-20,936,877.18
Asset Impairment Losses (Losses Shown with "-")		-941,235.07	30,796.59
Gains on Disposal of Assets (Losses Shown with "-")		-753.48	3,400,888.22
II. Operating Profit (Losses are presented with a "-" sign)		1,371,132,926.64	488,467,220.35
Add: Non-operating Income		18,272.45	11,367,912.81
Less: Non-operating Expenses		659,813.21	111,004.18
III. Total Profit (Total losses are presented with a "-" sign)		1,370,491,385.88	499,724,128.98
Less: Income Tax Expense		124,236,151.94	-56,812,705.02
IV. Net Profit (Net losses are presented with a "-" sign)		1,246,255,233.94	556,536,834.00
(I) Net Profit from Continuing Operations (Net losses are presented with a "-" sign)		1,246,255,233.94	556,536,834.00
(II) Net Profit from Discontinued Operations (Net losses are presented with a "-" sign)			

PARENT COMPANY INCOME STATEMENT

For the Year Ended December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note XVIII	Reporting Period	Prior Period
V. Other Comprehensive Income, Net of Tax		261,479.53	-748,128.03
(I) Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss			
1. Remeasurement of Defined Benefit Plans			
2. Other Comprehensive Income Not Reclassifiable to Profit or Loss Under the Equity Method			
3. Changes in Fair Value of Investments in Other Equity Instruments			
4. Changes in Fair Value Attributable to the Entity's Own Credit Risk			
(II) Other Comprehensive Income That May Be Reclassified to Profit or Loss		261,479.53	-748,128.03
1. Other Comprehensive Income Reclassifiable to Profit or Loss Under the Equity Method		261,479.53	-748,128.03
2. Changes in Fair Value of Other Debt Investments			
3. Amount of Financial Assets Reclassified into Other Comprehensive Income			
4. Credit Impairment Allowance for Other Debt Investments			
5. Cash Flow Hedge Reserve			
6. Exchange Differences on Translation of Foreign Currency Financial Statements			
7. Other			
VI. Total Comprehensive Income		1,246,516,713.47	555,788,705.97
VII. Earnings per Share:			
(I) Basic Earnings per Share (RMB/share)			
(II) Diluted Earnings per Share (RMB/share)			

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

Legal Representative:

GAO Wenbao

Person in Charge of Accounting:

XU Xing

Head of Accounting Department:

XU Xing

CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note V	Reporting Period	Prior Period
I. Cash Flows from Operating Activities			
Cash Received from Sale of Goods and Rendering of Services		28,229,753,100.09	27,275,452,862.78
Net Increase in Customer Deposits and Interbank Placements			
Net Increase in Borrowings from the Central Bank			
Net Increase in Funds Borrowed from Other Financial Institutions			
Cash Received from Premiums under Original Insurance Contracts			
Net Cash Received from Reinsurance Business			
Net Increase in Policyholders' Deposits and Investment Funds			
Cash Received from Interest, Fees and Commissions			
Net Increase in Funds Borrowed			
Net Increase in Funds from Repurchase Business			
Net Cash Received from Acting Trading of Securities			
Tax Refunds Received		96,199,737.59	56,932,641.79
Other Cash Received Relating to Operating Activities	64	601,086,995.65	584,895,165.78
Subtotal of Cash Inflows from Operating Activities		28,927,039,833.33	27,917,280,670.35
Cash Paid for Goods Purchased and Services Received		20,925,341,841.02	19,489,271,493.34
Net Increase in Customer Loans and Advances			
Net Increase in Placements with the Central Bank and Other Financial Institutions			
Cash Paid for Claims under Original Insurance Contracts			
Net Increase in Funds Lent			
Cash Paid for Interest, Fees and Commissions			
Cash Paid for Policyholder Dividends			
Cash Paid to and on Behalf of Employees		2,609,724,277.28	2,336,772,816.89
Taxes Paid		676,674,188.92	634,014,687.42
Other Cash Paid Relating to Operating Activities	64	595,784,586.66	685,350,091.67
Subtotal of Cash Outflows from Operating Activities		24,807,524,893.88	23,145,409,089.32
Net Cash Flows from Operating Activities		4,119,514,939.45	4,771,871,581.03

CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note V	Reporting Period	Prior Period
II. Cash Flows from Investing Activities			
Cash Received from Recovery of Investments	64	2,759,786,216.48	666,074,790.06
Cash Received from Investment Income		50,787,876.56	25,160,706.58
Net Cash Received from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets		11,772,545.40	27,559,053.43
Net Cash Received from Disposal of Subsidiaries and Other Operating Units			50,000,000.00
Other Cash Received Relating to Investing Activities			
Subtotal of Cash Inflows from Investing Activities		2,822,346,638.44	768,794,550.07
Cash Paid for Acquisition and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets		2,336,419,221.97	1,248,619,064.85
Cash Paid for Investments	64	1,183,954,473.44	208,768,000.00
Net Increase in Pledged Loans			
Net Cash Paid for Acquisition of Subsidiaries and Other Operating Units		100,000,000.00	122,000,000.00
Other Cash Paid Relating to Investing Activities	64	21,998,465.19	
Subtotal of Cash Outflows from Investing Activities		3,642,372,160.60	1,579,387,064.85
Net Cash Flows from Investing Activities		-820,025,522.16	-810,592,514.78
III. Cash Flows from Financing Activities			
Cash Received from Capital Contributions		461,772,189.66	218,393,011.71
Including: Cash Received by Subsidiaries from Investments by Non-controlling Interests			
Cash Received from Borrowings		4,422,742,688.33	5,320,724,900.80
Other Cash Received Relating to Financing Activities			
Subtotal of Cash Inflows from Financing Activities		4,884,514,877.99	5,539,117,912.51
Cash Paid for Repayment of Debts		4,217,925,000.00	6,618,035,665.00
Cash Paid for Distribution of Dividends or Profits and for Payment of Interest		982,370,979.12	664,258,277.63
Including: Dividends or Profits Paid by Subsidiaries to Non-controlling Interests		3,834,442.92	7,367,947.19
Other Cash Paid Relating to Financing Activities	64	121,392,696.37	1,263,601,600.01
Subtotal of Cash Outflows from Financing Activities		5,321,688,675.49	8,545,895,542.64
Net Cash Flows from Financing Activities		-437,173,797.50	-3,006,777,630.13
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
		-215,244,139.50	143,182,269.54
V. Net Increase in Cash and Cash Equivalents			
		2,647,071,480.29	1,097,683,705.66
Add: Opening Balance of Cash and Cash Equivalents		10,152,782,025.45	9,055,098,319.79
VI. Ending Balance of Cash and Cash Equivalents			
		12,799,853,505.74	10,152,782,025.45

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

Legal Representative:
GAO Wenbao

Person in Charge of Accounting:
XU Xing

Head of Accounting Department:
XU Xing

PARENT COMPANY CASH FLOW STATEMENT

For the Year Ended December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note	Reporting Period	Prior Period
I. Cash Flows from Operating Activities			
Cash Received from Sale of Goods and Rendering of Services		875,571,190.54	1,236,778,001.92
Tax Refunds Received		25,824,865.15	23,935,278.63
Other Cash Received Relating to Operating Activities		459,536,539.07	922,612,346.96
Subtotal of Cash Inflows from Operating Activities		1,360,932,594.76	2,183,325,627.51
Cash Paid for Goods Purchased and Services Received		1,030,077,998.57	783,083,802.45
Cash Paid to and on Behalf of Employees		117,968,289.00	113,037,431.09
Taxes Paid		39,578,497.72	38,952,686.11
Other Cash Paid Relating to Operating Activities		1,352,367,460.28	905,931,371.25
Subtotal of Cash Outflows from Operating Activities		2,539,992,245.57	1,841,005,290.90
Net Cash Flows from Operating Activities		-1,179,059,650.81	342,320,336.61
II. Cash Flows from Investing Activities			
Cash Received from Recovery of Investments		4,985,376.98	384,033,717.19
Cash Received from Investment Income		298,074,723.69	427,818,244.75
Net Cash Received from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets		1,511,635,362.37	14,660,232.15
Net Cash Received from Disposal of Subsidiaries and Other Operating Units			
Other Cash Received Relating to Investing Activities		2,358,134,266.81	376,090,353.98
Subtotal of Cash Inflows from Investing Activities		4,172,829,729.85	1,202,602,548.07
Cash Paid for Acquisition and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets		7,570,033.35	11,062,156.64
Cash Paid for Investments		984,033,089.45	691,944,900.00
Net Cash Paid for Acquisition of Subsidiaries and Other Operating Units		99,900,000.00	121,900,000.00
Other Cash Paid Relating to Investing Activities		33,200,000.00	194,229,000.00
Subtotal of Cash Outflows from Investing Activities		1,124,703,122.80	1,019,136,056.64
Net Cash Flows from Investing Activities		3,048,126,607.05	183,466,491.43

PARENT COMPANY CASH FLOW STATEMENT

For the Year Ended December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Item	Note	Reporting Period	Prior Period
III. Cash Flows from Financing Activities			
Cash Received from Capital Contributions		461,772,189.66	218,393,011.71
Cash Received from Borrowings		2,530,967,960.39	5,312,655,477.10
Other Cash Received Relating to Financing Activities			
Subtotal of Cash Inflows from Financing Activities		2,992,740,150.05	5,531,048,488.81
Cash Paid for Repayment of Debts		3,736,800,000.00	6,434,668,200.00
Cash Paid for Distribution of Dividends or Profits and for Payment of Interest		947,946,694.94	638,846,711.45
Other Cash Paid Relating to Financing Activities		46,456,448.77	1,193,862,913.79
Subtotal of Cash Outflows from Financing Activities		4,731,203,143.71	8,267,377,825.24
Net Cash Flows from Financing Activities		-1,738,462,993.66	-2,736,329,336.43
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		-2,700,864.49	21,567,363.34
V. Net Increase in Cash and Cash Equivalents		127,903,098.09	-2,188,975,145.05
Add: Opening Balance of Cash and Cash Equivalents		114,399,759.25	2,303,374,904.30
VI. Ending Balance of Cash and Cash Equivalents		242,302,857.34	114,399,759.25

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

Legal Representative:

GAO Wenbao

Person in Charge of Accounting:

XU Xing

Head of Accounting Department:

XU Xing

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Year Ended December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Item	Reporting Period											Total Shareholders' Equity		
	Equity Attributable to Owners of the Company										Non-controlling Interests			
	Share Capital	Preference Shares	Perpetual Bonds	Others	Capital Reserve	Treasury Shares	Other Comprehensive Income	Specific Reserves	Surplus Reserve	General Risk Reserve			Retained Earnings	Subtotal
I. Balance at End of Prior Year Add: Change in Accounting Policy Correction of Prior-period Errors Business Combinations Under Common Control Other	1,216,123,535.00			233,015,762.90	11,545,441,480.82	1,439,889,046.74	574,893,650.66		203,693,079.22		11,877,916,885.90	24,201,165,547.76	1,204,553.19	24,202,390,100.95
II. Opening Balance for Reporting Year	1,216,123,535.00			233,015,762.90	11,545,441,480.82	1,439,889,046.74	574,893,650.66		203,693,079.22		11,877,916,885.90	24,201,165,547.76	1,204,553.19	24,202,390,100.95
III. Changes During the Reporting Period (Decreases Shown with "-")														
(I) Total Comprehensive Income														
(II) Capital Contributions and Capital Reductions by Owners														
1. Ordinary Shares Contributed by Owners	-6,363,646.00			-40,898.09	-379,550,097.84	-1,091,841,122.01	-155,916,573.10		124,625,523.39		3,236,274,051.22	3,970,889,481.59	-19,400,461.58	3,951,489,020.01
2. Capital Contributed by Holders of Other Equity Instruments	4,846,933.00			-40,898.09	-379,550,097.84	-1,091,841,122.01	-33,790,881.58				4,045,416,530.33	4,011,635,846.75	-13,361,016.38	3,997,674,832.37
3. Share-based Payments Recognized in Equity	2,621.00			-40,898.09	356,908.74								638,841.06	706,525,221.13
4. Other														461,554,738.52
(III) Profit Distribution														
1. Appropriation to Surplus Reserve														
2. Appropriation to General Risk Reserve														
3. Distribution to Owners (or Shareholders)														
4. Other														
(IV) Internal Transfers Within Shareholders' Equity														
1. Capitalization of Capital Reserve into Capital (or Share Capital)														
2. Capitalization of Surplus Reserve into Capital (or Share Capital)														
3. Surplus Reserve Used to Cover Losses														
4. Remeasurement of Defined Benefit Plans Transferred to Retained Earnings														
5. Other Comprehensive Income Transferred to Retained Earnings														
6. Other														
(V) Specific Reserves														
1. Provided in Reporting Period														
2. Utilized in Reporting Period														
(VI) Other														
IV. Ending Balance of Reporting Period	1,209,759,889.00			232,974,864.81	11,165,891,382.98	348,056,924.73	418,976,677.56		328,318,602.61		15,164,190,737.12	28,172,655,028.35	-18,195,908.39	28,153,859,120.96

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

Legal Representative:
GAO Wenbao

Person in Charge of Accounting:
XU Xing

Head of Accounting Department:
XU Xing

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Year Ended December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Item	Equity Attributable to Owners of the Company										Total Shareholders' Equity			
	Other Equity Instruments						Less:					Total Shareholders' Equity		
	Share Capital	Preference Shares	Perpetual Bonds	Others	Capital Reserve	Treasury Shares	Comprehensive Income	Other	Specific Reserves	Surplus Reserve	General Risk Reserve		Retained Earnings	Subtotal
I. Balance at End of Prior Year	1,215,173,357.00			233,030,704.59	11,328,891,282.97	704,717,447.41	221,856,468.59		146,039,356.82	9,007,910,439.90	21,450,626,201.46	43,861,428.91	21,494,487,630.37	
Add: Changes in Accounting Policy														
Correction of Prior-period Errors														
Business Contributions Under Common Control														
Other														
II. Opening Balance for Reporting Year	1,215,173,357.00			233,030,704.59	11,328,891,282.97	704,717,447.41	221,856,468.59		146,039,356.82	9,007,910,439.90	21,450,626,201.46	43,861,428.91	21,494,487,630.37	
III. Changes During the Reporting Period														
(Decreases Shown with "-")														
(I) Total Comprehensive Income	348,178.00			-44,944.69	216,550,197.85	735,180,599.33	352,966,520.07		55,653,683.40	2,680,005,246.00	2,750,359,346.30	-42,656,875.72	2,707,702,470.58	
(II) Capital Contributions and Capital Reductions by Owners	348,178.00			-44,944.69	216,550,197.85	735,180,599.33				3,323,242,749.90	3,676,239,331.97	-38,785,836.35	3,637,453,595.62	
1. Ordinary Shares Contributed by Owners	347,228.00													
2. Capital Contributed by Holders of Other Equity Instruments	950.00			-44,944.69	131,883,972.75	-168,650,138.20								
3. Share-based Payments Recognized in Equity					173,236.35								159,244.66	
4. Other					244,363,829.47								244,363,829.47	
(III) Profit Distribution					-159,970,840.72	903,220,737.53							-1,063,101,188.38	
1. Appropriation to Surplus Reserve														
2. Appropriation to General Risk Reserve														
3. Distribution to Owners (or Shareholders)														
4. Other														
(IV) Internal Transfers Within Shareholders' Equity														
1. Capitalization of Capital Reserve into Capital (or Share Capital)														
2. Capitalization of Surplus Reserve into Capital (or Share Capital)														
3. Surplus Reserve Used to Cover Losses														
4. Reassessment of Defined Benefit Plans Transferred to Retained Earnings														
5. Other Comprehensive Income Transferred to Retained Earnings														
6. Other														
(V) Specific Reserves														
1. Provided in Reporting Period														
2. Utilized in Reporting Period														
(VI) Other														
IV. Ending Balance of Reporting Period	1,215,123,335.00			233,015,762.90	11,545,441,480.82	1,439,898,046.74	574,893,990.66		205,693,039.22	11,867,916,685.90	24,201,185,547.76	1,204,553.19	24,202,390,100.95	

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

Legal Representative: **GAO Wenbao**

Person in Charge of Accounting: **XU Xing**

Head of Accounting Department: **XU Xing**

PARENT COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Year Ended December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Item	Reporting Period						Total Shareholders' Equity
	Share Capital	Preference Shares	Perpetual Bonds	Other Equity Instruments	Capital Reserve	Less: Treasury Shares	
I. Balance at End of Prior Year	1,216,123,535.00			233,015,762.90	20,315,306,140.73	1,439,898,046.74	20,822,300,386.02
Add: Change in Accounting Policy							
Correction of Prior-period Errors							
Other							
II. Opening Balance for Reporting Year	1,216,123,535.00			233,015,762.90	20,315,306,140.73	1,439,898,046.74	20,822,300,386.02
III. Changes During the Reporting Period							
(Decreases Shown with "+")							
(I) Total Comprehensive Income	-6,363,646.00			-40,898.09	-387,712,644.87	-1,091,841,122.01	374,976,863.31
(II) Capital Contributions and Capital Reductions by Owners	4,846,933.00			-40,898.09	-387,712,644.87	-1,091,841,122.01	1,246,255,233.94
1. Ordinary Shares Contributed by Owners							
2. Capital Contributed by Holders of Other Equity Instruments	2,621.00			-40,898.09	364,812,536.04	-91,895,263.48	
3. Share-based Payments Recognized in Equity							
4. Other							
(III) Profit Distribution	-11,213,200.00						
1. Appropriation to Surplus Reserve							
2. Distribution to Owners (or Shareholders)							
3. Other							
(IV) Internal Transfers Within Shareholders' Equity							
1. Capitalization of Capital Reserve into Capital (or Share Capital)							
2. Capitalization of Surplus Reserve into Capital (or Share Capital)							
3. Surplus Reserve Used to Cover Losses							
4. Remeasurement of Defined Benefit Plans Transferred to Retained Earnings							
5. Other Comprehensive Income Transferred to Retained Earnings							
6. Other							
(V) Specific Reserves							
1. Provided in Reporting Period							
2. Utilized in Reporting Period							
(VI) Other							
IV. Ending Balance of Reporting Period	1,209,759,889.00			232,974,864.81	19,927,593,495.86	348,056,924.73	663,283,212.41
							22,019,885,165.30

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

Legal Representative:
GAO Wenbao

Person in Charge of Accounting:
XU Xing

Head of Accounting Department:
XU Xing

PARENT COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Year Ended December 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Item	Prior Period							Total Shareholders' Equity			
	Share Capital	Preference Shares	Perpetual Bonds	Others	Capital Reserve	Less: Treasury Shares	Other Comprehensive Income		Specific Reserves	Surplus Reserve	Retained Earnings
I. Balance at End of Prior Year	1,215,775,357.00			233,030,704.59	20,100,301,421.15	704,717,447.41	6,501,693.84		148,039,395.82	195,006,019.00	21,193,937,143.99
Add: Change in Accounting Policy											
Correction of Prior-period Errors											
Other											
II. Opening Balance for Reporting Year	1,215,775,357.00			233,030,704.59	20,100,301,421.15	704,717,447.41	6,501,693.84		148,039,395.82	195,006,019.00	21,193,937,143.99
III. Changes During the Reporting Period (Decreases Shown with "+")											
(I) Total Comprehensive Income	348,178.00			-14,941.69	215,004,719.58	735,180,599.33	-748,128.03		55,653,663.40	93,300,330.10	-371,636,757.97
(II) Capital Contributions and Capital											
Reductions by Owners	348,178.00			-14,941.69	215,004,719.58	735,180,599.33					-519,842,643.44
1. Ordinary Shares Contributed by Owners	347,228.00				131,983,972.75	-168,050,138.20					300,381,338.95
2. Capital Contributed by Holders of Other Equity Instruments	950.00			-14,941.69	173,236.35						159,244.66
3. Share-based Payments Recognized in Equity					244,363,829.47						244,363,829.47
4. Other					-161,516,316.99	903,230,737.53					-1,064,747,056.52
(III) Profit Distribution											
1. Appropriation to Surplus Reserve									55,653,663.40	-463,236,503.90	-407,582,820.50
2. Distribution to Owners (or Shareholders)									55,653,663.40	-55,653,663.40	
3. Other										-407,582,820.50	-407,582,820.50
(IV) Internal Transfers Within Shareholders' Equity											
1. Capitalization of Capital Reserve into Capital (or Share Capital)											
2. Capitalization of Surplus Reserve into Capital (or Share Capital)											
3. Surplus Reserve Used to Cover Losses											
4. Remeasurement of Defined Benefit Plans Transferred to Retained Earnings											
5. Other Comprehensive Income Transferred to Retained Earnings											
6. Other											
(V) Specific Reserves											
1. Provided in Reporting Period											
2. Utilized in Reporting Period											
(VI) Other											
IV. Ending Balance of Reporting Period	1,216,123,535.00			233,015,762.90	20,315,306,140.73	1,439,898,046.74	5,753,565.81		203,693,079.22	288,306,349.10	20,822,300,386.02

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

Legal Representative:
GAO WenbaoPerson in Charge of Accounting:
XU XingHead of Accounting Department:
XU Xing

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

I. General Information

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

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

As at December 31, 2025, the Company issued a total of 1,209,759,889 shares of capital stock, with a par value of RMB1 per share, and the registered capital was RMB1,214,426,982. As at March 23, 2026, the total number of shares outstanding was 1,261,074,075 shares, including 1,210,332,975 A shares and 50,741,100 H shares.

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

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

The Company’s ultimate beneficial owner is Mr. YU Renrong. These financial statements were approved for release by the Company’s Board of Directors on March 30, 2026.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(All amounts are stated in Renminbi unless otherwise specified)

II. Basis of Preparation of the Financial Statements

(1) Basis of Preparation

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

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

(2) Going Concern

These financial statements have been prepared on a going concern basis.

III. Significant Accounting Policies and Accounting Estimates

Notes on specific accounting policies and accounting estimates:

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

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

These financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance and fairly present the consolidated and parent company financial position of the Company as at December 31, 2025, and the consolidated and parent company operating results and cash flows for the year then ended.

(2) Accounting Period

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

(3) Operating Cycle

The Company’s operating cycle is 12 months.

(4) Functional Currency

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

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

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

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

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

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

1. Criteria for Determining Control

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

2. Consolidation Procedures

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

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

(1) Addition of Subsidiaries or Businesses

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(2) *Disposal of Subsidiaries*

1. General Treatment

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

2. Step-by-step Disposal of Subsidiaries

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

- i. These transactions are entered into simultaneously or with consideration of their interdependence;
- ii. These transactions together can achieve a complete commercial outcome;
- iii. The occurrence of one transaction depends on the occurrence of at least one other transaction;
- iv. A transaction, when considered on a stand-alone basis, is uneconomic, but becomes economic when considered together with the other transactions.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

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

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

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

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

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

(7) Criteria for Determining Cash and Cash Equivalents

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

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

1. Foreign Currency Transactions

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

2. *Translation of Foreign Currency Financial Statements*

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

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

(9) **Financial Instruments**

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

1. *Classification of Financial Instruments*

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

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

- The business model is to hold assets to collect contractual cash flows;
- the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

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

- The business model is achieved both by collecting contractual cash flows and by selling the financial asset;
- the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

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

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

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

- 1) The designation eliminates or significantly reduces an accounting mismatch.
- 2) pursuant to a documented risk management or investment strategy, a group of financial liabilities, or a group of financial assets and financial liabilities, is managed and evaluated on a fair value basis, and information about the group is reported internally on that basis to key management personnel.
- 3) The financial liability contains an embedded derivative that requires separate bifurcation.

2. Recognition and Measurement of Financial Instruments

(1) Financial assets measured at amortized cost

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

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

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

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

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

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

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

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

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

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

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

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

(6) *Financial liabilities measured at amortized cost*

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

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

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

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

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

- The contractual rights to receive the cash flows from the financial asset expire;
- the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee;
- the financial asset has been transferred and, although the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, it has not retained control over the financial asset.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

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

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

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

4. Derecognition of Financial Liabilities

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

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

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

6. Impairment Testing of Financial Instruments and Related Accounting Treatment

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

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

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

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

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

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

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

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

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

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

(1) *Notes receivable*

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

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

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(2) *Accounts receivable*

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

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

(3) *Other receivables*

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

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

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

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

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

(10) Inventories

1. **Classification and Cost of Inventories**

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

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

2. **Costing Method for Issued Inventories**

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

3. **Inventory Count System**

A perpetual inventory system is adopted.

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

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

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

5. **Criteria and Method for Recognizing Inventory Write-downs**

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

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

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

(11) Contract Assets

1. Recognition Criteria for Contract Assets

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

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

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

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

1. Held for Sale

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

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

- (1) it is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets or disposal groups;
- (2) the sale is highly probable, meaning that the Company has made a resolution on a sales plan and has obtained a firm purchase commitment, and the sale is expected to be completed within one year. Where approval of the relevant authority or regulator is required before the sale may proceed, such approval has been obtained.

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

2. Discontinued Operations

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

- (1) it represents a separate major line of business or a separate major geographical area of operations;
- (2) it is part of a single coordinated plan to dispose of a separate major line of business or a separate major geographical area of operations;
- (3) the component is a subsidiary acquired exclusively with a view to resale.

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

(13) Long-term Equity Investments

1. Criteria for Determining Joint Control and Significant Influence

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

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

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2. **Determination of Initial Investment Cost**

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

For a long-term equity investment in a subsidiary formed through a business combination under common control, the initial cost of the long-term equity investment is the Company's share of the carrying amount of the acquiree's shareholders' equity in the consolidated financial statements of the ultimate controlling party as at the combination date. The difference between the initial cost of the long-term equity investment and the carrying amount of the consideration paid is adjusted against share premium within capital reserve; where share premium is insufficient to absorb the difference, retained earnings are adjusted. Where control over an investee under common control is obtained through additional investment or similar reasons, the difference between the initial cost of the long-term equity investment recognized under the above principles and the sum of the carrying amount of the long-term equity investment held before the combination and the carrying amount of the additional consideration paid for the further shares acquired on the combination date is adjusted against share premium, and any shortfall is charged against retained earnings.

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

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

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

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

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

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

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

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(All amounts are stated in Renminbi unless otherwise specified)

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

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

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

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

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

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

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(3) *Disposal of long-term equity investments*

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

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

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

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

Where an investment in a subsidiary is disposed of in stages through multiple transactions until control is lost, and the transactions constitute a package transaction, all such transactions are accounted for as a single transaction involving disposal of the equity investment in the subsidiary and loss of control. Before control is lost, the difference between the consideration received on each disposal and the carrying amount of the long-term equity investment

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corresponding to the equity interest disposed of is first recognized as other comprehensive income in the separate financial statements and is then transferred in full to profit or loss for the period in which control is lost. If the transactions do not constitute a package transaction, each transaction is accounted for separately.

(14) Investment Properties

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

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

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

(15) Fixed Assets

1. Recognition and Initial Measurement of Fixed Assets

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

- (1) it is probable that economic benefits associated with the fixed asset will flow to the entity;
- (2) the cost of the fixed asset can be measured reliably.

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

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

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2. Depreciation Methods

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

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

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

3. Disposal of Fixed Assets

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

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(16) Construction in Progress

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

Category	Criteria and Timing for Transfer to Fixed Assets
Building	Physical construction, including installation work, has been completed or substantially completed; the property and building purchased or constructed have attained or basically conform to the design requirement or contractual requirement; constructions in progress are transferred to fixed assets based on their estimated value (which is calculated according the actual construction cost) from the date when they attain the intended usable condition.
Machinery	The machinery and other related facilities have been installed; the machinery becomes able to function properly and stably after testing; the machinery is able to produce conforming products; the machinery is transferred to fixed assets after passing an acceptance test.
Vehicle	The vehicle has been delivered and is able to function properly according to its intended purpose.
Equipment	The equipment has been installed, tested and is able to achieve the intended usable condition.

(17) Borrowing Costs

1. Principles for Recognition of Capitalized Borrowing Costs

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

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

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2. Period of Capitalization of Borrowing Costs

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

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

- (1) expenditures for the asset have been incurred, including expenditures incurred in the form of cash payments, transfer of non-cash assets, or assumption of interest-bearing liabilities for the acquisition, construction, or production of a qualifying asset;
- (2) borrowing costs have been incurred;
- (3) the acquisition, construction, or production activities necessary to prepare the asset for its intended use or sale have commenced.

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

3. Suspension of Capitalization

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

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

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

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

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

(18) Intangible Assets

1. Measurement of Intangible Assets

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

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

(2) *Subsequent Measurement*

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

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

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

Item	Estimated Useful Life	Amortization Method	Residual Value Rate	Basis for Determining Estimated Useful Life
Land-use right	35–50 years	Straight line method	0.00%	Term of land-use right
Software	3–10 years	Straight line method	0.00%	Estimated useful life
Technology	1–10 years	Straight line method	0.00%	Estimated useful life
Trademark	10 years	Straight line method	0.00%	Estimated useful life
Internally generated technology	3–10 years	Straight line method	0.00%	Estimated product life cycle
Emission	5 years	Straight line method	0.00%	Estimated useful life

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

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

4. Scope of Research and Development Expenditures

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

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

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

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

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

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

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

6. Specific Conditions for Capitalization of Development Expenditures

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

- (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (2) the intention to complete the intangible asset and use or sell it;

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- (3) the manner in which the intangible asset will generate economic benefits, including evidence of the existence of a market for the products produced using the intangible asset or for the intangible asset itself, or, if it is to be used internally, evidence of its usefulness;
- (4) the availability of adequate technical, financial, and other resources to complete the development of the intangible asset and the ability to use or sell the intangible asset;
- (5) the expenditures attributable to the development phase of the intangible asset can be measured reliably.

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

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

(19) Impairment of Long-lived Assets

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

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

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

When testing an asset group or group of asset groups containing goodwill for impairment, if there is any indication of impairment in the asset group or group of asset groups related to the goodwill, the Company first tests the asset group or group of asset groups excluding goodwill for impairment, determines the recoverable amount, and compares it with the relevant carrying amount to recognize the corresponding impairment loss. It then tests the asset group or group of asset groups containing goodwill for impairment by comparing its carrying amount with its recoverable amount. If the recoverable amount is lower than the carrying amount, the impairment loss is first applied to reduce the carrying amount of the goodwill allocated to the asset group or group of asset groups, and any remaining impairment loss is allocated on a pro rata basis to reduce the carrying amounts of the other assets in the asset group or group of asset groups based on their relative carrying amounts. Once recognized, the above impairment losses are not reversed in subsequent accounting periods.

(20) Long-term Prepaid Expenses

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

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

(21) Contract Liabilities

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

(22) Employee Benefits

1. Accounting for Short-term Employee Benefits

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

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

Employee welfare expenses are recognized as incurred and charged to profit or loss for the period or to the cost of related assets. Non-monetary benefits are measured at fair value.

2. **Accounting for Post-employment Benefits**

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

No forfeited contributions were utilized by the Company to reduce its contributions to the abovementioned social insurance plan for the year ended December 31, 2025.

(1) *Subsidiaries in Mainland China*

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

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

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

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(3) *Subsidiaries in Singapore and other countries*

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

3. **Accounting for Termination Benefits**

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

(23) Provisions

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

- (1) the obligation is a present obligation of the Company;
- (2) it is probable that settlement of the obligation will result in an outflow of economic benefits from the Company;
- (3) the amount of the obligation can be measured reliably.

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

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

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

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

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(24) Other Equity Instruments

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

(25) Share Repurchased

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

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

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

(26) Share-based Payments

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

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

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

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

(27) Revenue

1. Accounting Policies Adopted for Revenue Recognition and Measurement

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

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

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

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

- The customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs.
- The customer controls the goods as they are created or enhanced in the course of the Company's performance.
- The goods produced in the course of the Company's performance have no alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date throughout the contract period.

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

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

- The Company has a present right to payment for the goods or services; that is, the customer has a present obligation to pay for the goods or services.
- The Company has transferred legal title to the goods to the customer; that is, the customer has obtained legal title to the goods.
- The Company has transferred physical possession of the goods to the customer; that is, the customer has taken physical possession of the goods.
- The Company has transferred the significant risks and rewards of ownership of the goods to the customer; that is, the customer has obtained the significant risks and rewards of ownership of the goods.
- The customer has accepted the goods or services, as applicable.

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

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

(1) Sale of goods

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

The Company delivers the goods based on confirmed orders, and recognizes revenue when it has obtained a return receipt or received confirmation from the customer; when export sales are involved, after the customs declaration procedures, the revenue shall be recognized based on the export goods customs declaration form and bill of lading. The Company recognizes revenue when it has obtained the present right to receive payment for the goods, the main risks and rewards associated with the ownership of the goods have been transferred, the legal ownership of the goods has been transferred, the goods have been physically transferred and the customer has accepted the goods.

For the sale of goods via distributors, transaction price is the consideration that it expects to be entitled to receive from the customer at the time when it transfers the goods. Considering the impact of factors such as variable consideration, the Company determines the transaction price containing a variable consideration by an amount not exceeding the cumulative revenue recognized as at the time when the relevant uncertainty has been resolved, which, with a high probability, will not be subject to significant reversal.

After delivering the goods to the distributors in accordance with the contract, the legal ownership of the goods has been transferred to the distributor, the Company cannot arbitrarily transfer the goods from the distributors. At the same time, the distributors have right to sell or dispose of the goods and obtain the related economic benefits, and have taken the risk of damage to the goods. In addition, according to the payment terms, the distributors are obligated to make payment to the Company when the payment is due, regardless of whether the distributors have sold the goods or not. After the Company delivers the goods to the distributors, the distributors gain the control of the goods, and the Company recognizes revenue accordingly.

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(2) *Provision of services*

The Company provides integrated circuit design, consultation and technical development services. The goods produced by the Company during the performance of contracts have irreplaceable use. If the Company is not entitled to receive payment over the duration of contract in respect of the part of performance obligation which has been satisfied to date, it is treated as a performance obligation to be satisfied at a point in time, and the Company recognizes revenue at the time when the services have been provided and the right to receive service payment has been obtained; if the Company is entitled to collect payment over the duration of the contract in respect of the performance obligation which has been satisfied to date, it is treated as a performance obligation satisfied over time, and the Company recognizes revenue over the period of time in which services are provided based on the progress of performance.

(3) *Assignment of patent*

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

(28) Contract Costs

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

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

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

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

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

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

1. the remaining consideration expected to be received from the transfer of the goods or services related to the asset;
2. the estimated costs to be incurred in transferring the related goods or services.

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

(29) Government Grants

1. Type

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

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

2. Timing of Recognition

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

3. Accounting Treatment

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

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

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

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

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

(30) Deferred Tax Assets and Deferred Tax Liabilities

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

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

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

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

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

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

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

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

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

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

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

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

(31) Leases

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

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

1. *The Company as Lessee*

(1) *Right-of-use Assets*

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

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

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

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

(2) *Lease Liabilities*

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

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;

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

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

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

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

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

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

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

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

(4) *Lease Modifications*

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

- The modification increases the scope of the lease by adding the right to use one or more underlying assets;
- The increase in consideration is commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

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

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2. The Company as Lessor

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

(1) Accounting Treatment for Operating Leases

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

(2) Accounting Treatment for Finance Leases

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

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

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

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets;
- The increase in consideration is commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

- If the lease would have been classified as an operating lease had the modification been effective at the lease commencement date, the Company accounts for the modified lease as a new lease from the effective date of the modification and uses the net investment in the lease immediately before the effective date of the modification as the carrying amount of the lease asset;
- If the lease would have been classified as a finance lease had the modification taken effect at the commencement date, the Company accounts for the modification in accordance with its accounting policy for contract modifications or renegotiations under financial instruments.

(32) Segment Reporting

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(34) Significant Accounting Estimates and Judgments

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

1. Classification of financial assets

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

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

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

2. Inventories write-down provision

As at the balance sheet date, the Company measures inventories at the lower of cost or net realizable value, and recognizes impairment provision of excess inventories according to production cost based on the difference between the quantity of inventories and the estimated sales volume. The calculation of net realizable value and the estimation of sales volume require assumptions and estimates. When estimating the net realizable value and the estimated sales volume of inventories, the Company considers the purpose for which inventories are held, and information available including the expected usage of inventories and the estimated selling price are used as the basis of estimation. The net realizable value of inventories may change due to the change in market price or the actual use of inventories. Therefore, the amount of inventories write-down provision may change due to the above reasons, thereby affecting profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

3. *Impairment of goodwill*

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

4. *Fair value of financial instruments*

Financial instruments without an active trading market to provide quotations need to adopt valuation techniques to determine their fair value. Valuation techniques includes using the latest transaction information available in the market, referring to the fair value of similar financial instruments, discounted cash flow method, option pricing model, etc. The measurement of the fair value involves important unobservable parameters, thus there is uncertainty.

5. *Point of time for revenue recognition*

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

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

(35) Changes in Significant Accounting Policies and Accounting Estimates

1. *Material Changes in Accounting Policies*

Implementation of the provisions of the Implementation Q&A on the Accounting Treatment of Standard Warehouse Receipt Transactions under the Financial Instruments Standards

On July 8, 2025, the Ministry of Finance issued implementation Q&As on the accounting treatment of standard warehouse receipt transactions, clarifying that, under the standards on recognition and measurement of financial instruments, where an entity frequently enters into contracts to buy and sell standard warehouse receipts on futures trading venues in order to profit from price differences, without taking physical delivery of the goods underlying the warehouse receipts, such practice normally indicates that the entity has a pattern of reselling the contract subject matter shortly after receipt to realize profits from short-term fluctuations. Accordingly, the entity

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

should treat contracts to buy and sell such standard warehouse receipts as financial instruments and account for them in accordance with the financial instruments recognition and measurement standards. If, after obtaining a standard warehouse receipt under such a contract, the entity resells it in the short term, it should not recognize sales revenue; instead, the difference between the consideration received and the carrying amount of the standard warehouse receipt sold should be recognized in investment income. Standard warehouse receipts held at the period end that have not yet been sold should be presented as other current assets. For standard warehouse receipts obtained under such contracts, if doing so eliminates or significantly reduces an accounting mismatch, the entity may, on initial recognition, elect to designate them as measured at fair value through profit or loss, and such election should be applied consistently to all standard warehouse receipts that meet the designation criteria. Once a standard warehouse receipt has been designated at initial recognition as measured at fair value through profit or loss, that designation may not be revoked in subsequent periods.

Pursuant to the Notice on Strict Implementation of the Accounting Standards for Business Enterprises and Effective Completion of the 2025 Annual Reporting Work of Enterprises (Cai Kuai [2025] No. 33), where an entity adjusts its accounting treatment as a result of implementing the above provisions relating to standard warehouse receipts, the comparative-period information in the financial statements should be restated accordingly. The implementation of the above standard had no impact on the Company's financial statements.

2. No Material Changes in Accounting Estimates

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

(All amounts are stated in Renminbi unless otherwise specified)

IV. Taxation

(1) Principal Taxes and Tax Rates

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

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

Name of Taxpayer	Income Tax Rate
OmniVision Integrated Circuits Group, Inc.	15.00%
Shanghai Simpli Semiconductor, Co., Ltd.	15.00%
Beijing Jinghongzhi Technology Co., Ltd.	15.00%
OmniVision Technologies (Beijing) Co., Ltd.	15.00%
OmniVision Semiconductor (Taicang) Co., Ltd.	15.00%
Omnivision Optoelectronics Technologies (Shanghai) Co., Ltd.	15.00%
OmniVision Semiconductor (Shanghai) Co., Ltd.	15.00%
OmniVision Technologies (Shanghai) Co., Ltd.	15.00%
OmniVision IC Group Co., Ltd. Shanghai	15.00%
OmniVision Technologies (Wuhan) Co., Ltd.	15.00%
Shenzhen Jinghongzhi Logistics Co., Ltd.	15.00%
Hunan Silicon Internet of Things Technologies Co., Ltd.	12.50%
OmniVision Semiconductor (Shaoxing) Co., Ltd.	0.00%
Beijing Superpix Micro Technology Co., Ltd.	5.00%
OmniVision Technologies Singapore Pte. Ltd.	10.50%

Note: Except for the companies shown above, the 25.00% income tax rate applies to all other companies incorporated in the PRC, and for those subsidiaries incorporated in other countries and regions outside the PRC, the relevant corporate income tax is calculated based on local tax laws.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(2) Tax Incentives

1. The Company and certain subsidiaries, including Shanghai Simpli Semiconductor Co., Ltd, Beijing Jinghongzhi Technology Co., Ltd., OmniVision Technologies (Beijing) Co., Ltd., OmniVision Semiconductor (Taicang) Co., Ltd., OmniVision Optoelectronics Technologies (Shanghai) Co., Ltd., OmniVision Semiconductor (Shanghai) Co., Ltd., OmniVision Technologies (Shanghai) Co., Ltd., were approved as High and New Technology Enterprise, and they were subject to a preferential corporate income tax rate of 15% for the reporting period.
2. OmniVision IC Group Co., Ltd. Shanghai, is registered in the Lingang New Area of the China (Shanghai) Pilot Free Trade Zone. According to the Notice on Corporate Income Tax Policies for Key Industry Enterprises in the Lingang New Area of the China (Shanghai) Pilot Free Trade Zone (C. S. [2020] No. 38), it was subject to a preferential corporate income tax rate of 15% for the reporting period.
3. OmniVision Technologies (Wuhan) Co., Ltd. was approved as Advanced Technology Service Enterprise, and it was subject to a preferential corporate income tax rate of 15% for the reporting period.
4. Shenzhen Jinghongzhi Logistics Co., Ltd., is registered in the Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone. According to the Notice on Corporate Income Tax Incentive Policies and Catalogue for Enterprises in Hengqin New Area of Guangdong, Pingtan Comprehensive Experimental Zone of Fujian, and Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (C. S. [2014] No. 26), it was subject to a preferential corporate income tax rate of 15% for the reporting period.
5. Hunan Silicon Internet of Things Technologies Co., Ltd., and OmniVision Semiconductor (Shaoxing) Co., Ltd. (formerly known as Zhejiang Xince Semiconductor Co., Ltd.), enjoyed tax incentives for integrated circuit design and packaging, testing enterprises. Starting from the profitable year, the corporate income tax is exempt for the first two years and was halved for the third to fifth years. The corporate income tax rate for the reporting period was 12.50% and 0.00% respectively.
6. Beijing SuperPix Micro Technology Co. Limited qualifies as a small and micro-profit enterprise. Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Further Supporting the Development of Small and Micro-profit Enterprises and Individual Businesses (C. S. [2023] No. 12), where annual taxable income does not exceed RMB3 million, 25% of taxable income is subject to corporate income tax at the statutory rate of 20%. Accordingly, where taxable income does not exceed RMB3 million, the effective corporate income tax rate is 5%.
7. OmniVision Technologies Singapore Pte. Ltd. is registered in Singapore and is subjected to corporate income tax rate of 17%. Approved by the Singapore Economic Development Board, it enjoyed a preferential corporate income tax rate of 10.50% for the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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8. According to the Notice on the Value-added Tax Additional Deduction Policy for Integrated Circuit Enterprises (C. S. [2023] No. 17), from January 1, 2023 to December 31, 2027, integrated circuit design, production, packaging and testing, equipment, and material enterprises are allowed to offset 15% of the current deductible input tax against the value-added tax payable.

(3) Other Explanations

1. The Company's Hong Kong subsidiaries pay profit tax levied by Hong Kong Special Administrative Region at a uniform tax rate of 16.50%. Moreover, in terms of tax declaration and payment for profit tax, for the portion of taxable profit that is up to HKD2,000,000, the applicable tax rate is 8.25%, and for the portion of taxable profit more than HKD2,000,000, the applicable tax rate is 16.5%.
2. The Company's subsidiaries and branches in Taiwan, PRC comply with the relevant corporate income tax laws and regulations in Taiwan, PRC, and the applicable tax rate is 20.00%.
3. OmniVision Technologies, Inc. ("**OVUS**") is a limited liability company incorporated in the Delaware, USA. The federal corporate income tax rate applicable to OVUS is 21%, and California state income tax rate is 8.84%.

Pursuant to U.S. tax laws, Global Intangible Low-Taxed Income ("**GILTI**") is a U.S. international tax regime that generally requires a U.S. shareholder of controlled foreign corporations ("**CFCs**") to include in taxable income certain earnings of those foreign subsidiaries that exceed a routine return on qualified tangible business assets. The GILTI Tax is an anti-tax avoidance measure which is levied on the CFCs of an U.S.-based parent company in respect of the so-called "Low-Taxed Income" earned by CFCs from outside the USA, which is payable at the statutory U.S. federal income tax rate of 21.00%, and the actual tax rate ranges between 10.50%–21.00% taking into account other tax incentive, tax exemptions and reductions.

4. The Company's subsidiaries in Japan file and pay income tax in accordance with the provisions of the Japanese Special Tax Measures Law. The national corporate income tax rate applicable to most companies is 23.2%. In addition to the national rate, companies also need to pay local corporate tax, business tax and resident tax. Considering both national and local taxes, the standard statutory effective tax rate for companies is usually about 31.5%–32.7%, depending on its size and capital.
5. As for the Company's subsidiary in Cayman Islands, pursuant to the existing laws of Cayman Islands, income tax is not levied on the revenue generated by a subsidiary within the Group which is incorporated in said territory or the capital contribution made by the Group. Moreover, Cayman Islands do not levy withholding tax on dividend payment to shareholders.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

V. Notes to Items in the Consolidated Financial Statements

(1) Cash and Bank Balances

Item	Ending Balance	Ending Balance of Prior Year
Cash on hand	238,481.07	140,833.15
Balances with banks	12,765,527,159.39	10,155,019,265.49
Other monetary funds	55,043,104.70	30,187,569.78
Total	12,820,808,745.16	10,185,347,668.42
Including: total amount held overseas	10,981,113,730.23	8,713,586,451.04

(2) Financial Assets Held for Trading

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

(3) Notes Receivable

1. Notes Receivable by Category

Item	Ending Balance	Ending Balance of Prior Year
Bank acceptance bills	113,132,558.46	19,633,032.18
Commercial acceptance bills	5,177,438.67	5,020,376.38
Subtotal	118,309,997.13	24,653,408.56
Less: Allowance for credit losses	258,871.92	251,018.82
Total	118,051,125.21	24,402,389.74

NOTES TO THE FINANCIAL STATEMENTS
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2. Notes Receivable by Loss Allowance Method

Category	Ending Balance				Ending Balance of Prior Year					
	Carrying Amount		Loss Allowance		Carrying Amount	Carrying Amount		Loss Allowance		Carrying Amount
	Amount	Percentage (%)	Amount	Provision Rate (%)		Amount	Percentage (%)	Amount	Provision Rate (%)	
Loss allowance measured on an individual basis										
Loss allowance measured on a collective basis by credit risk characteristics	118,309,997.13	100.00	258,871.92	0.22	118,051,125.21	24,653,408.56	100.00	251,018.82	1.02	24,402,389.74
Including: Bank acceptance bills	113,132,558.46	95.62			113,132,558.46	19,633,032.18	79.64			19,633,032.18
Commercial acceptance bills	5,177,438.67	4.38	258,871.92	5.00	4,918,566.75	5,020,376.38	20.36	251,018.82	5.00	4,769,357.56
Total	118,309,997.13	100.00	258,871.92	/	118,051,125.21	24,653,408.56	100.00	251,018.82	/	24,402,389.74

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

Grouping Basis:

Name	Ending Balance		
	Notes Receivable	Loss Allowance	Provision Rate (%)
Bank acceptance bills	113,132,558.46		
Commercial acceptance bills	5,177,438.67	258,871.92	5.00
Total	118,309,997.13	258,871.92	/

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

3. *Movements in Loss Allowance During the Reporting Period*

Category	Ending	Changes for the Period			Ending Balance
	Balance of Prior Year	Provision Recognized	Recovery or Reversal	Other Write-off Changes	
Loss allowance	251,018.82	7,853.10			258,871.92
Total	251,018.82	7,853.10			258,871.92

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

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

Item	Amount Derecognized at Period End	Amount Not Derecognized at Period End
Bank acceptance bills		232,342,873.38
Total		232,342,873.38

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

(4) **Accounts Receivable**

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

Aging	Ending Balance	Ending Balance of Prior Year
Within 1 year	4,111,356,555.47	4,115,628,299.19
1 to 2 years	24,165,205.65	36,403,853.79
2 to 3 years	32,135,888.72	45,718,051.04
Over 3 years	119,848,076.22	84,021,162.47
Subtotal	4,287,505,726.06	4,281,771,366.49
Less: Allowance for credit losses	343,629,390.12	317,838,655.40
Total	3,943,876,335.94	3,963,932,711.09

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**
(All amounts are stated in Renminbi unless otherwise specified)

2. Accounts Receivable by Loss Allowance Method

Category	Ending Balance					Ending Balance of Prior Year				
	Carrying Amount		Loss Allowance			Carrying Amount		Loss Allowance		
	Amount	Percentage (%)	Amount	Provision Rate (%)	Carrying Amount	Amount	Percentage (%)	Amount	Provision Rate (%)	Carrying Amount
Loss allowance measured on an individual basis	84,491,344.55	1.97	81,572,927.32	96.55	2,918,417.23	86,300,337.57	2.02	82,885,640.08	96.04	3,414,697.49
Loss allowance measured on a collective basis by credit risk characteristics	4,203,014,381.51	98.03	262,056,462.80	6.23	3,940,957,918.71	4,195,471,028.92	97.98	234,953,015.32	5.60	3,960,518,013.60
Including: Grouped based on aging	4,203,014,381.51	98.03	262,056,462.80	6.23	3,940,957,918.71	4,195,471,028.92	97.98	234,953,015.32	5.60	3,960,518,013.60
Total	4,287,505,726.06	100.00	343,629,390.12	/	3,943,876,335.94	4,281,771,366.49	100.00	317,838,655.40	/	3,963,932,711.09

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

Name	Ending Balance				Ending Balance of Prior Year	
	Carrying Amount	Loss Allowance	Provision Rate (%)	Basis for Provision	Carrying Amount	Loss Allowance
Dongguan City Jinming Electronics Co., Ltd.	28,352,133.19	28,352,133.19	100.00	Uncollectible	29,056,054.55	29,056,054.55
Dongguan Jinzhuo Communication Technologies Co., Ltd.	14,465,474.87	14,465,474.87	100.00	Uncollectible	14,573,820.99	14,573,820.99
Shenzhen Lordstar Supply Chain Management Ltd.	14,531,002.96	12,413,612.29	85.43	Uncollectible	14,531,002.96	12,413,612.29
Cellon Communications Technology (Hong Kong) Limited	10,857,872.87	10,857,872.87	100.00	Uncollectible	11,111,745.71	11,111,745.71
Others	16,284,860.66	15,483,834.10	95.08	Uncollectible	17,027,713.36	15,730,406.54
Total	84,491,344.55	81,572,927.32	/	/	86,300,337.57	82,885,640.08

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

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

Grouping Basis:

Name	Ending Balance		Provision Rate (%)
	Accounts Receivable	Loss Allowance	
Within 1	4,111,208,309.47	205,573,539.66	5.00
1 to 2 years	24,119,005.65	4,823,801.12	20.00
2 to 3 years	32,055,888.74	16,027,944.37	50.00
Over 3 years	35,631,177.65	35,631,177.65	100.00
Total	4,203,014,381.51	262,056,462.80	/

3. Movements in Loss Allowance During the Reporting Period

Category	Ending Balance of Prior Year	Changes for the Period				Ending Balance
		Provision Recognized	Recovery or Reversal	Disposal of a subsidiary	Foreign currency exchange	
Allowance for credit losses	317,838,655.40	29,657,877.89	419,380.83	118,386.15	-3,329,376.19	343,629,390.12
Total	317,838,655.40	29,657,877.89	419,380.83	118,386.15	-3,329,376.19	343,629,390.12

4. Actual Write-off of Accounts Receivable During the Reporting Period

Item	Amount Written Off
Actual write-offs of accounts receivable	419,380.83

NOTES TO THE FINANCIAL STATEMENTS
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5. Top Five Accounts Receivable and Contract Assets by Debtor Based on Period-end Balances

Entity Name	Ending Balance of Accounts Receivable	Ending Balance of Contract Assets	Ending Balance of Accounts Receivable and Contract Assets	Percentage of Total	
				Ending Balance of Accounts Receivable and Contract Assets (%)	Ending Balance of Loss Allowance for Accounts Receivable and Contract Assets
No. 1	447,296,008.14		447,296,008.14	10.43	22,364,800.39
No. 2	311,952,883.54		311,952,883.54	7.28	15,597,644.17
No. 3	249,065,213.81		249,065,213.81	5.81	12,453,260.73
No. 4	130,529,577.17		130,529,577.17	3.04	6,526,478.87
No. 5	129,741,648.60		129,741,648.60	3.03	6,487,082.43
Total	1,268,585,331.26		1,268,585,331.26	29.59	63,429,266.59

(5) Financing Receivables

1. Financing Receivables by Category

Item	Ending Balance	Ending Balance of Prior Year
Notes Receivable	219,184,600.13	116,383,270.33
Total	219,184,600.13	116,383,270.33

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

Item	Ending Balance of Prior Year	Additions During the Reporting Period	Derecognized During the Reporting Period	Ending Balance	Cumulative Loss Allowance Recognized in Other Comprehensive Income
Notes Receivable	116,383,270.33	1,591,278,212.43	1,488,476,882.63	219,184,600.13	
Total	116,383,270.33	1,591,278,212.43	1,488,476,882.63	219,184,600.13	

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

3. *No financing receivables pledged by the Company at the end of the period*
4. *Financing receivables endorsed or discounted by the Company and not yet due as at the balance sheet date*

Item	Amount Derecognized at Period End	Amount Not Derecognized at Period End
Bank acceptance bills	435,114,214.39	
Total	435,114,214.39	

(6) Prepayments

1. *Prepayments by Aging*

Aging	Ending Balance		Ending Balance of Prior Year	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	295,671,426.56	99.12	233,246,068.92	92.95
1 to 2 years	1,951,490.63	0.65	16,737,160.60	6.67
2 to 3 years	585,079.17	0.20	963,298.39	0.38
Over 3 years	83,721.89	0.03		
Total	298,291,718.25	100.00	250,946,527.91	100.00

2. *Top five prepayments at the end of the period by prepayment counterparty*

Prepayment Counterparty	Ending Balance	Percentage of Total Ending Balance of Prepayments (%)
No. 1	38,062,783.63	12.76
No. 2	28,739,983.28	9.63
No. 3	28,579,653.29	9.58
No. 4	23,500,000.00	7.88
No. 5	20,922,765.46	7.01
Total	139,805,185.66	46.86

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

(7) Other Receivables

Item	Ending Balance	Ending Balance of Prior Year
Interest Receivable		
Dividends Receivable		
Other Receivables	70,551,711.67	57,800,367.77
Total	70,551,711.67	57,800,367.77

1. Interest Receivable: None

2. Dividends Receivable: None

3. Other Receivables

(1) *By Aging*

Aging	Ending Balance	Ending Balance of Prior Year
Within 1 year	41,925,342.88	44,749,057.93
1 to 2 years	22,694,537.33	1,367,402.58
2 to 3 years	1,018,953.58	7,936,516.87
Over 3 years	10,214,912.03	8,870,102.02
Subtotal	75,853,745.82	62,923,079.40
Less: Allowance for credit losses	5,302,034.15	5,122,711.63
Total	70,551,711.67	57,800,367.77

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(2) By Loss Allowance Method

Category	Ending Balance					Ending Balance of Prior Year				
	Carrying Amount		Loss Allowance			Carrying Amount		Loss Allowance		
	Amount	Percentage	Amount	Provision	Carrying Amount	Amount	Percentage	Amount	Provision	Carrying Amount
		(%)		Rate (%)			(%)		Rate (%)	
Loss allowance measured on an individual basis										
Loss allowance measured on a collective basis by credit risk characteristics	75,853,745.82	100.00	5,302,034.15	6.99	70,551,711.67	62,923,079.40	100.00	5,122,711.63	8.14	57,800,367.77
Including: Others	75,853,745.82	100.00	5,302,034.15	6.99	70,551,711.67	62,923,079.40	100.00	5,122,711.63	8.14	57,800,367.77
Total	75,853,745.82	100.00	5,302,034.15	/	70,551,711.67	62,923,079.40	100.00	5,122,711.63	/	57,800,367.77

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

Grouping Basis:

Name	Ending Balance		
	Other Receivables	Loss Allowance	Provision Rate (%)
Deposits	31,215,961.44	1,560,797.06	5.00
Tax recoverable	20,690,707.98	1,034,535.40	5.00
Others	23,947,076.40	2,706,701.69	11.30
Total	75,853,745.82	5,302,034.15	/

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**
(All amounts are stated in Renminbi unless otherwise specified)

(3) *Loss Allowance*

Loss Allowance	Stage 1	Stage 2	Stage 3	Total
	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Not Credit-impaired)	Lifetime Expected Credit Losses (Credit-impaired)	
Ending Balance of Prior Year	5,122,711.63			5,122,711.63
Opening Balance Transferred				
During Reporting Period	5,122,711.63			5,122,711.63
— Transferred to Stage 2				
— Transferred to Stage 3				
— Transferred Back to Stage 2				
— Transferred Back to Stage 1				
Provision Recognized in				
Reporting Period	229,337.43			229,337.43
Recovery in Reporting Period				
Reversal in Reporting Period				
Write-off in Reporting Period				
Foreign Currency Exchange	-50,014.91			-50,014.91
Ending Balance	5,302,034.15			5,302,034.15

(4) *Movements in Loss Allowance During the Reporting Period*

Category	Ending Balance of Prior Year	Changes for the Period			Foreign currency exchange	Ending Balance
		Provision Recognized	Recovery or Reversal	Write-off		
Allowance for credit losses	5,122,711.63	229,337.43			-50,014.91	5,302,034.15
Total	5,122,711.63	229,337.43			-50,014.91	5,302,034.15

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(5) *No Actual Write-off of Other Receivables During the Reporting Period*

(6) *Classification by Nature of Amounts*

Nature of Receivable	Ending Carrying Amount	Carrying Amount at End of Prior Year
Deposits	31,215,961.44	29,741,440.20
Temporary payments	987,537.62	636,100.66
Collection and payment on behalf	7,045,103.58	5,232,395.56
Tax receivable	20,690,707.98	13,506,652.15
Receivables for disposal of long-term assets	4,170,000.00	10,764,422.10
Others	11,744,435.20	3,042,068.73
Total	75,853,745.82	62,923,079.40

(7) *Top Five Other Receivables by Debtor Based on Period-end Balances*

Entity Name	Nature of Receivable	Ending Balance	Aging	Percentage of Total Ending Balance of Other Receivables (%)	Loss Allowance at the End of the Reporting Period
Tax bureau	Tax receivable	20,690,707.98	Within 1 year	27.28	1,034,535.40
Carsem Semiconductor (Suzhou) Co., Ltd.	Deposits	14,974,461.38	1 to 2 years	19.74	748,723.06
Shenzhen Meisheng Yungu Incubation Management Co., Ltd.	Deposits	2,603,097.00	Over 3 years	3.43	130,154.85
Wuxi Jingce Electronics Co., Ltd.	Receivables for disposal of long-term assets	2,170,000.00	1 to 2 years	2.86	434,000.00
Huaqin Co., Ltd.	Deposits	2,000,000.00	Within 1 year	2.64	100,000.00
Total	/	42,438,266.36	/	55.95	2,447,413.31

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(All amounts are stated in Renminbi unless otherwise specified)

(8) Inventories

1. Inventory Classification

Category	Ending Balance			Ending Balance of Prior Year		
	Carrying Amount	Fulfillment Costs	Carrying Value	Carrying Amount	Fulfillment Costs	Carrying Value
Work in progress	5,182,435,904.93	486,402,905.22	4,696,032,999.71	4,144,338,821.61	578,010,043.78	3,566,328,777.83
Finished goods	4,517,030,072.27	617,766,566.14	3,899,263,506.13	4,015,304,585.93	626,509,801.06	3,388,794,784.87
Technical service cost	3,691,867.14	567,108.65	3,124,758.49	1,074,658.64		1,074,658.64
Total	9,703,157,844.34	1,104,736,580.01	8,598,421,264.33	8,160,718,066.18	1,204,519,844.84	6,956,198,221.34

2. Inventory Write-downs and Impairment Allowance for Contract Fulfillment Costs

Category	Ending Balance of Prior Year	Increase in Reporting Period		Decrease in Reporting Period		Ending Balance
		Provision Recognized	Other	Reversed or Written Off	Foreign Currency Exchange	
Work in progress	578,010,043.78	75,997,194.13		156,957,575.24	10,646,757.45	486,402,905.22
Finished goods	626,509,801.06	123,781,385.61		119,870,004.26	12,654,616.27	617,766,566.14
Technical service cost		567,108.65				567,108.65
Total	1,204,519,844.84	200,345,688.39		276,827,579.50	23,301,373.72	1,104,736,580.01

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(9) Non-current Assets Due Within One Year

Item	Ending Balance	Ending Balance of Prior Year
Sales by installment	3,232,875.92	2,809,776.51
Prepayments for goods	3,874,278.21	74,072,520.67
Total	7,107,154.13	76,882,297.18

(10) Other Current Assets

Item	Ending Balance	Ending Balance of Prior Year
VAT input tax	191,575,846.83	152,732,066.45
VAT input tax under certification	1,192,412.32	1,514,449.41
VAT input tax to be obtained	16,731,377.15	9,238,091.67
Prepaid taxes	9,798,222.58	8,843,252.11
H-share issuance costs	44,634,347.93	
Others	653,229.19	
Total	264,585,436.00	172,327,859.64

(11) Long-term Receivables

Item	Ending Balance			Ending Balance of Prior Year			Discount Rate Range
	Carrying Amount	Loss Allowance	Carrying Value	Carrying Amount	Loss Allowance	Carrying Value	
Sales by installment	3,232,875.92		3,232,875.92	6,042,652.43		6,042,652.43	4.75
Subtotal	3,232,875.92		3,232,875.92	6,042,652.43		6,042,652.43	
Less: due within one year	3,232,875.92		3,232,875.92	2,809,776.51		2,809,776.51	
Total				3,232,875.92		3,232,875.92	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(All amounts are stated in Renminbi unless otherwise specified)

(12) Long-term Equity Investments

Investee	Closing Balance of Prior Year (Carrying Amount)	Closing Impairment Allowance of Prior Year	Changes for the Period						Cash Dividends or Profits Declared	Ending Balance (Carrying Amount)	Ending Impairment Allowance
			Additional Investment	Reduction in Investment	Investment Gains or Losses Recognized Under the Equity Method	Adjustments to Other Comprehensive Income	Other Changes in Equity				
Associates											
Jiangsu Weida Semiconductor Co., Ltd.	21,163,735.54				-243,318.78					20,920,416.76	
Silicon Kaiser integrated circuit Co., Ltd.	28,491,492.42				-1,167,899.80					27,323,592.62	
Ningbo Siwave Electronics Co., Ltd.	94,875,879.94				817,770.10			-1,059,115.18		94,634,534.86	
Xinghao Communication Technologies (Zhejiang) Co., Ltd.	298,685,189.99				-33,010,395.73	261,479.53				265,936,273.79	
Shanghai Weicheng Apartment Management Co., Ltd.	2,771,156.50			1,350,000.00	-209,457.07			360,000.00		851,699.43	
Shanghai Pudong Haiwang Private Equity Management Co., Ltd.	18,039,517.55				12,809,113.86			12,040,605.24		18,808,026.17	
Chongqing Chuangyuan Zhihang Technology Co., Ltd.			300,000,000.00		-664,758.42					299,335,241.58	
Huahui OmniVision (Xi'an) Technology Co., Ltd.			6,000,000.00		-1,905,372.23					4,094,627.77	
Total	464,026,971.94		306,000,000.00	1,350,000.00	-23,574,318.07	261,479.53	-1,059,115.18	12,400,605.24		731,904,412.98	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(13) Investments in Other Equity Instruments

1. Details of Investments in Other Equity Instruments

Item	Ending Balance of Prior Year	Changes for the Period			Ending Balance	Dividend Income Recognized in Reporting Period	Cumulative Gains Included in Other Comprehensive Income	Cumulative Losses Included in Other Comprehensive Income	Reason for Designation as Measured at Fair Value Through Other Comprehensive Income
		Reduction in Investment	Gains Recognized in Other Comprehensive Income During the Reporting Period	Losses Recognized in Other Comprehensive Income During the Reporting Period					
Private companies	6,553,722.69			2,480,767.56	4,072,955.13	294,319.16		3,947,212.87	Not held for trading
Listed securities	1,642,152,813.40	2,228,540,708.39	586,387,894.99			2,402,994.13	122,135,891.52		Not held for trading
Total	1,648,706,536.09	2,228,540,708.39	586,387,894.99	2,480,767.56	4,072,955.13	2,697,313.29	122,135,891.52	3,947,212.87	

2. Explanation of Derecognition During the Reporting Period

Item	Cumulative Gains Transferred to Retained Earnings	Cumulative Losses Transferred to Retained Earnings	Reason for Derecognition
Listed securities	122,135,891.52		Disposal

(14) Other Non-current Financial Assets

Item	Ending Balance	Ending Balance of Prior Year
Financial assets measured at fair value through profit or loss	3,656,012,172.91	3,346,755,140.13
Including: Listed securities		4,205,000.00
Private companies	632,571,604.19	644,444,640.10
Investment funds	3,023,440,568.72	2,698,105,500.03
Total	3,656,012,172.91	3,346,755,140.13

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(15) Investment Properties

1. Investment Properties Measured Using the Cost Model

Item	Buildings	Total
1. Gross Carrying Amount		
(1) Closing Balance of Prior Year	307,863,326.41	307,863,326.41
(2) Additions for the Period		
— Acquired Externally		
(3) Reductions for the Period	15,133,012.07	15,133,012.07
— Transferred to Fixed Assets	12,905,798.09	12,905,798.09
— Foreign Currency Exchange	2,227,213.98	2,227,213.98
(4) Ending Balance	292,730,314.34	292,730,314.34
2. Accumulated Depreciation and Amortization		
(1) Closing Balance of Prior Year	66,200,766.41	66,200,766.41
(2) Additions for the Period	7,101,531.23	7,101,531.23
— Provided or Amortized	7,101,531.23	7,101,531.23
(3) Reductions for the Period	3,300,491.55	3,300,491.55
— Transferred to Fixed Assets	2,822,545.50	2,822,545.50
— Foreign Currency Exchange	477,946.05	477,946.05
(4) Ending Balance	70,001,806.09	70,001,806.09
3. Impairment Allowance		
(1) Closing Balance of Prior Year		
(2) Additions for the Period		
— Provided		
(3) Reductions for the Period		
— Disposals		
(4) Ending Balance		
4. Carrying Amount		
(1) Carrying Amount at Year-end	222,728,508.25	222,728,508.25
(2) Carrying Amount at Prior Year-end	241,662,560.00	241,662,560.00

2. No Investment Properties for Which Title Certificates Have Not Yet Been Obtained

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(16) Fixed Assets

1. Fixed Assets and Assets Pending Disposal

Item	Ending Balance	Ending Balance of Prior Year
Fixed assets	3,442,032,997.38	3,125,547,285.14
Disposal of fixed assets		
Total	3,442,032,997.38	3,125,547,285.14

2. Details of Fixed Assets

Item	Freehold Land	Building	Machinery	Vehicles	Equipment	Total
1. Gross Carrying Amount						
(1) Closing Balance of Prior Year	249,078,060.00	1,518,673,552.08	3,373,166,518.06	6,782,487.11	223,068,769.82	5,370,769,387.07
(2) Additions for the Period		115,106,475.14	797,724,607.29	1,035,820.55	43,443,640.04	957,310,543.02
— Additions			3,941,993.56	1,008,860.74	31,150,433.12	36,101,287.42
— Transferred from Construction in Progress		102,200,677.05	793,782,613.73	26,959.81	12,293,206.92	908,303,457.51
— Transferred from Investment Properties		12,905,798.09				12,905,798.09
(3) Reductions for the Period	5,530,140.00	23,998,123.38	109,184,397.38	982,006.21	6,729,626.85	146,424,293.82
— Disposals or Write-offs			37,051,508.12	895,840.41	2,360,484.53	40,307,833.06
— Foreign Currency Exchange	5,530,140.00	23,998,123.38	72,132,889.26	86,165.80	4,369,142.32	106,116,460.76
(4) Ending Balance	243,547,920.00	1,609,781,903.84	4,061,706,727.97	6,836,301.45	259,782,783.01	6,181,655,636.27
2. Accumulated Depreciation						
(1) Closing Balance of Prior Year		222,780,988.17	1,807,079,593.36	5,191,933.15	166,545,014.71	2,201,597,529.39
(2) Additions for the Period		48,639,747.77	503,478,574.61	690,667.68	29,778,376.25	582,587,366.31
— Provided		45,817,202.27	503,478,574.61	690,667.68	29,778,376.25	579,764,820.81
— Transferred from Investment Properties		2,822,545.50				2,822,545.50
(3) Reductions for the Period		4,651,597.65	76,912,341.22	914,624.85	5,706,233.68	88,184,797.40
— Disposals			36,373,384.16	851,048.39	2,305,283.12	39,529,715.67
— Foreign Currency Exchange		4,651,597.65	40,538,957.06	63,576.46	3,400,950.56	48,655,081.73
(4) Ending Balance		266,769,138.29	2,233,645,826.75	4,967,975.98	190,617,157.28	2,696,000,098.30

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(All amounts are stated in Renminbi unless otherwise specified)

Item	Freehold Land	Building	Machinery	Vehicles	Equipment	Total
3. Impairment Allowance						
(1) Closing Balance of Prior Year			41,544,973.60	6,114.09	2,073,484.85	43,624,572.54
(2) Additions for the Period						
— Provided						
(3) Reductions for the Period					2,031.95	2,031.95
— Disposals					2,031.95	2,031.95
(4) Ending Balance			41,544,973.60	6,114.09	2,071,452.90	43,622,540.59
4. Carrying Amount						
(1) Carrying Amount at Year-end	243,547,920.00	1,343,012,765.55	1,786,515,927.62	1,862,211.38	67,094,172.83	3,442,032,997.38
(2) Carrying Amount at Prior Year-end	249,078,060.00	1,295,892,563.91	1,524,541,951.10	1,584,439.87	54,450,270.26	3,125,547,285.14

(17) Construction in Progress

1. Construction in Progress and Construction Materials

Item	Ending Balance			Ending Balance of Prior Year		
	Carrying Amount	Impairment Allowance	Carrying Value	Carrying Amount	Impairment Allowance	Carrying Value
Construction in progress	1,124,835,082.69		1,124,835,082.69	533,792,251.60		533,792,251.60
Construction materials						
Total	1,124,835,082.69		1,124,835,082.69	533,792,251.60		533,792,251.60

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

2. Details of Construction in Progress

Item	Ending Balance			Ending Balance of Prior Year		
	Carrying Amount	Impairment Allowance	Carrying Value	Carrying Amount	Impairment Allowance	Carrying Value
Factory	54,883,623.65		54,883,623.65	52,897,815.69		52,897,815.69
Building and facilities	270,045,087.73		270,045,087.73	211,903,984.19		211,903,984.19
Information systems	127,150.00		127,150.00	740,764.42		740,764.42
Machinery to be installed	799,779,221.31		799,779,221.31	268,249,687.30		268,249,687.30
Total	1,124,835,082.69		1,124,835,082.69	533,792,251.60		533,792,251.60

3. Changes in Material Construction in Progress Projects During the Reporting Period

Item	Ending Balance of Prior Year	Increase in Reporting Period	Amount Transferred to		Foreign Currency Exchange	Ending Balance	Project Progress	Including:			Source of Funds
			Fixed Assets During the Reporting Period	Other Reductions During the Reporting Period				Cumulative Capitalized Interest During the Reporting Period	Amount of Capitalization Interest Rate for the Reporting Period (%)	Rate of Interest for the Reporting Period (%)	
Factory	52,897,815.69	3,213,997.63			-1,228,189.67	54,883,623.65	Normal				Self-financing
Building and facilities	211,903,984.19	162,272,019.78	102,200,677.05	1,287,123.54	-643,115.65	270,045,087.73	Normal				Self-financing
Information systems	740,764.42	26,711,745.07	11,088,631.96	16,230,433.46	-6,294.07	127,150.00	Normal				Self-financing
Machinery to be installed	268,249,687.30	1,337,971,148.55	795,014,148.50	1,564,759.01	-9,862,707.03	799,779,221.31	Normal				Self-financing
Total	533,792,251.60	1,530,168,911.03	908,303,457.51	19,082,316.01	-11,740,306.42	1,124,835,082.69					

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(18) Right-of-use Assets

1. Details of Right-of-use Assets

Item	Building	Machinery	Vehicle	Total
1. Gross Carrying Amount				
(1) Closing Balance of Prior Year	336,500,880.32	669,959.60	6,444,810.27	343,615,650.19
(2) Additions for the Period	64,708,920.89		2,262,706.58	66,971,627.47
— New Leases	64,708,920.89		2,262,706.58	66,971,627.47
(3) Reductions for the Period	40,577,462.86	51,994.32	4,812,872.05	45,442,329.23
— Disposals	36,755,190.08	37,750.67	4,710,705.40	41,503,646.15
— Foreign Currency Exchange	3,822,272.78	14,243.65	102,166.65	3,938,683.08
(4) Ending Balance	360,632,338.35	617,965.28	3,894,644.80	365,144,948.43
2. Accumulated Depreciation				
(1) Closing Balance of Prior Year	186,232,783.85	361,423.26	3,080,304.96	189,674,512.07
(2) Additions for the Period	67,996,068.85	93,343.07	1,417,130.39	69,506,542.31
— Provided	67,996,068.85	93,343.07	1,417,130.39	69,506,542.31
(3) Reductions for the Period	29,398,262.03	46,704.85	3,993,632.69	33,438,599.57
— Disposals	27,562,417.05	37,750.67	3,967,884.02	31,568,051.74
— Foreign Currency Exchange	1,835,844.98	8,954.18	25,748.67	1,870,547.83
(4) Ending Balance	224,830,590.67	408,061.48	503,802.66	225,742,454.81
3. Impairment Allowance				
(1) Closing Balance of Prior Year				
(2) Additions for the Period				
— Provided				
(3) Reductions for the Period				
— Disposals				
(4) Ending Balance				
4. Carrying Amount				
(1) Carrying Amount at Year-end	135,801,747.68	209,903.80	3,390,842.14	139,402,493.62
(2) Carrying Amount at Prior Year-end	150,268,096.47	308,536.34	3,364,505.31	153,941,138.12

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(19) Intangible Assets

1. Details of Intangible Assets

Item	Land Use Right	Software	Technology	Internally Generated			Total
				Trademark	Technology	Emission	
1. Gross Carrying Amount							
(1) Closing Balance of Prior Year	436,499,227.97	147,034,839.37	2,646,599,082.79	485,252,889.03	2,617,559,609.14	703,280.00	6,333,648,928.30
(2) Additions for the Period		20,056,339.37	14,010,668.00		466,048,189.18		500,115,196.55
— Additions		3,825,905.91	14,010,668.00				17,836,573.91
— Internal R&D					466,048,189.18		466,048,189.18
— Transferred from							
Construction in Progress		16,230,433.46					16,230,433.46
(3) Reductions for the Period	6,493,175.96	3,679,689.19	42,552,269.90	9,001,440.00	64,631,867.04	703,280.00	127,061,722.09
— Disposals		2,174,440.04				703,280.00	2,877,720.04
— Foreign Currency Exchange	6,493,175.96	1,505,249.15	42,552,269.90	9,001,440.00	64,631,867.04		124,184,002.05
(4) Ending Balance	430,006,052.01	163,411,489.55	2,618,057,480.89	476,251,449.03	3,018,975,931.28		6,706,702,402.76
2. Accumulated Amortization							
(1) Closing Balance of Prior Year	67,501,777.28	118,044,912.22	2,037,840,255.15	391,059,898.95	1,481,013,991.94	187,541.28	4,095,648,376.82
(2) Additions for the Period	11,821,436.27	19,627,802.81	123,888,158.13	47,965,603.65	405,974,876.63	515,738.72	609,793,616.21
— Provided	11,821,436.27	19,627,802.81	123,888,158.13	47,965,603.65	405,974,876.63	515,738.72	609,793,616.21
(3) Reductions for the Period	1,428,589.52	3,288,368.54	38,969,012.03	8,702,760.63	38,433,327.95	703,280.00	91,525,338.67
— Disposals		2,174,440.04				703,280.00	2,877,720.04
— Foreign Currency Exchange	1,428,589.52	1,113,928.50	38,969,012.03	8,702,760.63	38,433,327.95		88,647,618.63
(4) Ending Balance	77,894,624.03	134,384,346.49	2,122,759,401.25	430,322,741.97	1,848,555,540.62		4,613,916,654.36
3. Impairment Allowance							
(1) Closing Balance of Prior Year					21,810,136.39		21,810,136.39
(2) Additions for the Period					77,239,221.90		77,239,221.90
— Provided					77,239,221.90		77,239,221.90
(3) Reductions for the Period					1,775,466.45		1,775,466.45
— Disposals					1,775,466.45		1,775,466.45
— Foreign Currency Exchange					97,273,891.84		97,273,891.84
(4) Ending Balance							
4. Carrying Amount							
(1) Carrying Amount at Year-end	352,111,427.98	29,027,143.06	495,298,079.64	45,928,707.06	1,073,146,498.82		1,995,511,856.56
(2) Carrying Amount at Prior Year-end	368,997,450.69	28,989,927.15	608,758,827.64	94,192,990.08	1,114,735,480.81	515,738.72	2,216,190,415.09

At the end of the period, intangible assets internally developed through the Company's in-house R&D accounted for 53.78% of the balance of intangible assets.

2. No Land Use Rights for Which Title Certificates Have Not Yet Been Obtained

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

(20) Development Costs

Item	Ending Balance of Prior Year	Increase in Reporting Period		Decrease in Reporting Period		Ending Balance
		Internal Development Expenditures	Recognized as Intangible Assets	Transferred to Profit or Loss	Foreign Currency Exchange	
CIS solutions	1,033,755,043.71	816,257,707.85	448,422,110.26	3,356,999.02	29,044,965.51	1,369,188,676.77
Display solutions	29,720,172.25	20,409,085.38	17,626,078.92		706,384.50	31,796,794.21
Total	1,063,475,215.96	836,666,793.23	466,048,189.18	3,356,999.02	29,751,350.01	1,400,985,470.98

(21) Goodwill

1. Changes in Goodwill

Name of Investee or Transaction Giving Rise to Goodwill	Ending Balance of Prior Year	Increase in Reporting Period		Decrease in Reporting Period		Ending Balance
		Business Combinations	Others	Disposal	Foreign Currency Exchange	
Gross Carrying Amount						
CIS solutions	2,325,652,501.87					2,325,652,501.87
Display solutions	862,794,609.51				13,609,962.43	849,184,647.08
Analog solutions	681,234,536.43					681,234,536.43
Subtotal	3,869,681,647.81				13,609,962.43	3,856,071,685.38
Impairment Allowance						
Display solutions	237,494,662.19					237,494,662.19
Subtotal	237,494,662.19					237,494,662.19
Carrying Amount	3,632,186,985.62				13,609,962.43	3,618,577,023.19

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

2. Information on the Composition of the Asset Group or Group of Asset Groups to Which Goodwill Is Allocated and the Related Operating Segments

Name	composition of the related asset group or group of asset groups and the basis therefor	Related Operating Segment And The Basis Therefor	Whether Consistent With Prior Years
CIS solutions	Note 1	Semiconductor design and sales	Yes
Display solutions	Note 2	Semiconductor design and sales	Yes
Analog solutions	Note 3	Semiconductor design and sales	Yes

Note 1: CIS solutions: Omnivision Technology (Beijing) Limited Corp. and OmniVision Celepixel Sensor (Shanghai) Co., Ltd. only retain their R&D functions (their R&D functions are carried out according to the instructions and arrangements of Beijing OmniVision Technologies Company Limited), and their original supply chain and sales functions are integrated into Beijing OmniVision Technologies Company Limited, thereby achieving unified management, resource optimization, and efficiency improvement of CIS solutions, and these constitute the CIS solution asset groups.

Note 2: Display solutions: TDDI chip business, OmniVision Touch & Display Technology (Shenzhen) Co., Ltd., and CerebrEX (Zhuhai) Co., Ltd. jointly constitute the Company's display solution. Although their products are segmented into different fields, they share production, R&D, and sales resources and cannot be separated. As the minimum profit-making units, TDDI chip business, OmniVision Touch & Display Technology (Shenzhen) Co., Ltd., and CerebrEX (Zhuhai) Co., Ltd. constitute the display solution asset groups.

Note 3: Analog solutions: Hunan Silicon Internet of Things Technology Co., Ltd., a subsidiary of the Company, independently generates cash flow and constitutes the Company's analog solution asset group.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**
(All amounts are stated in Renminbi unless otherwise specified)

3. Specific Method Used to Determine Recoverable Amount

Recoverable amount determined based on the present value of estimated future cash flows:

Item	Carrying Amount	Recoverable Amount	Impairment Loss	Length of Forecast Period	Key Parameters During the Forecast Period (Growth Rate, Margin, etc.)	Basis For Determining Key Parameters During The Forecast Period	Key Parameters	
							During the Stable Period (Growth Rate, Margin, Discount Rate, etc.)	Basis for Determining Key Parameters in Stable Period
CIS solutions	16,331,969,997.88	24,303,000,000.00		5 years	-2.50-7.20%	Revenue growth rate was determined based on historical experience and predictions of market development	Revenue growth rate (%) was 0; discount rate is 13.10%	Discount rate is the pre-tax discount rate that reflects the specific risk of the relevant asset group
Display solutions	1,004,575,926.69	1,022,000,000.00		5 years	5.85-37.93%		Revenue growth rate (%) was 0; discount rate is 10.34%	
Analog solutions	949,573,888.74	972,000,000.00		5 years	7.92-22.40%		Revenue growth rate (%) was 0; discount rate is 13.29%	
Total	18,286,119,813.31	26,297,000,000.00		/	/	/	/	/

(22) Long-term Prepaid Expenses

Item	Ending Balance of Prior Year	Increase in Reporting Period	Amortization Amount in Reporting Period	Impairment Allowance in Reporting Period	Foreign Currency Exchange	Ending Balance
Leasehold improvement	63,212,603.71	3,753,873.70	13,430,260.49		-1,241,711.14	52,294,505.78
Land improvement	16,040,246.58		702,316.04		-344,391.77	14,993,538.77
Software licenses	39,345,670.14	31,421,875.60	18,532,587.39	12,509,525.00	-879,647.15	38,845,786.20
Renovation costs	37,968,153.61		10,913,833.17			27,054,320.44
Other	12,010,757.85	3,962,124.41	11,470,001.03		-139,022.00	4,363,859.23
Total	168,577,431.89	39,137,873.71	55,048,998.12	12,509,525.00	-2,604,772.06	137,552,010.42

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(23) Deferred Tax Assets and Deferred Tax Liabilities

1. Deferred Tax Assets Before Offsetting

Item	Ending Balance		Ending Balance of Prior Year	
	Deductible	Deferred Tax	Deductible	Deferred Tax
	Temporary Differences	Assets	Temporary Differences	Assets
Provision for asset impairments	355,605,450.62	57,029,976.68	267,191,324.73	47,060,158.82
Change in fair value	2,700,000.00	405,000.00	444,548,378.40	68,891,498.65
Unrealized profit from internal transactions	1,798,239,276.50	344,736,390.09	100,350,408.84	15,052,561.32
Deductible losses	791,863,008.16	157,565,950.90	2,343,116,664.13	359,411,774.42
Share-based payments	176,231,927.80	30,288,928.98	115,600,187.55	20,250,743.86
Government grants	97,372.55	14,605.88	377,156.02	56,573.40
Interest for uncertain taxes	123,542,602.32	25,943,946.49	127,176,893.02	26,272,970.76
Accrued expenses	423,972,889.11	66,842,957.36	386,687,113.16	59,414,240.59
Depreciation and amortization of long-term assets	25,235,932.78	3,820,229.29	27,842,246.66	4,222,436.99
Lease liabilities	160,533,628.17	29,890,774.92	159,592,638.75	29,526,600.95
Others	407,484,581.05	61,289,876.20	69,497,292.07	4,540,989.19
Total	4,265,506,669.06	777,828,636.79	4,041,980,303.33	634,700,548.95

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(All amounts are stated in Renminbi unless otherwise specified)

2. Deferred Tax Liabilities Before Offsetting

Item	Ending Balance		Ending Balance of Prior Year	
	Taxable Temporary Differences	Deferred Tax Liabilities	Taxable Temporary Differences	Deferred Tax Liabilities
Appreciation from asset valuation in business combinations not under common control	583,643,523.31	82,927,502.35	673,477,522.44	95,963,544.13
Change in fair value	1,127,099,609.96	198,508,003.08	1,019,403,071.46	177,422,106.30
Depreciation and amortization of long-term assets	517,733,303.71	95,318,560.83	532,683,567.64	98,791,206.92
Capitalised development expenditure	1,998,292,933.16	415,360,194.21	1,663,690,935.81	346,327,388.71
GILTI Tax	6,303,684.41	1,323,773.73	5,538,328.50	1,163,048.98
Right-of-use assets	151,619,305.32	28,469,389.53	152,182,044.61	28,392,496.46
Others	374,787,914.51	55,837,996.12	132,372,945.15	15,795,413.15
Total	4,759,480,274.38	877,745,419.85	4,179,348,415.61	763,855,204.65

3. Deferred Tax Assets or Liabilities Presented on a Net Basis after Offsetting

Item	Ending Balance		End of Prior Year	
	Amount of Deferred Tax Assets and Liabilities Offset	Balance of Deferred Tax Assets or Liabilities After Offsetting	Amount of Deferred Tax Assets and Liabilities Offset	Balance of Deferred Tax Assets or Liabilities After Offsetting
Deferred tax assets	248,666,580.24	529,162,056.55	234,023,480.48	400,677,068.47
Deferred tax liabilities	248,666,580.24	629,078,839.61	234,023,480.48	529,831,724.17

4. Details of Unrecognized Deferred Tax Assets

Item	Ending Balance	Ending Balance of Prior Year
Deductible temporary differences	840,378,077.57	803,337,290.12
Deductible losses	1,283,397,597.53	1,348,063,869.91
Total	2,123,775,675.10	2,151,401,160.03

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

5. Deductible tax losses for which deferred tax assets have not been recognized will expire in the following years

Year	Ending Balance	Ending Balance of Prior Year	Remarks
2025		103,734,623.81	
2026	185,402,240.47	135,458,619.47	
2027	75,174,498.86	63,614,020.49	
2028	135,489,748.54	156,084,937.81	
2029	111,415,833.56	134,333,695.16	
2030	166,005,149.91	165,906,099.10	
After 2031	609,910,126.19	588,931,874.07	
Total	1,283,397,597.53	1,348,063,869.91	

(24) Other Non-current Assets

Item	Ending Balance			Ending Balance of Prior Year		
	Carrying Amount	Impairment Allowance	Carrying Value	Carrying Amount	Impairment Allowance	Carrying Value
Prepayment for land				9,750,400.00		9,750,400.00
Prepayment for equipment	57,028,158.83		57,028,158.83	91,245,632.80		91,245,632.80
Prepayment for goods				4,746,421.45		4,746,421.45
Deposits and prepayments	54,152,755.39		54,152,755.39	55,837,660.20		55,837,660.20
Prepayment for business combination	20,000,000.00		20,000,000.00			
Total	131,180,914.22		131,180,914.22	161,580,114.45		161,580,114.45

(25) Assets with Restricted Ownership or Rights of Use

Item	Ending Balance				End of Prior Year			
	Carrying Amount	Carrying Value	Type of Restriction	Details of Restriction	Carrying Amount	Carrying Amount	Type of Restriction	Details of Restriction
Cash and bank balances	20,955,239.42	20,955,239.42	Mortgage	Guarantee and deposits	32,565,642.97	32,565,642.97	Mortgage	Guarantee and deposits
Total	20,955,239.42	20,955,239.42			32,565,642.97	32,565,642.97		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(26) Short-term Borrowings

1. Classification of Short-term Borrowings

Item	Ending Balance	Ending Balance of Prior Year
Credit borrowings	1,847,200,000.00	1,080,000,000.00
Discounting of notes receivable	230,550,453.44	4,805,618.07
Interest payable on short-term borrowings	1,235,059.22	824,236.11
Total	2,078,985,512.66	1,085,629,854.18

2. No Short-term Borrowings Overdue and Unpaid

(27) Accounts Payable

1. Details of Accounts Payable by Aging Based on the Initial Recognition Date

Item	Ending Balance	Ending Balance of Prior Year
Within 1 year	2,216,114,045.52	1,932,647,567.72
1 to 2 years	16,031,039.82	407,594.93
2 to 3 years	25,857.17	2,384,057.67
Over 3 years	2,331,042.13	
Total	2,234,501,984.64	1,935,439,220.32

2. Material Accounts Payable Overdue or Aged Over One Year

Item	Ending Balance	Reasons for Non-repayment or Carryforward
Supplier 1	15,623,054.34	Unsettled with supplier
Total	15,623,054.34	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(28) Contract Liabilities

1. Details of Contract Liabilities

Item	Ending Balance	Ending Balance of Prior Year
Within 1 year	122,731,364.06	120,896,892.12
1 to 2 years	71,710,588.39	40,973,796.76
2 to 3 years	40,419,691.79	57,700,208.54
Over 3 years	5,423,434.31	6,101,827.75
Total	240,285,078.55	225,672,725.17

2. Material Contract Liabilities Aged Over One Year

Item	Ending Balance	Reasons for Non-repayment or Carryforward
Customer 1	71,412,678.29	Working in progress
Total	71,412,678.29	

(29) Employee Benefits Payable

1. Details of Employee Benefits Payable

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Foreign Currency Exchange	Ending Balance
Short-term employee benefits	316,888,153.61	3,023,512,903.09	3,000,921,933.62	-5,786,174.06	333,692,949.02
Post-employment benefits — defined contribution plans	8,875,729.37	155,291,725.59	153,200,234.78	-122,860.92	10,844,359.26
Termination benefits	6,565,176.88	1,825,871.60	3,592,222.82	-107,263.12	4,691,562.54
Other benefits due within 1 year					
Total	332,329,059.86	3,180,630,500.28	3,157,714,391.22	-6,016,298.10	349,228,870.82

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

(All amounts are stated in Renminbi unless otherwise specified)

2. Short-term Employee Benefits

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Foreign Currency Exchange	Ending Balance
(1) Wages, bonuses, allowances and subsidies	213,814,504.99	2,592,396,999.85	2,587,358,406.01	-3,308,353.55	215,544,745.28
(2) Employee welfare expenses		62,463,075.08	62,463,075.08		
(3) Social insurance contributions	5,105,219.11	89,313,589.15	88,120,877.00	-71,102.33	6,226,828.93
Including: Medical insurance	4,909,072.91	84,570,220.76	83,433,233.09	-67,935.68	5,978,124.90
Work-related injury insurance	154,152.39	3,641,111.03	3,561,162.85	-3,166.62	230,933.95
Maternity insurance	41,993.81	1,102,257.36	1,126,481.06	-0.03	17,770.08
(4) Housing provident fund	1,610,404.83	132,083,597.62	120,916,530.92	-222,437.70	12,555,033.83
(5) Trade union funds and employee education expenses	137,228.16	2,590,396.17	2,580,151.21		147,473.12
(6) Short-term paid absences	78,878,628.11	17,091,479.03	9,551,545.05	-1,877,344.75	84,541,217.34
(7) Short-term profit-sharing plans					
(8) Other	17,342,168.41	127,573,766.19	129,931,348.35	-306,935.73	14,677,650.52
Total	316,888,153.61	3,023,512,903.09	3,000,921,933.62	-5,786,174.06	333,692,949.02

3. Defined Contribution Plans

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Foreign Currency Exchange	Ending Balance
Basic pension insurance	8,658,596.40	150,226,979.42	148,246,823.93	-119,489.67	10,519,262.22
Unemployment insurance	217,132.97	5,064,746.17	4,953,410.85	-3,371.25	325,097.04
Total	8,875,729.37	155,291,725.59	153,200,234.78	-122,860.92	10,844,359.26

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(30) Taxes Payable

Tax Items	Ending Balance	Ending Balance of Prior Year
Value-added tax	4,313,143.71	13,892,806.24
Corporate income tax	316,165,775.05	176,351,826.69
Individual income tax	14,004,644.69	27,164,103.46
Property tax	5,244,326.80	4,258,751.83
Stamp tax	1,593,012.17	1,917,951.06
Other	1,643,268.92	5,508,394.49
Total	342,964,171.34	229,093,833.77

(31) Other Payables

Item	Ending Balance	Ending Balance of Prior Year
Interest payable		
Dividends payable	5,046,470.00	2,802,626.67
Other payables	1,325,998,627.82	1,129,868,524.46
Total	1,331,045,097.82	1,132,671,151.13

1. Interest Payable: None

2. Dividends Payable

Item	Ending Balance	Ending Balance of Prior Year
Dividends payable to non-controlling interests	5,046,470.00	2,802,626.67
Total	5,046,470.00	2,802,626.67

NOTES TO THE FINANCIAL STATEMENTS
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3. Other Payables

(1) Presented by Nature of Payable

Item	Ending Balance	Ending Balance of Prior Year
Payables for rebate	1,029,477,027.74	929,210,630.55
Payables for long-term assets	163,713,422.40	60,693,263.07
Payables for commission	28,606,052.25	21,256,695.58
Accruals	43,623,760.07	74,224,924.52
Temporary payment	6,269,174.28	3,072,466.66
Deposits	16,307,373.02	14,513,448.21
Other	38,001,818.06	26,897,095.87
Total	1,325,998,627.82	1,129,868,524.46

(2) No Material Other Payables Aged Over One Year or Overdue

(32) Non-current Liabilities Due Within One Year

1. Details of Non-current Liabilities Due Within One Year

Item	Ending Balance	Ending Balance of Prior Year
Long-term borrowings due within 1 year	3,289,825,983.96	2,483,501,152.67
Bonds payable due within 1 year	2,552,632,601.34	
Long-term payables due within 1 year		3,887,938.53
Provisions due within 1 year	9,924,489.88	
Lease liabilities due within 1 year	53,519,378.09	66,169,162.02
Other non-current liabilities due within 1 year	99,030,000.00	99,030,000.00
Total	6,004,932,453.27	2,652,588,253.22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Other disclosures:

Long-term Borrowings Due Within One Year

Item	Ending Balance	Ending Balance of Prior Year
Credit borrowings	3,277,550,000.02	2,427,800,000.00
Guaranteed borrowings	8,538,280.56	
Guaranteed and pledged borrowings		49,500,000.00
Interest payable on long-term borrowings	3,737,703.38	6,201,152.67
Total	3,289,825,983.96	2,483,501,152.67

Long-term Payables Due Within One Year

Item	Ending Balance	Ending Balance of Prior Year
Purchase by installment		3,887,938.53
Total		3,887,938.53

(33) Other Current Liabilities

Item	Ending Balance	Ending Balance of Prior Year
VAT to be offset	2,334,587.82	1,610,449.70
Notes receivable not derecognized	1,792,419.94	392,954.00
Total	4,127,007.76	2,003,403.70

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(All amounts are stated in Renminbi unless otherwise specified)

(34) Long-term Borrowings

Item	Ending Balance	Ending Balance of Prior Year
Credit borrowings	1,468,274,999.98	3,249,200,000.00
Guaranteed borrowings	149,446,215.81	
Guaranteed and pledged borrowings		222,750,000.00
Total	1,617,721,215.79	3,471,950,000.00

(35) Bonds Payable

1. Details of Bonds Payable

Item	Ending Balance	Ending Balance of Prior Year
Convertible bonds	2,552,632,601.34	2,523,927,350.23
Less: Other current liabilities due within 1 year	2,552,632,601.34	
Total		2,523,927,350.23

2. Explanation of Other Financial Instruments Classified as Financial Liabilities

(1) Basic Information on Convertible Corporate Bonds Outstanding at the End of the Period

Financial Instruments Outstanding	Issue Date	Accounting Classification	Dividend Rate or Interest Rate	Issue Price	Quantity	Amount	Maturity Dates or Renewal Details	Conversion Terms	Conversion Details
Will Convertible Bonds (113616)	2020/12/28	Bonds Payable	Note 1	100.00	24,400,000	2,440,000,000.00	2026/12/27	Note 2	Note 3
Total	/	/	/	100.00	24,400,000	2,440,000,000.00	/	Note 2	Note 3

Note 1: The coupon rate of the aforesaid convertible corporate bonds is 0.20% for the first year, 0.40% for the second year, 0.60% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.00% for the sixth year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Note 2: The conversion period starts from July 5, 2021 to December 27, 2026.

Note 3: As at December 31, 2025, the conversion price was RMB 161.84 per share. A total of RMB7,602,000.00 of "Will Convertible Bonds" were converted into shares of the Company, and the cumulative number of shares formed as a result of the conversion was 35,059.

(2) Schedule of Changes in Convertible Corporate Bonds Outstanding at the End of the Period

Bond Name	Issue Amount	Ending Balance of Prior Year	Interest Accrued at Face Value	Amortization of Premium or Discount	Repaid in Reporting Period	Others in Reporting Period	Conversion in Reporting Period	Ending Balance	Whether in Default
Will Convertible Bonds (113616)	2,156,448,518.79	2,523,927,350.23	43,785,299.16	71,282,576.32	43,785,299.16	42,129,303.32	448,021.89	2,552,632,601.34	No
Less: Due within 1 year								2,552,632,601.34	
Total	2,156,448,518.79	2,523,927,350.23	43,785,299.16	71,282,576.32	43,785,299.16	42,129,303.32	448,021.89		

(36) Lease Liabilities

Item	Ending Balance	Ending Balance of Prior Year
Lease payment	170,630,918.27	177,911,363.58
Less: Unrecognized financing expenses	21,825,871.29	14,810,214.20
Due within 1 year	53,519,378.09	66,169,162.02
Total	95,285,668.89	96,931,987.36

(37) Provisions

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Foreign Currency Exchange	Ending Balance
Uncertain taxes	416,752,122.56	115,119,231.69	50,038,922.04	-9,029,084.51	472,803,347.70
Onerous contracts	16,580,799.38	8,390,402.91	14,785,486.54	-261,225.87	9,924,489.88
Subtotal	433,332,921.94	123,509,634.60	64,824,408.58	-9,290,310.38	482,727,837.58
Less: Due within 1 year					9,924,489.88
Total	433,332,921.94	123,509,634.60	64,824,408.58	-9,290,310.38	472,803,347.70

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Note 1: Uncertain taxes

The Company's subsidiaries claimed certain tax benefits related to US federal and California research and development credits and entered into some transfer pricing arrangements, such as intercompany loans, allocation of general and administrative expenses, permanent establishments, and the transfer of interest in certain intellectual properties, etc. Based on the 2024 U.S. Loper Bright ruling, starting 2024, the Company claimed amortization deductions attributable to the tax basis step-up arising from certain intercompany intellectual property transferred in 2018, to offset GILTI income. However, the US federal, California and foreign tax authorities may challenge the reasonableness of these arrangements and positions and require certain tax adjustments. As at December 31, 2025, the Company has made the best estimates of the tax risks that may arise and the provisions for uncertain tax positions were recognized in income tax expense.

Note 2: Onerous contracts

The Company's subsidiaries entered into irrevocable purchase contracts with certain wafer foundries. The estimated costs of fulfilling those contracts exceed the expected economic benefits to be derived from them due to an unexpected decline in the selling prices of finished goods. As at December 31, 2025, the Company had recognized inventory write-downs in respect of these unfulfilled purchase contracts and recognized a provision for the amount by which the estimated losses exceeded the related inventory write-downs. The portion due within one year was reclassified to non-current liabilities due within one year.

(38) Deferred Income

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Foreign Currency Exchange	Ending Balance
Government grants related to assets	22,021,717.84	31,849,557.52	7,728,093.73	-452,555.79	45,690,625.84
Government grants related to income					
Total	22,021,717.84	31,849,557.52	7,728,093.73	-452,555.79	45,690,625.84

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(39) Other Non-current Liabilities

Item	Ending Balance	Ending Balance of Prior Year
Contingent consideration	99,030,000.00	187,790,000.00
Less: Due within one year	99,030,000.00	99,030,000.00
Total		88,760,000.00

Note: In February 2023, the Company signed an equity acquisition agreement with the shareholders of Hunan Silicon Internet of Things Technology Co., Ltd. ("SIT") to acquire all equity of SIT for a price not exceeding RMB1.2 billion (including a fixed consideration of RMB900 million and a maximum contingent consideration of RMB300 million). The contingent consideration was determined based on the agreement between the Company and the selling shareholders and the comprehensive achievement of a series of business indicators of SIT in the next three years, including project R&D progress, product performance, and stability of the core team. The contingent consideration was recognized as a financial liability measured at fair value through profit or loss, and the fair value of the contingent consideration financial liability was RMB 256 million at its initial recognition. As at December 31, 2025, the fair value of contingent consideration financial liabilities was RMB99.03 million (of which RMB99.03 million was presented as non-current liabilities due within one year).

(40) Share Capital

Item	Ending Balance of Prior Year	Increase (+)/Decrease (-) during the Period			Ending Balance
		Issuance of New Shares	Other	Subtotal	
Shares	1,216,123,535.00	4,849,554.00	-11,213,200.00	-6,363,646.00	1,209,759,889.00

Note 1: During the reporting period, 5,882,256 share options under 2023 Share-based Incentive Plan were exercised by employees with the proceeds of RMB461,554,738.52, among which 1,035,323 shares were used from treasury shares held by the Company and 4,846,933 shares were newly issued. As a result of exercise of share option, the share capital increased by RMB4,846,933.00, capital reserve increased by RMB364,812,536.04 and the treasury shares decreased by RMB91,895,269.48. All exercise proceeds were received in RMB.

Note 2: During the reporting period, "Will Convertible Bonds" with principal amount of RMB427,000.00 were converted into 2,621 A shares of the Company. As a result of the conversion, the share capital increased by RMB2,621.00 and capital reserve increased by RMB356,908.74.

Note 3: Approved by the Company's board of directors and shareholders' meeting, the Company cancelled 11,213,200 repurchased shares on August 7, 2025. As a result of the cancellation, the share capital decreased by RMB11,213,200.00, the capital reserve decreased by RMB988,732,652.53, and the treasury shares decreased by RMB999,945,852.53.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(41) Other Equity Instruments

1. Basic Information on Preferred Shares, Perpetual Bonds, and Other Financial Instruments Outstanding at the End of the Period

Financial Instruments Outstanding	Issue Date	Accounting Classification	Dividend Rate or Interest Rate	Issue Price	Quantity	Amount	Maturity	Conversion Terms	Conversion Details
							Dates or Renewal		
Will Convertible									
Bonds (113616)	2020/12/28	Bonds Payable	Note 1	100.00	24,400,000	2,440,000,000.00	2026/12/27	Note 2	Note 3
Total	/	/	/	100.00	24,400,000	2,440,000,000.00	/	Note 2	Note 3

Note 1: The coupon rate of the aforesaid convertible corporate bonds is 0.20% for the first year, 0.40% for the second year, 0.60% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.00% for the sixth year.

Note 2: The conversion period starts from July 5, 2021 to December 27, 2026.

Note 3: As at December 31, 2025, the conversion price was RMB 161.84 per share. A total of RMB7,602,000.00 of "Will Convertible Bonds" were converted into shares of the Company, and the cumulative number of shares formed as a result of the conversion was 35,059.

2. Schedule of Changes in Preferred Shares, Perpetual Bonds, and Other Financial Instruments Outstanding at the End of the Period

Financial Instruments Outstanding	End of Prior Year		Increase in Reporting Period		Decrease in Reporting Period		Ending Balance	
	Quantity	Carrying Amount	Quantity	Carrying Amount	Quantity	Carrying Amount	Quantity	Carrying Amount
Will Convertible Bonds (113616)	24,328,210	233,015,762.90			4,270	40,898.09	24,323,940	232,974,864.81
Total	24,328,210	233,015,762.90			4,270	40,898.09	24,323,940	232,974,864.81

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(42) Capital Reserve

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Ending Balance
Capital premium (Share premium)	11,217,208,181.90	375,657,266.77	999,220,474.52	10,593,644,974.15
Other capital reserve	328,233,298.92	256,528,288.12	12,515,178.21	572,246,408.83
Total	11,545,441,480.82	632,185,554.89	1,011,735,652.73	11,165,891,382.98

Note 1: During the reporting period, 5,882,256 share options under 2023 Share-based Incentive Plan were exercised by employees with the proceeds of RMB461,554,738.52, among which 1,035,323 shares were used from treasury shares held by the Company and 4,846,933 shares were newly issued. As a result of exercise of share option, the share capital increased by RMB4,846,933.00, capital reserve increased by RMB364,812,536.04 and the treasury shares decreased by RMB91,895,269.48. All exercise proceeds were received in RMB.

Note 2: During the reporting period, "Will Convertible Bonds" with principal amount of RMB427,000.00 were converted into 2,621 A shares of the Company. As a result of the conversion, the share capital increased by RMB2,621.00 and capital reserve increased by RMB356,908.74.

Note 3: Approved by the Company's board of directors and shareholders' meeting, the Company cancelled 11,213,200 repurchased shares on August 7, 2025. As a result of the cancellation, the share capital decreased by RMB11,213,200.00, the capital reserve decreased by RMB988,732,652.53, and the treasury shares decreased by RMB999,945,852.53.

Note 4: During the reporting period, the share-based payments increased capital reserve by RMB231,881,297.97.

Note 5: Due to the capital increase of the other shareholders of the associate Ningbo Siwave Electronics Co., Ltd., the equity interest held by the Company decreased from 37.01% to 36.59%. The difference of the net asset calculated with new shareholding ratio reduced the capital reserve by RMB1,059,115.18.

Note 6: During the reporting period, the Company acquired 40.00% non-controlling interests of Shanghai Simpli Semiconductor, Co., Ltd. The difference between the new long-term equity investment and the net asset of the subsidiary that attributable to the Company since the acquisition date calculated with new shareholding ratio, reduced the capital reserve by RMB11,456,063.03.

Note 7: The share-based payments related to the exercise of share options could be deducted as employees' benefit for tax purpose. The tax impact related to the share-based payments deducted for tax exceed the share-based payments recognised in profit or loss is directly recognised in equity, resulting an increase in capital reserve by RMB24,646,990.15.

(43) Treasury Shares

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Ending Balance
Share repurchase	1,439,898,046.74		1,091,841,122.01	348,056,924.73
Total	1,439,898,046.74		1,091,841,122.01	348,056,924.73

Note 1: During the reporting period, 5,882,256 share options under 2023 Share-based Incentive Plan were exercised by employees with the proceeds of RMB461,554,738.52, among which 1,035,323 shares were used from treasury shares held by the Company and 4,846,933 shares were newly issued. As a result of exercise of share option, the share capital increased by RMB4,846,933.00, capital reserve increased by RMB364,812,536.04 and the treasury shares decreased by RMB91,895,269.48. All exercise proceeds were received in RMB.

Note 2: Approved by the Company's board of directors and shareholders' meeting, the Company cancelled 11,213,200 repurchased shares on August 7, 2025. As a result of the cancellation, the share capital decreased by RMB11,213,200.00, the capital reserve decreased by RMB988,732,652.53, and the treasury shares decreased by RMB999,945,852.53.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**
(All amounts are stated in Renminbi unless otherwise specified)

(44) Other Comprehensive Income

Item	Reporting Period							Ending Balance
	Ending Balance of Prior Year	During the Reporting Period	Less: Amount Previously Recognized in Other Comprehensive Income and Reclassified to Profit or Loss During the Reporting Period	Less: Income Tax Expense	Net of Tax Attributable to the Company	Attributable to Non-controlling Shareholders	Less: Amount of Other Comprehensive Income Reclassified to Retained Earnings During the Reporting Period	
1. Other comprehensive income that will not be reclassified to profit or loss								
	-374,828,325.06	583,907,127.43		90,890,123.72	493,017,003.71		122,135,891.52	-3,947,212.87
Including: Changes in fair value of other equity instrument investments	-374,828,325.06	583,907,127.43		90,890,123.72	493,017,003.71		122,135,891.52	-3,947,212.87
2. Other comprehensive income that may be reclassified to profit or loss								
	949,721,375.72	-527,029,815.09			-526,797,685.29	-232,129.80		422,923,690.43
Including: Other comprehensive income under the equity method that may be reclassified to profit or loss	-1,539,601.68	261,479.53			261,479.53			-1,278,122.15
Foreign currency exchange	951,260,977.40	-527,291,294.62			-527,059,164.82	-232,129.80		424,201,812.58
Total Other Comprehensive Income	574,893,050.66	56,877,312.34		90,890,123.72	-33,780,681.58	-232,129.80	122,135,891.52	418,976,477.56

(45) Surplus Reserve

Item	Ending Balance of Prior Year	Increase in Reporting Period	Decrease in Reporting Period	Ending Balance
Statutory surplus reserve	203,693,079.22	124,625,523.39		328,318,602.61
Discretionary surplus reserve				
Total	203,693,079.22	124,625,523.39		328,318,602.61

Note: In accordance with the PRC Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(46) Retained Earnings

Item	Reporting Period	Prior Period
Retained earnings at the end of the prior year before adjustment	11,867,916,685.90	9,007,910,439.90
Total adjustments to retained earnings at the beginning of the year (increase +, decrease -)		
Retained earnings at the beginning of the year after adjustment	11,867,916,685.90	9,007,910,439.90
Add: Net profit attributable to owners of the Company during the reporting period	4,045,416,530.33	3,323,242,749.90
Amount reclassified from other comprehensive income	122,135,891.52	
Less: Appropriation to statutory surplus reserve	124,625,523.39	55,653,683.40
Dividend distribution	746,652,847.24	407,582,820.50
Retained earnings at the end of the period	15,164,190,737.12	11,867,916,685.90

(47) Operating Revenue and Operating Costs

1. Operating Revenue and Operating Costs

Item	Reporting Period		Prior Period	
	Revenue	Cost	Revenue	Cost
Main business	28,814,589,212.28	19,999,857,503.62	25,669,793,296.12	18,132,023,047.54
Other business	40,216,305.21	15,315,873.73	60,845,842.00	22,379,473.33
Total	28,854,805,517.49	20,015,173,377.35	25,730,639,138.12	18,154,402,520.87

Details of Operating Revenue:

Item	Reporting Period	Prior Period
Revenue from customer contracts	28,831,298,484.75	25,706,819,492.19
Lease income	23,507,032.74	23,819,645.93
Total	28,854,805,517.49	25,730,639,138.12

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

2. Disaggregated Information on Operating Revenue and Operating Costs

Category	Reporting Period		Prior Period	
	Operating		Operating Revenue	Operating Costs
	Revenue	Operating Costs		
Type of business:				
Semiconductor design and sales	23,800,023,132.12	15,477,745,117.46	21,640,360,843.60	14,431,724,373.76
Semiconductor distribution	4,904,807,744.19	4,519,593,317.16	3,938,917,202.20	3,651,153,724.92
Technical services	109,758,335.97	2,519,069.00	90,515,250.32	49,144,948.86
Others	16,709,272.47	6,648,071.49	37,026,196.07	10,733,909.68
Total	28,831,298,484.75	20,006,505,575.11	25,706,819,492.19	18,142,756,957.22
Revenue recognition point:				
Recognized at a point in time	28,831,298,484.75	20,006,505,575.11	25,706,819,492.19	18,142,756,957.22
Recognized over time				
Total	28,831,298,484.75	20,006,505,575.11	25,706,819,492.19	18,142,756,957.22

(48) Taxes and Surcharges

Item	Reporting Period	Prior Period
Urban maintenance and construction tax	5,399,334.38	7,140,129.39
Property tax	25,279,845.48	16,975,224.93
Stamp duties	9,998,125.34	9,927,692.36
Education surcharge	4,480,908.32	5,578,838.86
Others	763,940.24	746,182.95
Total	45,922,153.76	40,368,068.49

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

(49) Selling Expenses

Item	Reporting Period	Prior Period
Employee benefits	407,946,560.56	392,506,711.98
Travel expenses	32,582,404.32	27,506,229.20
Marketing expenses	26,355,671.65	26,769,234.94
Depreciation and amortization	19,426,999.53	29,090,373.43
Entertainment expenses	21,870,060.03	19,401,924.05
Office expenses	6,913,342.72	5,420,787.57
Lease expenses	2,980,660.02	2,385,040.35
Share-based payments	34,363,112.73	40,478,334.00
Others	11,902,891.33	13,190,195.03
Total	564,341,702.89	556,748,830.55

(50) Administrative Expenses

Item	Reporting Period	Prior Period
Employee benefits	322,944,376.99	304,853,174.76
Depreciation and amortization	147,743,033.98	220,311,472.38
Other professional service fees	87,850,784.73	92,664,666.74
Licenses fee	46,202,066.35	40,276,076.45
Office expenses	20,717,023.50	16,271,924.58
Utilities	6,351,126.52	6,702,767.90
Lease expenses	2,901,665.28	4,031,801.65
Entertainment expenses	3,744,007.65	3,368,034.12
Travel expenses	3,518,640.56	3,705,297.48
Audit fee	3,471,698.11	3,471,698.11
Share-based payments	21,453,172.20	20,412,205.85
Others	29,495,294.67	32,376,073.43
Total	696,392,890.54	748,445,193.45

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

(51) Research and Development Expenses

Item	Reporting Period	Prior Period
Employee benefits	1,395,387,669.42	1,238,357,564.71
Depreciation and amortization	600,765,731.51	605,848,463.02
Material used for R&D	171,405,391.36	111,164,862.71
Licenses fee	234,822,604.12	224,604,802.76
Professional service fees for R&D	156,653,299.54	163,156,437.84
Lease-expenses	21,398,484.77	20,687,807.67
Other professional service fees	46,550,007.59	41,482,438.29
Share-based payments	156,252,395.62	163,026,951.82
Utilities	13,050,114.47	12,606,171.41
Others	46,587,174.28	41,151,279.95
Total	2,842,872,872.68	2,622,086,780.18

(52) Finance Expenses

Item	Reporting Period	Prior Period
Interest expense	302,467,921.86	326,700,977.29
Including: Interest expense on lease liabilities	8,129,234.27	8,061,422.45
Less: Interest income	394,403,443.41	330,260,984.95
Foreign exchange gains or losses	-3,845,774.34	-32,306,050.96
Others	22,101,371.02	22,941,466.23
Total	-73,679,924.87	-12,924,592.39

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

(53) Other Income

Item	Reporting Period	Prior Period
Government grants	59,373,472.02	51,464,780.84
Additional deduction of VAT input tax	11,877,332.57	6,292,537.45
Handling fee for withholding Individual income tax	2,003,016.57	1,422,691.56
Exemption of VAT		11,708.19
Total	73,253,821.16	59,191,718.04

(54) Investment Income

Item	Reporting Period	Prior Period
Share of post-tax profits of equity accounted associates	-23,574,318.07	-33,277,397.59
Investment gain on disposal of long-term equity investments	-369,197.84	50,091,104.89
Investment gain on disposal of financial assets held for trading	300,415.09	1,251,524.86
Dividend income of investments in other equity instruments	2,697,313.29	5,052,830.22
Investment income of other non-current financial assets	34,838,597.44	20,495,796.29
Investment gain on disposal of other non-current financial assets	1,958,937.85	141,086,647.12
Interest on discount of bills	-4,018,047.16	-2,241,298.13
Total	11,833,700.60	182,459,207.66

NOTES TO THE FINANCIAL STATEMENTS
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(55) Gains from Changes in Fair Value

Sources of Gains from Changes in Fair Value	Reporting Period	Prior Period
Financial assets held for trading	93,236,495.84	-480,004.66
Other non-current financial assets	-7,591,757.18	74,739,667.93
Financial liabilities held for trading	-11,240,000.00	-16,270,000.00
Total	74,404,738.66	57,989,663.27

(56) Credit Impairment Losses

Item	Reporting Period	Prior Period
Credit Loss on notes receivable	7,853.10	11,024.28
Credit Loss on accounts receivable	29,657,877.89	11,666,127.30
Credit Loss on other receivables	229,337.43	436,298.51
Credit Loss on long-term receivables		-712,592.13
Total	29,895,068.42	11,400,857.96

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

(57) Asset Impairment Losses

Item	Reporting Period	Prior Period
Inventory write-downs and impairment loss on contract fulfillment costs	200,345,688.39	328,874,013.60
Impairment loss on intangible assets	77,239,221.90	21,565,893.45
Impairment loss on development costs	3,356,999.02	63,678,815.64
Impairment loss on goodwill		237,494,662.19
Impairment loss on onerous contracts	-6,395,083.63	-4,001,541.57
Impairment loss on long-term prepaid expenses	12,509,525.00	
Total	287,056,350.68	647,611,843.31

(58) Gains on Disposal of Assets

Item	Reporting Period	Prior Period	Amount Included in Non-recurring Profit or Loss for Reporting Period
Gains on disposal of fixed assets	-473,124.51	8,068,720.56	-473,124.51
Gains on disposal of right-of-use assets	493,907.86	774,359.32	493,907.86
Gains on disposal of intangible assets		-46,219.63	
Total	20,783.35	8,796,860.25	20,783.35

NOTES TO THE FINANCIAL STATEMENTS
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(59) Non-operating Income

Item	Reporting Period	Prior Period	Amount Included in Non-recurring Profit or Loss for Reporting Period
Compensation	448,658.81	99,077.20	448,658.81
Rebate from depositary		11,367,849.40	
Others	1,071,763.30	1,454,141.26	1,071,763.30
Total	1,520,422.11	12,921,067.86	1,520,422.11

(60) Non-operating Expenses

Item	Reporting Period	Prior Period	Amount Included in Non-recurring Profit or Loss for Reporting Period
Losses of scrapping of non-current assets	196,207.15	1,631,258.32	196,207.15
Fines	3,202,510.94	728,270.73	3,202,510.94
Compensation	3,005,672.61	2,952,164.22	3,005,672.61
Others	639,943.05	78,188.12	639,943.05
Total	7,044,333.75	5,389,881.39	7,044,333.75

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

(61) Income Tax Expense

1. Income Tax Expense Reconciliation

Item	Reporting Period	Prior Period
Current income tax expense	715,693,721.43	-28,901,815.34
Deferred income tax expense	-146,561,207.01	23,067,880.18
Total	569,132,514.42	-5,833,935.16

2. Reconciliation of Accounting Profit to Income Tax Expense

Item	Reporting Period
Total Profit	4,600,820,158.17
Income tax expense calculated at the applicable tax rate	690,123,023.73
Effect of different tax rates applicable to subsidiaries	-392,450,070.03
Effect of adjustments to income tax for prior periods	-39,184,007.63
Effect of non-taxable income	1,732,481.26
Additional deductions for R&D expenses	-119,022,398.46
Effect of non-deductible costs, expenses and losses	13,333,791.07
GILTI Tax	98,366,111.55
Uncertain taxes	62,819,244.09
Effect of using deductible tax losses for which deferred tax assets had not been recognized in prior periods	-4,916,649.25
Effect of deductible temporary differences or tax losses for which deferred tax assets were not recognized in the reporting period	63,024,024.22
Others ^(Note)	195,306,963.87
Income Tax Expense	569,132,514.42

Note: Effective January 1, 2025, the European Union, Singapore, and Hong Kong jurisdictions in which the Group operates, implemented the Pillar Two rules as issued by the Organization for Economic Co-operation and Development (OECD). These rules introduce a 15% minimum effective tax rate under the Global Anti-Base Erosion (GloBE) framework. Where the jurisdictional GloBE effective tax rate falls below the minimum, a top-up tax is levied to bridge the difference. During the reporting period, the Company estimated a top-up tax of RMB198,669,897.42, and recognized the amount as current tax expense.

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

(62) Earnings per Share

1. Basic Earnings per Share

Basic earnings per share are calculated by dividing the consolidated net profit attributable to owners of the Company by the weighted average number of ordinary shares of the Company outstanding:

Item	Reporting Period	Prior Period
Consolidated net profit attributable to owners of the Company	4,045,416,530.33	3,323,242,749.90
Weighted average number of ordinary shares outstanding of the Company	1,202,005,504.96	1,198,505,903.48
Basic Earnings per Share	3.37	2.77
Including: Basic earnings per share from continuing operations	3.37	2.77
Basic earnings per share from discontinued operations		

2. Diluted Earnings per Share

Diluted earnings per share are calculated by dividing the diluted consolidated net profit attributable to owners of the Company by the diluted weighted average number of ordinary shares of the Company outstanding:

Item	Reporting Period	Prior Period
Consolidated net profit attributable to owners of the Company (diluted)	4,045,416,530.33	3,323,242,749.90
Weighted average number of ordinary shares outstanding of the Company (diluted)	1,205,539,719.59	1,200,574,685.74
Diluted Earnings per Share	3.36	2.77
Including: Diluted earnings per share from continuing operations	3.36	2.77
Diluted earnings per share from discontinued operations		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(63) Supplementary Information to the Statement of Profit or Loss by Nature of Expense

Operating costs, selling expenses, administrative expenses, research and development expenditures are classified by nature and presented as follows:

Item	Reporting Period	Prior Period
Changes in inventories of finished goods and work in progress	18,625,381,219.06	16,957,695,386.20
Employee benefits	3,180,630,500.28	2,908,376,619.35
Depreciation and amortization	1,306,949,343.19	1,282,694,134.72
Share-based payments	232,985,787.06	245,555,414.95
Licenses fee	281,094,828.73	265,048,442.97
Material used for R&D	465,615,954.35	247,783,911.41
Professional service fees for R&D	170,438,094.91	163,570,143.51
Other Professional service fees	194,315,169.61	156,720,654.05
Maintenance cost	112,091,056.28	58,933,975.78
Utilities	87,817,797.05	78,543,815.71
Lease expenses	50,213,779.16	46,961,494.75
Travel expenses	48,441,494.32	35,084,993.22
Office expenses	45,248,744.84	32,599,894.81
Marketing expenses	26,462,331.65	27,038,573.32
Entertainment expenses	26,370,506.36	22,949,612.54
Audit fee	3,471,698.11	3,471,698.11
Others	97,919,331.73	171,860,913.34
Total	24,955,447,636.69	22,704,889,678.74

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(64) Cash Flow Statement Items

1. Cash Related to Operating Activities

(1) *Other Cash Received Related to Operating Activities*

Item	Reporting Period	Prior Period
Lease income	25,537,585.82	26,573,929.22
Government grants	81,652,735.90	49,404,181.03
Interest income	394,403,443.41	318,660,984.77
Non-operating income	800,276.30	12,042,251.65
Collection of restricted cash	2,735,543.04	35,932,000.00
Others	95,957,411.18	142,281,819.11
Total	601,086,995.65	584,895,165.78

(2) *Other Cash Paid Related to Operating Activities*

Item	Reporting Period	Prior Period
Expenses for operation	487,670,540.00	452,389,588.08
Non-operating expenses	3,739,180.10	2,211,459.97
Finance expenses	22,101,371.02	22,940,413.74
Payment for restricted cash	115,340.56	28,024,558.10
Others	82,158,154.98	179,784,071.78
Total	595,784,586.66	685,350,091.67

2. Cash Related to Investing Activities

(1) *Other Cash Paid Related to Investing Activities*

Item	Reporting Period	Prior Period
Prepayments for business combination	20,000,000.00	
The cash of a disposed subsidiary	1,998,465.19	
Total	21,998,465.19	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(2) *Material Cash Received Related to Investing Activities*

Nature	Reporting Period	Prior Period
Disposal of wealth management products	420,624,574.47	163,521,453.06
Disposal of other financial assets	110,620,933.62	502,553,337.00
Disposal of other equity instruments investment	2,228,540,708.39	
Total	2,759,786,216.48	666,074,790.06

(3) *Material Cash Paid Related to Investing Activities*

Nature	Reporting Period	Prior Period
Investment in associates	306,000,000.00	
Investment in other non-current financial assets	457,954,473.44	178,768,000.00
Purchase of wealth management products	420,000,000.00	30,000,000.00
Total	1,183,954,473.44	208,768,000.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

3. Cash Related to Financing Activities

(1) *Other Cash Paid Related to Financing Activities*

Item	Reporting Period	Prior Period
Payment for issuance cost	30,381,335.17	9,714,229.72
Payment for acquisition of non-controlling interests	12,000,000.00	
Payment for purchase by installment	3,887,938.53	2,607,052.58
Payment for lease payment	75,123,422.67	83,284,326.98
Payment for share repurchase		999,945,852.53
Payment for repurchase of restricted shares		168,050,138.20
Total	121,392,696.37	1,263,601,600.01

(2) *Changes in Liabilities Arising from Financing Activities*

Item	Ending Balance of Prior Year	Increase in Reporting Period		Decrease in Reporting Period		Ending Balance
		Cash Changes	Non-cash Changes	Cash Changes	Non-cash Changes	
Short-term borrowings	1,085,629,854.18	2,330,258,191.96	410,823.11	1,080,000,000.00	257,313,356.59	2,078,985,512.66
Long-term borrowings	5,955,451,152.67	2,092,484,496.37		3,137,925,000.00	2,463,449.29	4,907,547,199.75
Bonds payable	2,523,927,350.23		115,067,875.48	43,785,299.16	42,577,325.21	2,552,632,601.34
Lease liabilities	163,101,149.38		60,827,320.27	75,123,422.67		148,805,046.98

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(65) Supplementary Information to the Cash Flow Statement

1. Supplementary Information to the Cash Flow Statement

Supplementary Information	Reporting Period	Prior Period
1. Reconciliation of Net Profit to Cash Flows from Operating Activities		
Net Profit	4,031,687,643.75	3,284,302,206.55
Add: Credit Impairment Losses	29,895,068.42	11,400,857.96
Asset Impairment Losses	287,056,350.68	647,611,843.31
Depreciation of Fixed Assets	586,866,352.04	492,802,295.42
Depreciation of Right-of-use Assets	69,506,542.31	73,549,121.15
Amortization of Intangible Assets	604,462,826.14	665,717,606.68
Amortization of Long-term Prepaid Expenses	46,113,622.70	62,595,448.44
Loss on Disposal of Fixed Assets, Intangible Assets, and Other Long-term Assets (Gains are presented with a "-" sign)	-20,783.35	-8,796,860.25
Loss on Write-off of Fixed Assets (Gains are presented with a "-" sign)	196,207.15	1,631,258.32
Loss from Changes in Fair Value (Gains are presented with a "-" sign)	-74,404,738.66	-57,989,663.27
Finance Costs (Income is presented with a "-" sign)	298,013,451.01	294,515,181.25
Investment Losses (Income is presented with a "-" sign)	-11,833,700.60	-182,459,207.66
Decrease in Deferred Tax Assets (Increases are presented with a "-" sign)	-202,423,622.09	-9,751,553.35
Increase in Deferred Tax Liabilities (Decreases are presented with a "-" sign)	71,280,266.56	30,381,782.52
Decrease in Inventories (Increases are presented with a "-" sign)	-2,013,578,304.26	-873,486,976.65
Decrease in Operating Receivable Items (Increases are presented with a "-" sign)	-902,977,081.74	56,552,561.20
Increase in Operating Payable Items (Decreases are presented with a "-" sign)	1,036,679,962.52	96,950,768.57
Other	262,994,876.87	186,344,910.84
Net Cash Flows from Operating Activities	4,119,514,939.45	4,771,871,581.03
2. Significant Investing and Financing Activities Not Involving Cash Receipts or Payments		
Debt Converted into Capital		
Convertible Corporate Bonds Due Within One Year		
Right-of-use Assets Obtained by Assuming Lease Liabilities	66,971,627.47	54,408,526.55

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Supplementary Information	Reporting Period	Prior Period
3. Net Changes in Cash and Cash Equivalents		
Ending Balance of Cash	12,799,853,505.74	10,152,782,025.45
Less: Beginning Balance of Cash	10,152,782,025.45	9,055,098,319.79
Add: Ending Balance of Cash Equivalents		
Less: Beginning Balance of Cash Equivalents		
Net Increase in Cash and Cash Equivalents	2,647,071,480.29	1,097,683,705.66

2. Net Cash Paid for Acquiring Subsidiaries During the Reporting Period

	Amount
Cash or cash equivalents paid during the reporting period for business combinations that occurred in prior periods	100,000,000.00
Including: SIT	100,000,000.00
Net cash paid for acquiring subsidiaries	100,000,000.00

3. Net Cash Received from Disposal of Subsidiaries During the Reporting Period

	Amount
Cash or cash equivalents received from disposals of subsidiaries during the reporting period	
Including: Shenzhen Tianqin Huizhi Technology Co., Ltd.	
Less: Cash and cash equivalents held by the subsidiary on the date control was lost	1,998,465.19
Including: Shenzhen Tianqin Huizhi Technology Co., Ltd.	1,998,465.19
Net cash received from disposal of subsidiaries	-1,998,465.19

Note: It was presented in other cash paid related to investing activities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

4. **Composition of Cash and Cash Equivalents**

Item	Ending Balance	Ending Balance of Prior Year
I. Cash	12,799,853,505.74	10,152,782,025.45
Including: Cash on Hand	238,481.07	140,833.15
Balances with Banks Available on Demand	12,765,527,159.39	10,146,029,064.42
Other Monetary Funds Available on Demand	34,087,865.28	6,612,127.88
II. Cash Equivalents		
Including: Bond investments maturing within three months		
III. Ending Balance of Cash and Cash Equivalents	12,799,853,505.74	10,152,782,025.45
Including: Cash and cash equivalents held but not available for use by the Company or other subsidiaries within the Group		

Monetary Funds Not Included in Cash and Cash Equivalents:

Item	Ending Balance	Ending Balance of Prior Year	Reasons for not being classified as cash and cash equivalents
Other monetary funds	20,955,239.42	32,565,642.97	Restricted for use
Total	20,955,239.42	32,565,642.97	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(66) Foreign Currency Monetary Items

1. Foreign Currency Monetary Items

Item	Foreign Currency Balance at the End of the Period	Exchange Rate Used for Translation	RMB Equivalent at the End of the Period
Cash and Bank Balances			11,803,348,346.26
Including: US Dollar	1,662,546,425.64	7.02880	11,685,706,316.54
HK Dollar	51,632,923.42	0.90322	46,635,889.09
Others			71,006,140.63
Accounts Receivable			2,630,169,505.11
Including: US Dollar	372,822,872.66	7.02880	2,620,497,407.35
HK Dollar	2,086,503.51	0.90322	1,884,571.70
Others			7,787,526.06
Accounts Payable			3,544,679,701.31
Including: US Dollar	492,979,758.15	7.02880	3,465,056,124.08
HK Dollar	14,962,260.85	0.90322	13,514,213.24
Others			66,109,363.99

- 2. The functional currency of each of the Company's subsidiaries is determined based on the primary economic environment in which it operates. OVUS, a significant subsidiary of the Company with principal operations in the United States and Singapore, uses the U.S. dollar as its functional currency.**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

VI. R&D Expenditures

(1) R&D Expenditures

Item	Reporting Period	Prior Period
Employee benefits	1,928,781,046.84	1,724,444,577.69
Depreciation and amortization	600,765,731.51	605,848,463.02
Material costs used for R&D	460,894,011.80	247,783,911.41
Licenses fee	234,822,604.12	224,604,802.76
Professional service fees for R&D	170,438,094.91	163,570,143.51
Lease expenses	21,398,484.77	20,687,807.67
Other professional service fees	46,550,007.59	41,482,438.29
Share-based payments	156,252,395.62	163,026,951.82
Utilities	13,050,114.47	12,606,171.41
Others	46,587,174.28	41,237,866.29
Total	3,679,539,665.91	3,245,293,133.87
Including: Expensed R&D Expenditures	2,842,872,872.68	2,622,086,780.18
Capitalized R&D Expenditures	836,666,793.23	623,206,353.69

(2) Development Costs

Item	Ending Balance of Prior Year	Increase in Reporting Period		Decrease in Reporting Period		Ending Balance
		Internal Development Expenditures	Recognized as Intangible Assets	Transferred to Profit or Loss	Foreign Currency Exchange	
CIS solutions	1,033,755,043.71	816,257,707.85	448,422,110.26	3,356,999.02	29,044,965.51	1,369,188,676.77
Display solutions	29,720,172.25	20,409,085.38	17,626,078.92		706,384.50	31,796,794.21
Total	1,063,475,215.96	836,666,793.23	466,048,189.18	3,356,999.02	29,751,350.01	1,400,985,470.98

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

VII. Changes in the Scope of Consolidation

(1) No Business Combinations Not Under Common Control

(2) No Business Combinations Under Common Control

(3) No Reverse Acquisition Occurring During the Reporting Period

(4) Disposal of Subsidiaries

1. Transactions or events resulting in loss of control over subsidiaries during the reporting period

Name of Subsidiary	Consideration Received on Disposal at the Time Control Was Lost	Percentage Disposed of at the Time Control Was Lost (%)	Method of Disposal at the Time Control Was Lost	Time When Control Was Lost	Basis for Determining the Time When Control Was Lost	Difference Between the Disposal Consideration and the Share of Net Assets of the Subsidiary Corresponding to the Disposed of Retained Equity Interests on the Date Control Was Lost	Percentage of Retained Equity Interests on the Date Control Was Lost	Carrying Amount of Retained Equity Interests at the Date Control Was Lost	Fair Value of Retained Equity Interests at the Date Control Was Lost	Gain or Loss Arising from Remeasurement of Retained Equity Interests at the Date Control Was Lost	Method for Determining the Fair Value of Retained Equity Interests at the Date Control Was Lost	Amount of Other Comprehensive Income Related to Investment in the Former Subsidiary Reclassified to Investment Profit or Loss/ Retained Earnings
Shenzhen Tianqin Huizhi Technology Co., Ltd.	2,000,000.00	100.00	Transfer	April 30, 2025	Transfer of control	-369,197.84						

(5) Changes in the Scope of Consolidation Due to Other Reasons

During the reporting period, the Company established Chongqing Jinghongzhi Electronics Co., Ltd., Superpix Integrated Circuit Design (Shanghai) Co., Ltd., and OmniVision International (Cayman) Company Limited, all of which were included in the scope of consolidated financial statements. During the reporting period, Anhao Technology (Tianjin) Co., Ltd. and SuperPix Micro Technology Co., Ltd. (Tianjin) were deregistered and were no longer included in the scope of consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

VIII. Interests in Other Entities

(1) Interests in Subsidiaries

1. Composition of the Group

Name of Subsidiary	Registered Capital	Principal Place of Business	Nature of Business	Company Type	Shareholding (%)		Acquisition Method
					Direct	Indirect	
Will Semiconductor Limited	HKD68.60 million USD11.00 million	Hong Kong, PRC	Semiconductor sales	Not applicable	100.00		Establishment
OmniVision TDDI Ontario LP	USD110.25 million	Canada	Semiconductor design	Not applicable		100.00	Establishment
OmniVision IC Group Co., Ltd. Shanghai	CNY500 million	Mainland China	Semiconductor design and sales	Limited company	100.00		Establishment
HK Waching Electronic (Group) Limited	HKD100 million	Hong Kong, PRC	Semiconductor sales	Not applicable		100.00	Business combination under common control
Beijing Jinghongzhi Technology Co., Ltd.	CNY430 million	Mainland China	Semiconductor sales	Limited company	100.00		Business combination under common control
Shenzhen Jinghongzhi Electronics Co., Ltd.	CNY40 million	Mainland China	Semiconductor sales	Limited company		100.00	Business combination under common control
Shenzhen Jinghongzhi Logistics Co., Ltd.	CNY80 million	Mainland China	Semiconductor sales	Limited company		100.00	Establishment
OmniVision Technologies, Inc.	USD1	USA	Semiconductor design and sales	Not applicable		100.00	Business combination under common control
OmniVision Technologies Singapore Pte. Ltd.	USD0.5 million	Singapore	Semiconductor design and sales	Not applicable		100.00	Business combination under common control
OmniVision International Ontario LP	USD100	Canada	Semiconductor design	Not applicable		100.00	Establishment

(2) Transactions resulting in changes in ownership interests in subsidiaries without loss of control

1. Explanation of Changes in Ownership Interests in Subsidiaries

During the reporting period, the Company acquired 40.00% non-controlling interests of Shanghai Simpli Semiconductor, Co., Ltd., and the transaction does not affect the Company's control over Shanghai Simpli Semiconductor, Co., Ltd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

2. Effect of the Transactions on Non-controlling Interests and Equity Attributable to Owners of the Company

Shanghai Simpli Semiconductor, Co., Ltd.	
Acquisition Cost/Disposal Consideration	
— Cash	12,000,000.00
Total Acquisition Cost/Disposal Consideration	12,000,000.00
Less: Share of Net Assets of the Subsidiary Calculated Based on the Acquired/Disposed Equity Interest Percentage	543,936.97
Difference	11,456,063.03
Including: Adjustment to Capital Reserve	11,456,063.03

(3) Interests in Joint Arrangements or Associates

1. Associates

Name of Joint Venture or Associate	Principal Place of Business	Nature of Business	Shareholding (%)		Accounting Treatment for Investments in Joint Ventures or Associates
			Direct	Indirect	
Jiangsu Weida Semiconductor Co., Ltd.	Jiangsu, PRC	Semiconductor design and sales	25.00		Equity method
Silicon Kaiser integrated circuit Co., Ltd.	Shanghai, PRC	Semiconductor design and sales	39.00		Equity method
Ningbo Siwave Electronics Co., Ltd.	Zhejiang, PRC	Semiconductor design and sales	36.59		Equity method
Xinghao Communication Technologies (Zhejiang) Co., Ltd.	Zhejiang, PRC	Semiconductor design and sales	48.44		Equity method
Chongqing Chuangyuan Zhihang Technology Co., Ltd.	Chongqing, PRC	Semiconductor design and sales	24.00		Equity method
Huahui OmniVision (Xi'an) Technology Co., Ltd.	Shanxi, PRC	Semiconductor design and sales	40.00		Equity method
Shanghai Weicheng Apartment Management Co., Ltd.	Shanghai, PRC	Management services		30.00	Equity method
Shanghai Pudong Haiwang Private Equity Management Co., Ltd.	Shanghai, PRC	Investment management		26.00	Equity method

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

2. Aggregate Financial Information of Individually Immaterial Joint Ventures and Associates

	Ending Balance/ Reporting Period	Closing Balance of Prior Year/Prior Period
Associates:		
Aggregate carrying amount of investments	731,904,412.98	464,026,971.94
Aggregate amount of the following items calculated based on ownership percentage		
— Net Profit	-23,574,318.07	-33,277,397.59
— Other Comprehensive Income	261,479.53	-748,128.03
— Total Comprehensive Income	-23,312,838.54	-34,025,525.62

(4) No Material Joint Operations

(5) No Interests in Structured Entities Not Included in the Consolidated Financial Statements

IX. Government Grants

(1) Government Grants Recognized in Profit or Loss

Type	Reporting Period	Prior Period
Government grants related to assets	7,728,093.73	10,168,814.22
Government grants related to income	52,645,378.29	41,295,966.62
Total	60,373,472.02	51,464,780.84

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

(2) Liability Items Related to Government Grants

Liability item	Ending Balance of Prior Year	Amount of Grants Newly Received During the Reporting Period	Amount Transferred to Other Income During the Reporting Period	Foreign Currency Exchange	Ending Balance	Asset-related/ Income-related
Deferred income	22,021,717.84	31,849,557.52	7,728,093.73	-452,555.79	45,690,625.84	Assets-related
Deferred income						Income-related

(3) No Repayment of Government Grants

X. Risks Related to Financial Instruments

(1) Various Risks Arising from Financial Instruments

In the course of its operations, the Company is exposed to various financial risks: credit risk, liquidity risk, and market risk. The Board of Directors of the Company is fully responsible for risk management and ultimately responsible for the risk management objectives and policies.

The overall objective of the Company's risk management is to minimize the potential adverse impact on the Company's financial performance due to the unpredictability of financial markets without unduly affecting the Company's competitiveness and resilience, and to formulate risk management policies that minimize risks.

1. Credit Risk

Credit risk is the risk of financial loss to the Company arising from a counterparty's failure to perform its contractual obligations.

The Company's credit risk arises principally from cash and bank balances, notes receivable, accounts receivable, financing receivables, other receivables and long-term receivables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

The Company's cash and bank balances consist principally of balances maintained with state-owned banks and other large and medium-sized listed banks with sound reputations and high credit ratings. The Company believes there is no significant credit risk associated with such balances and that material losses arising from bank default are highly unlikely.

In addition, for notes receivable, accounts receivable, financing receivables, other receivables, and similar items, the Company has established relevant policies to control its exposure to credit risk. The Company assesses customers' credit quality based on their financial position, the availability of third-party guarantees, credit history, and other factors such as current market conditions, and sets corresponding credit terms. The Company regularly monitors customers' credit records. For customers with poor credit records, the Company may use measures such as written collection notices, shortened credit periods, or cancellation of credit terms to ensure that the Company's overall credit risk remains within a controllable range.

2. Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(All amounts are stated in Renminbi unless otherwise specified)

The Company's financial liabilities, based on undiscounted contractual cash flows and analyzed by maturity date, are presented below:

Item	Ending Balance				Aggregate	Carrying Amount
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Undiscounted Contractual Amount	
Short-term						
Borrowings	2,097,231,122.88				2,097,231,122.88	2,078,985,512.66
Accounts						
Payable	2,234,501,984.64				2,234,501,984.64	2,234,501,984.64
Other Payables	1,331,045,097.82				1,331,045,097.82	1,331,045,097.82
Non-current						
Liabilities Due						
Within One						
Year	6,176,680,458.32				6,176,680,458.32	6,004,932,453.27
Long-term						
Borrowings	35,021,347.52	1,510,166,916.44	128,849,309.35		1,674,037,573.31	1,617,721,215.79
Lease Liabilities		34,976,527.36	58,837,131.70	16,183,126.57	109,996,785.63	95,285,668.89
Total	11,874,480,011.18	1,545,143,443.80	187,686,441.05	16,183,126.57	13,623,493,022.60	13,362,471,933.07

Item	Ending Balance of Prior Year				Aggregate	Carrying Amount
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Undiscounted Contractual Amount	
Short-term						
Borrowings	1,100,241,292.54				1,100,241,292.54	1,085,629,854.18
Accounts						
Payable	1,935,439,220.32				1,935,439,220.32	1,935,439,220.32
Other Payables	1,132,671,151.13				1,132,671,151.13	1,132,671,151.13
Non-current						
Liabilities Due						
Within One						
Year	2,690,692,934.45				2,690,692,934.45	2,652,588,253.22
Long-term						
Borrowings	86,666,760.00	2,892,433,555.37	624,610,912.88	25,125,386.30	3,628,836,614.55	3,471,950,000.00
Bonds Payable	43,790,778.00	2,724,759,520.00			2,768,550,298.00	2,523,927,350.23
Lease Liabilities		52,154,654.18	54,320,502.94	5,267,044.44	111,742,201.56	96,931,987.36
Other						
Non-current						
Liabilities		95,000,000.00			95,000,000.00	88,760,000.00
Total	6,989,502,136.44	5,764,347,729.55	678,931,415.82	30,392,430.74	13,463,173,712.55	12,987,897,816.44

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

3. **Market Risk**

Market risk arising from financial instruments is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including foreign exchange risk, interest rate risk, and other price risk.

(1) *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises mainly from bank loans.

Interest-bearing financial instruments with fixed rates and floating rates expose the Company to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the mix of fixed-rate and floating-rate instruments in light of market conditions and maintains an appropriate mix through periodic review and monitoring. When necessary, the Company uses interest rate swaps to hedge interest rate risk. There were no interest rate swap arrangements in 2025 and 2024.

(2) *Foreign Exchange Risk*

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's significant subsidiaries are located in the United States and Singapore, and their principal transactions are settled in U.S. dollars. The Company's foreign exchange risk arises mainly from financial assets and liabilities denominated in foreign currencies such as U.S. dollars and Hong Kong dollars. The Company continuously monitors the volume of foreign currency transactions and foreign currency-denominated assets and liabilities to minimize its exposure to foreign exchange risk. When appropriate, the Company may enter into forward foreign exchange contracts or currency swap contracts to manage this risk. In 2025 and 2024, however, the Company did not enter into any forward foreign exchange contracts or currency swap contracts to hedge its foreign exchange exposure.

For details of the Company's foreign currency monetary assets and liabilities at the end of Reporting Period, please refer to the notes to foreign currency monetary items of consolidated financial statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(3) *Other Price Risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from foreign exchange risk or interest rate risk.

The Company's other price risk arises mainly from various equity instrument investments and reflects the risk of changes in equity instrument prices.

Item	Ending Balance	Ending Balance of Prior Year
Financial Assets Held for Trading	125,672,949.95	
Investments in Other Equity Instruments	4,072,955.13	1,648,706,536.09
Other Non-current Financial Assets	3,656,012,172.91	3,346,755,140.13
Total	3,785,758,077.99	4,995,461,676.22

As at December 31, 2025, assuming all other variables remain unchanged, if the value of equity instruments rises or falls by 20.00%, the Company will increase or decrease its net profit by RMB617.99 million and its other comprehensive income by RMB0.81 million (as at December 31, 2024: net profit RMB542.25 million, other comprehensive income RMB278.83 million).

(2) **Transfers of Financial Assets**

1. *Details of Transfers of Financial Assets*

Method of Transfer of Financial Assets	Transferred Financial Assets Nature	Amount	Details of derecognition	Basis For Determining Derecognition
Transfer of discounted and endorsed notes	Notes Receivable	232,342,873.38	Recognition	Certain risks may remain with the Company.
Transfer of endorsed notes	Financing Receivables	435,114,214.39	Derecognition	Substantially all the risks and rewards of ownership have been transferred.
Total		667,457,087.77		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

2. Financial Assets Derecognized Due to Transfer

Item	Method of Transfer of Financial Assets	Gains or Losses	
		Amount Derecognized	Related to Derecognition
Financing Receivables	Transfer of endorsed notes	435,114,214.39	
Total		435,114,214.39	

3. Transferred Financial Assets with Continuing Involvement

Item	Method of Transfer of Financial Assets	Type of Continuing Involvement	Amount of	Amount of
			Assets Arising from Continuing Involvement	Liabilities Arising from Continuing Involvement
Notes receivable	Discounted notes	Short-term Borrowings	230,550,453.44	230,550,453.44
Notes receivable	Transfer of endorsed notes	Other Current Liabilities	1,792,419.94	1,792,419.94
Total			232,342,873.38	232,342,873.38

XI. Fair Value Disclosure

Inputs used in fair value measurement are categorized into three levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be obtained on the measurement date.

Level 2 inputs are inputs other than Level 1 inputs that are observable for the related asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the related assets or liabilities.

The level within the fair value hierarchy to which the result of a fair value measurement is categorized is determined based on the lowest level input that is significant to the fair value measurement as a whole.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(1) Ending Fair Value of Assets and Liabilities Measured at Fair Value

Item	Fair Value at Period End			Total
	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	
I. Recurring Fair Value Measurement				
◆ Financial Assets Held for Trading		125,672,949.95		125,672,949.95
1. Financial Assets Measured at Fair Value Through Profit or Loss		125,672,949.95		125,672,949.95
(1) Listed securities		125,672,949.95		125,672,949.95
◆ Financing Receivables		219,184,600.13		219,184,600.13
◆ Investments in Other Equity Instruments			4,072,955.13	4,072,955.13
◆ Other Non-current Financial Assets			3,656,012,172.91	3,656,012,172.91
1. Financial Assets Measured at Fair Value Through Profit or Loss			3,656,012,172.91	3,656,012,172.91
(1) Private companies			632,571,604.19	632,571,604.19
(2) Investment funds			3,023,440,568.72	3,023,440,568.72
Total Assets Measured at Fair Value on a Recurring Basis		344,857,550.08	3,660,085,128.04	4,004,942,678.12
◆ Trading Financial Liabilities			99,030,000.00	99,030,000.00
1. Financial Liabilities Held for Trading			99,030,000.00	99,030,000.00
(1) Contingent consideration			99,030,000.00	99,030,000.00
Total Liabilities Measured at Fair Value on a Recurring Basis			99,030,000.00	99,030,000.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(2) Basis for determining quoted prices for recurring and non-recurring Level 1 fair value measurements

For financial assets held for trading, investments in other equity instruments and other non-current financial assets measured at the continuing and discontinuing Level I fair value, the Company determines the fair value of the measurement items based on the quoted market price.

(3) Qualitative and quantitative information on valuation techniques and significant inputs used for recurring and non-recurring Level 2 fair value measurements

Listed securities: The fair value is determined by the publicly traded price adjusted for liquidity discount.

Financing receivables: The financing receivables measured at fair value mainly consists of bank acceptance bills intended for discounting or endorsement. Due to the short remaining term, the fair value is similar to the book value, the Company uses the book value as its fair value.

(4) Qualitative and quantitative information on valuation techniques and significant inputs used for recurring and non-recurring Level 3 fair value measurements

Item	Fair Value at Period End	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Investments in Other Equity Instrument				
Private companies	4,072,955.13	Comparative approach with other listed companies	Corporate value/ earnings before interest and tax Liquidity discount	18.25 13.69%
Other Non-current Financial Assets				
Private companies	632,571,604.19	Recent transaction price backward approach	Transaction time and terms	Not applicable
Investment funds	3,023,440,568.72	Net asset value of correlative investment	Net asset value	0.9990–9.6189
Other Non-current Liabilities				
Contingent consideration	99,030,000.00	Discount cash flow method	Discount rate	6.00%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(All amounts are stated in Renminbi unless otherwise specified)

XII. Related Parties and Related Party Transactions

(1) Information on the Company's Parent

Ultimate beneficial owner	Relevant Relation	Nationality	Shareholding amount	Percentage of Equity Interest Held in the Company (%)	Percentage of Voting Rights Held in the Company (%)
YU Renrong	Ultimate beneficial owner	P. R. China	378,576,912	31.29	31.29

Note: As at December 31, 2025, Mr. Yu Renrong, the ultimate beneficial owner of the Company, held 303,472,250 A shares of the Company and owned 74,132,662 A shares of the Company through Shaoxing Weihao Equity Investment Funds Management Partnership (Limited Partnership), which is controlled by Mr. YU Renrong. In addition, Mr. YU Xiaorong, a close relative of Mr. YU Renrong, held 972,000 A shares in the Company. In total, Mr. YU Renrong held 378,576,912 A shares of the Company, accounting for 31.29% of the Company's total shareholding and voting rights.

(2) Information on the Company's Subsidiaries

For information on the Company's subsidiaries, see "VIII. Interests in Other Entities" in these notes.

(3) Information on the Company's Joint Ventures and Associates

For the Company's significant joint ventures or associates, see "VIII. Interests in Other Entities" in these Notes.

Other joint ventures or associates that had related party transactions with the Company during the reporting period, or that had balances arising from related party transactions with the Company in prior periods, are set out below:

Name of Joint Venture or Associate	Relationship with the Company
Jiangsu Weida Semiconductor Co., Ltd.	Associate
Shanghai Weicheng Apartment Management Co., Ltd.	Associate
Xinghao Communication Technologies (Zhejiang) Co., Ltd. and its subsidiaries	Associate

(4) Other Related Parties

Name of Other Related Party	Relationship of Other Related Party with the Company
Shenzhen Tianqin Huizhi Technology Co., Ltd.	Disposed by the Company in April 2025
Ingenic Semiconductor Co., Ltd.	Other

Note: Subsidiaries disposed of by the Company shall remain as related parties within 12 months from the date of disposal, and the transaction amount during this period shall be disclosed as related party transactions as follows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(5) Related Party Transactions

1. **Related Party Transactions Involving the Purchase and Sale of Goods and the Rendering and Receipt of Services**

Schedule of Purchases of Goods/Receipt of Services

Related Parties	Contents of related party transaction	Reporting Period	Prior Period
Jiangsu Weida Semiconductor Co., Ltd.	Chips	7,866,276.96	3,646,538.01
Shenzhen Tianqin Huizhi Technology Co., Ltd.	Chips	20,834,228.46	
Xinghao Communication Technologies (Zhejiang) Co., Ltd. and its subsidiaries	Chips	6,518,645.78	

Schedule of Sales of Goods/Rendering of Services

Related Parties	Contents of related party transaction	Reporting Period	Prior Period
Ingenic Semiconductor Co., Ltd.	Chips		3,270.84
Jiangsu Weida Semiconductor Co., Ltd.	Chips	332,566.37	268,584.07
Xinghao Communication Technologies (Zhejiang) Co., Ltd. and its subsidiaries	Services	1,068,926.49	1,670,026.72

2. **Related Party Leases**

The Company as Lessor:

Name of Lessee	Class of Leased Assets	Lease Income Recognized During the Reporting Period	Lease Income Recognized in the Prior Period
Shanghai Weicheng Apartment Management Co., Ltd.	Buildings	8,413,632.48	8,471,474.27
Xinghao Communication Technologies (Zhejiang) Co., Ltd. and its subsidiaries	Buildings	28,800.00	674,397.30

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(All amounts are stated in Renminbi unless otherwise specified)

3. Related Party Guarantees

The Company as Guarantor:

Guarantor	Guaranteed Party	Guarantee Amount	Guarantee Start Date	Guarantee Expiry Date	Whether the Guarantee Has Been Performed in Full
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	15,027,674.26	2025/5/28	2030/5/26	No
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	12,393,857.79	2025/6/13	2030/5/26	No
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	7,963,114.16	2025/7/25	2030/5/26	No
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	11,905,133.16	2025/8/28	2030/5/26	No
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	12,234,896.20	2025/11/20	2030/5/26	No
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	13,077,015.43	2025/12/16	2030/5/26	No
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	16,853,629.50	2025/8/6	2030/8/6	No
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	10,569,501.00	2025/8/14	2030/8/6	No
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	5,975,610.00	2025/8/21	2030/8/6	No
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	23,260,000.00	2025/9/4	2030/8/6	No
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	12,715,496.07	2025/10/13	2030/8/6	No
OmniVision Integrated Circuits Group, Inc.	OmniVision IC Group Co., Ltd. Shanghai	16,008,568.80	2025/10/20	2030/8/6	No
Total		157,984,496.37	/	/	/

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

4. Compensation of Directors, Supervisors and Key Management Personnel

Director/ Senior Management/ Supervisor	Reporting Period					Prior Period				
	Allowance	Salaries and bonuses	Retirement, medical, housing and other benefits	Share-based payments	Total	Allowance	Salaries and bonuses	Retirement, medical, housing and other benefits	Share-based payments	Total
Yu RenRong		2,639,055.00	184,397.52		2,823,452.52		2,266,920.00	180,272.92		2,447,192.92
Jia Yuan		589,231.00	167,887.92	2,009,810.85	2,766,929.77		589,231.00	166,735.56	1,605,603.86	2,361,570.42
Wu Xiaodong		2,651,618.00	167,887.92	649,427.92	3,468,933.84		2,871,448.20	166,735.56	802,801.93	3,840,985.69
Qiu Huanping		1,437,365.45	167,887.92	271,848.51	1,877,101.88		1476956.75	166735.56	240840.58	1,884,532.89
LYU Dalong										
Chen Zhibin										
Wu Xingjun	66,666.67				66,666.67	135,000.00				135,000.00
Hu Renyu	66,666.67				66,666.67	135,000.00				135,000.00
Zhu Liting	150,000.00				150,000.00	135,000.00				135,000.00
Mou Lei	83,333.33				83,333.33					
Fan MingXi	83,333.33				83,333.33					
Gao Wenbao		116,076.00	27,573.84		143,649.84					
Wang Song		2,310,668.00	167,887.92	649,427.92	3,127,983.84		2,379,719.50	166,735.56	802,801.93	3,349,256.99
Ren Bing		1,006,800.31	167,887.92	639,933.69	1,814,621.92		1,093,458.31	166,735.56	669,001.61	1,929,195.48
Xu Xing		744,305.00	98,294.37	327,909.77	1,170,509.14					
Xue Jie		307,810.00	69,593.55		377,403.55		550,200.00	166735.56		716,935.56
Sun Xiaowei		192,620.13	69,593.55		262,213.68		775,199.10	166,735.56		941,934.66
Chu Jun										
Total	450,000.00	11,995,548.89	1,288,892.43	4,548,358.66	18,282,799.98	405,000.00	12,003,132.86	1,347,421.84	4,121,049.91	17,876,604.61

Note 1: Mr. Wu Xingjun and Mr. Hu Renyu resigned as independent directors in June 2025 and Mr. Mou Lei and Ms. Fan MingXi were appointed as independent directors in June 2025.

Note 2: Mr. Xu Xing was appointed as chief financial officer in June 2025; Mr. Wang Song resigned general manager and was appointed as deputy general manager in November 2025 and Dr. Gao Wenbao was appointed as general manager in November 2025.

Note 3: The Company adjusted its governance structure and no longer has a board of supervisors or supervisors during the reporting period. The functions and powers of the original board of supervisors have been assumed by the audit committee.

The compensation of the aforementioned personnel is presented based on their actual tenure during the reporting period.

During the reporting period, no amounts were paid or are payable to any directors as an inducement to join or upon joining the Company; and no compensation was paid or is payable to any directors or past directors for the loss of office as a director of any member of the Company or of any other office in connection with the management of the Company's affairs.

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(All amounts are stated in Renminbi unless otherwise specified)

(a) *The top five highest-paid employees*

In 2025, the Company's top five highest-paid employees did not include directors (2024: nil), whose compensation was set out below.

Item	Reporting Period	Prior Period
Salaries and bonuses	26,263,419.27	26,585,360.58
Retirement, medical, housing and other benefits	1,522,054.41	1,389,083.96
Share-based payments	7,927,611.29	6,235,032.02
Total	35,713,084.97	32,820,392.55

Item	Number of Employees in Reporting Period	Number of Employees in Prior Period
HKD5,500,001 to 6,000,000	2	2
HKD7,500,001 to 8,000,000	2	1
HKD8,000,001 to 8,500,000		1
HKD8,500,001 to 9,000,000		1
HKD11,000,001 to 11,500,000	1	
Total	5	5

During the reporting period, no amounts were paid or are payable to any of the five highest paid individuals as an inducement to join or upon joining the Company; and no compensation was paid or is payable to any of the five highest paid individuals for the loss of any office in connection with the management of the affairs of any member of the Company.

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(All amounts are stated in Renminbi unless otherwise specified)

(6) Outstanding Balances with Related Parties, Including Receivables and Payables

1. Receivable Items

Item	Related Parties	Ending Balance		Ending Balance of Prior Year	
		Carrying Amount	Loss Allowance	Carrying Amount	Loss Allowance
Accounts Receivable					
	Jiangsu Weida Semiconductor Co., Ltd.			84,000.00	4,200.00
	Xinghao Communication Technologies (Zhejiang) Co., Ltd.	87,585,364.74	54,143,897.42	89,385,912.19	28,763,911.09
Prepayments					
	Xinghao Communication Technologies (Zhejiang) Co., Ltd.			2,812,036.47	
Other Receivables					
	Shanghai Weicheng Apartment Management Co., Ltd.			11,300.00	565.00
Long-term Receivables (note)					
	Xinghao Communication Technologies (Zhejiang) Co., Ltd.	3,232,875.92		6,042,652.43	

Note: Long-term receivables are undiscounted amounts of receivables and include portions due within one year.

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

2. Payable Items

Item	Related Parties	Ending Carrying Amount	Carrying Amount at End of Prior Year
Accounts Payable	Jiangsu Weida Semiconductor Co., Ltd.	419,812.83	296,975.40
	Shenzhen Tianqin Huizhi Technology Co., Ltd.	483,182.92	
Other Payables	Shanghai Weicheng Apartment Management Co., Ltd.	1,194,574.54	2,544,574.54
	Xinghao Communication Technologies (Zhejiang) Co., Ltd.		3,360.00

(7) Commitments of Related Parties

The following are commitments related to related parties that had been contracted for but did not yet need to be recognized on the balance sheet as at the balance sheet date:

Item	Related Parties	Ending Balance	Ending Balance of Prior Year
Leases — Lease out	Shanghai Weicheng Apartment Management Co., Ltd.	84,684,143.23	96,596,721.36

Note: The Company signed a lease agreement with Shanghai Weicheng Apartment Management Co., Ltd. to lease the property held by the Company at Floor 3-8, Building C, Block 1, No. 3000 Longdong Avenue, Pudong New Area, Shanghai, P. R. China to Shanghai Weicheng Apartment Management Co., Ltd. for operation and management. According to the lease agreement, the lease term is from February 18, 2021 to February 17, 2036, and the lease fee payable after the balance sheet date according to the agreement is RMB84,684,143.23.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

XIII. Share-based Payments

(1) General Information on Share-based Payments

Category of Grantees	Equity Instruments Granted During The Reporting Period		Equity Instruments Exercised During The Reporting Period		Equity Instruments Vested During The Reporting Period		Equity Instruments Forfeited During The Reporting Period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
2022 Share Options							6,064,828	89,130,509.27
2023 Share Options			5,882,256	146,504,185.35			700,214	19,115,842.20
2025 Share Options	19,983,400	285,013,242.50						
Total	19,983,400	285,013,242.50	5,882,256	146,504,185.35			6,765,042	108,246,351.47

Share options or other equity instruments outstanding at the end of the period

Category of Grantees	Stock Options Outstanding At The End of The Period		Other Equity Instruments Outstanding At The End of The Period	
	Range of Exercise Prices	Remaining Contractual Term	Range of Exercise Prices	Remaining Contractual Term
2023 Share Options	RMB78.01/share	9.3 to 21.3 months		
2025 Share Options	RMB138.67/share	15 to 39 months		

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

(2) Details of equity-settled share-based payments

Method for determining the fair value of equity instruments on the grant date	Fair value of equity instruments granted at grant date.
Significant parameters used in determining the fair value of equity instruments on the grant date	The fair value of share options was determined by using the Black-Scholes option pricing model, with important parameters such as the annualized volatility of the Shanghai Stock Exchange Index, the earning rate of China government bonds, and the most recent dividend rate.
Basis for determining the number of equity instruments that may vest	On each balance sheet date during the waiting period, the Company makes its best estimate of the number of equity instruments that are expected to be exercisable, based on subsequent information such as the latest change in the number of exercisable employees and the expected fulfillment of service conditions and performance conditions.
Reasons for significant differences between estimates made during the reporting period and those made during the prior period	None
Cumulative amount of equity-settled share-based payments recognized in capital reserve	1,774,268,957.20

(1) 2023 Share Options

The 2023 Share Option Incentive Plan was approved at the Third Extraordinary General Meeting held on October 10, 2023. The Company adopted 2023 incentive plan that granted 19,987,450 share options at the initial exercise price of RMB78.97 per share to 2,856 employees on October 10, 2023 and the share option would be exercisable in three tranches within 36 months.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(2) 2025 Share Options

The 2025 Share Option Incentive Plan was approved at the First Extraordinary General Meeting held on March 31, 2025. The Company adopted 2025 incentive plan that granted 19,983,400 share options at the initial exercise price of RMB139.29 per share to 3,361 employees on March 31, 2025 and the share option would be exercisable in three tranches within 36 months.

The above-mentioned share-based incentive plan, in addition to meeting the granting conditions, must also meet the requirements of 1) the Company's performance condition; 2) the incentive recipients' performance condition on the individual basis, so that the incentive recipients' share options or restricted shares could be exercisable or attributable. The corresponding number of share options or the restricted shares as well as the exercise price will be adjusted in case of transfer from capital reserves to share capital, distribution of dividends, share split, allotment of shares, share consolidation, etc. The share options are not entitled to dividends and voting right while the restricted shares are entitled to dividends and voting rights.

(3) The Company doesn't have cash-settled share-based payments

(4) Share-based Payments Expense

Grantees	Reporting Period			Prior Period		Total
	Equity-settled	Cash-settled	Total	Equity-settled	Cash-settled	
	Share-based	Share-based		Share-based	Share-based	
	Payments	Payments		Payments	Payments	
2023 Share Options	123,803,435.27	123,803,435.27		245,555,414.96		245,555,414.96
2025 Share Options	109,182,351.79	109,182,351.79				
Total	232,985,787.06	232,985,787.06		245,555,414.96		245,555,414.96

(5) Modifications and Cancellations of Share-based Payments: None

XIV. Commitments and Contingencies

(1) Material Commitments

As at December 31, 2025, the Company had capital expenditure commitments contracted for but not yet recognized in the financial statements of RMB655.52 million for fixed assets and RMB162.60 million for intangible assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(2) Contingencies

1. Guarantee matters

Related party guarantees are detailed in Section XII (5). 3 Related Party Guarantees. The Company has no external guarantees.

2. As at December 31, 2025, the balance of bills receivable endorsed or discounted by the Company and not yet due on the balance sheet date amounted to RMB667,457,087.77.

3. Litigation matters

(1) Greenthread, LLC Litigation Matters

On May 10, 2023, Greenthread, LLC, a U.S. patent licensing company, filed a patent infringement lawsuit (Case No. 2:23-cv-00212) in the U.S. District Court for the Eastern District of Texas, alleging that Omniview has infringed upon six of its patents.

The management of the Company believes that the lawsuit lacks factual basis and will resolutely defend against it. Based on the legal advice from the lawyers engaged by the management and the progress of this case, the management currently believes that it is not reasonably reliable to predict the potential losses based on the current status of the lawsuit. As at December 31, 2025, the Company did not accrue any provision for this lawsuit.

The patent litigation has progressed since then. On February 3, 2026, the United States Patent and Trademark Office rejected all of Greenthread's requests for reexamination, and the relevant patent claims were therefore held invalid. Greenthread may appeal to the United States Court of Appeals for the Federal Circuit within two months. As at the date of this report, the district court proceedings remain stayed.

(2) Non-controlling interests Arbitration

In April 2025, several minority shareholders of our subsidiary, OmniVision Touch & Display Technology (Shenzhen) Co., Ltd. ("**OTDSZ**"), filed an arbitration application with the Shanghai Arbitration Commission, requesting the Company to repurchase their equity in OTDSZ. The arbitration hearing was held on July 18, 2025. As at the date of approval for the release of this financial statement, the arbitration tribunal has not yet made a ruling. Based on the legal opinions of the lawyers engaged by the Company's management and the progress of this case, at this stage, the Company's management believes that it is impossible to reasonably and reliably predict the outcome of this arbitration based on the current situation. As at December 31, 2025, the Company did not make provisions for estimated liabilities for this arbitration.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

XV. Events after the Balance Sheet Date

1. Listed on the Hong Kong Stock Exchange

After being filed with the China Securities Regulatory Commission and approved by the Listing Committee of The Stock Exchange of Hong Kong Limited, the Company published its H-share prospectus on the Hong Kong Stock Exchange website on December 31, 2025. On January 12, 2026, the Company completed its global offering and was listed on the main board of the Hong Kong Stock Exchange, issuing 45,800,000 H-shares at an issue price of HK\$104.80 per share (excluding brokerage commissions and related levies). On February 6, 2026, the overall coordinator partially exercised the over-allotment option and on February 11, 2026, the Company issued an additional 4,941,100 H-shares with same price. After the partial exercise of the over-allotment option, the Company had issued a total of 50,741,100 H-shares.

2. Equity acquisition

In January 2026, the Company signed an investment and acquisition agreement with Chengdu ET Microelectronics Co., Ltd. (“**Chengdu ET**”) and its shareholders, acquiring 71.76% of Chengdu ET’s equity with consideration of RMB122 million. As at December 31, 2025, the Company had prepaid an investment intention deposit of RMB20 million. The business combination was completed in early February 2026 and Chengdu ET became a subsidiary of the Company.

3. Profit Distribution

On March 30, 2026, the Company held the 13th meeting of the 7th Board of Directors, where the 2025 annual profit distribution plan was approved. The Company plans to distribute a cash dividend of RMB1.00 (tax included) per 10 shares, based on the total number of shares after deducting the treasury shares held by the Company before the implementation of this profit distribution plan. The total amount of cash dividends expected to be distributed is RMB125,715,291.20 (tax included). This plan needs to be submitted to the Company’s 2025 annual general meeting for review and approval before implementation.

XVI. Capital Management

The principal objective of the Company’s capital management is:

- To safeguard the Company’s ability to continue as a going concern and to continue providing returns to shareholders and other stakeholders;
- To price products and services appropriately according to the level of risk, thereby providing shareholders with adequate returns.

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(All amounts are stated in Renminbi unless otherwise specified)

The Company establishes a level of capital proportionate to risk and manages and adjusts its capital structure based on changes in the economic environment and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or dispose of assets to reduce liabilities.

The Company monitors capital based on the adjusted debt-to-capital ratio.

	Ending Balance	Ending Balance of Prior Year
Total liabilities	15,446,649,874.69	14,762,183,202.89
Less: Cash and cash equivalents	12,799,853,505.74	10,152,782,025.45
Adjusted net debt	2,646,796,368.95	4,609,401,177.44
Owners' equity	28,153,859,120.96	24,202,390,100.95
Adjusted capital	28,153,859,120.96	24,202,390,100.95
Adjusted debt-to-capital Ratio	9.40%	19.05%

XVII. Other Material Matters

(1) Segment Information

1. *Basis for Determining Reportable Segments and Related Accounting Policies*

The Company's operations are organized and managed separately based on the nature of the business and the products and services provided. Each operating segment represents a business unit that provides products and services subject to risks and returns that differ from those of other operating segments. The Company's principal operating segments are as follows: (1) the Semiconductor Design Segment; and (2) the Semiconductor Distribution Segment. Management reviews the operating results of each business unit separately for purposes of resource allocation and performance evaluation. Segment performance is evaluated based on reported segment profit, which is consistent with total profit.

Transfer pricing between segments is determined based on market value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

2. Financial Information on Reportable Segments

Item	Semiconductor Design	Semiconductor Distribution	Inter-segment Eliminations	Total
Revenue	24,033,992,013.19	8,914,614,744.62	4,093,801,240.32	28,854,805,517.49
Cost of Sales	15,490,802,105.78	8,539,514,504.05	4,015,143,232.48	20,015,173,377.35
Taxes and surcharges	37,894,475.82	8,027,677.94		45,922,153.76
Expenses	3,866,908,351.88	166,937,804.21	3,918,614.85	4,029,927,541.24
Total profit	4,469,081,203.70	206,478,347.46	74,739,392.99	4,600,820,158.17
Net profit	3,933,659,055.34	167,179,358.44	69,150,770.03	4,031,687,643.75

(2) Share pledge matters

1. Mr. Yu Renrong pledged 8.60 million A shares of the Company to Huaneng Guicheng Trust Co., Ltd. for share-pledged financing, with a pledge period from June 6, 2025, to June 5, 2026.
2. Mr. Yu Renrong pledged 13.20 million A shares of the Company to China CITIC Bank Co., Ltd. for share-pledged financing, with a pledge period from July 3, 2025, to July 10, 2026.
3. Mr. Yu Renrong pledged 44.03 million A shares of the Company to CITIC Securities Co., Ltd. for share-pledged financing, with a pledge period from July 23, 2025, to July 23, 2026.
4. Mr. Yu Renrong pledged 5.44 million A shares of the Company to Zhongyuan Trust Co., Ltd. for share-pledged financing, with a pledge period from August 21, 2025, to July 26, 2026.
5. Mr. Yu Renrong pledged 7.10 million A shares of the Company to Zhongyuan Trust Co., Ltd. for share-pledged financing, with a pledge period from September 3, 2025, to August 16, 2026.
6. Mr. Yu Renrong pledged 10.60 million A shares of the Company to Xizang Trust Co., Ltd. for share-pledged financing, with a pledge period from August 28, 2025 to August 28, 2026.
7. Mr. Yu Renrong pledged 10.33 million A shares of the Company to CITIC Securities Co., Ltd. for share-pledged financing, with a pledge period from September 17, 2025, to September 17, 2026.
8. Mr. Yu Renrong pledged 8.00 million A shares of the Company to Xizang Trust Co., Ltd. for share-pledged financing, with a pledge period from October 20, 2025, to October 20, 2026.
9. Mr. Yu Renrong pledged 8.25 million A shares of the Company to Xizang Trust Co., Ltd. for share-pledged financing, with a pledge period from November 18, 2025, to November 18, 2026.

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FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

10. Mr. Yu Renrong pledged 5.40 million A shares of the Company to Hangzhou Industrial and Commercial Trust Co., Ltd. for share-pledged financing, with a pledge period from October 17, 2025, to December 17, 2026.
11. Mr. Yu Renrong pledged 6.98 million A shares of the Company to Shanghai Pudong Technology Financial Services Co., Ltd. for share-pledged financing, with a pledge period from December 18, 2024, to December 18, 2026.
12. Mr. Yu Renrong pledged 7.50 million A shares of the Company to Bohai International Trust Co., Ltd. for share-pledged financing, with a pledge period from January 15, 2025, to January 14, 2027.
13. Mr. Yu Renrong pledged 3.50 million A shares of the Company to Shanghai International Trust Co., Ltd. for share-pledged financing, with a pledge period from October 21, 2025, to February 19, 2027.
14. Mr. Yu Renrong pledged 8.40 million A shares of the Company to Industrial International Trust Co., Ltd. for share-pledged financing, with a pledge period from July 8, 2025, to July 7, 2027.
15. Mr. Yu Renrong pledged 4.30 million A shares of the Company to Industrial International Trust Co., Ltd. for share-pledged financing, with a pledge period from July 28, 2025, to July 16, 2027.
16. Mr. Yu Renrong pledged 10.00 million A shares of the Company to Shanghai Pudong Development Bank Co., Ltd. for share-pledged financing, with a pledge period from September 3, 2025, to September 3, 2028.
17. Mr. Yu Renrong pledged 10.16 million A shares of the Company to Shanghai Pudong Development Bank Co., Ltd. for share-pledged financing, with a pledge period from September 29, 2025, to September 28, 2028.
18. Shaoxing Weihao Equity Investment Fund Partnership (Limited Partnership), which is controlled by Mr. Yu Renrong, has pledged 1.26 million A shares of the Company to Industrial Bank Co., Ltd. for share-pledged financing, with the pledge period from January 25, 2022, to September 29, 2026.
19. Shaoxing Weihao Equity Investment Fund Partnership (Limited Partnership), which is controlled by Mr. Yu Renrong, has pledged 5.23 million A shares of the Company's to Ping An Bank Co., Ltd. for share-pledged financing, with a pledge period from April 27, 2022, to April 26, 2029.
20. The Shaoxing Weihao Equity Investment Fund Partnership (Limited Partnership), which is controlled by Mr. Yu Renrong, has pledged 9.37 million A shares of the Company to Ping An Bank Co., Ltd. for share-pledged financing, with a pledge period from August 25, 2022, to April 26, 2029.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

Mr. Yu Renrong, the ultimate beneficial owner of the Company, held 303,472,250 A shares of the Company and pledged 171,790,000 A shares in aggregate. Shaoxing Weihao Equity Investment Funds Management Partnership (Limited Partnership), controlled by Mr Yu Renrong, held 74,132,662 A shares of the Company and has accumulated 15,856,000 A shares pledged.

XVIII. Notes to Major Items of the Parent Company Financial Statements

(1) Accounts Receivable

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

Aging	Ending Balance	Ending Balance of Prior Year
Within 1 year	1,306,520,507.10	999,557,114.01
1 to 2 years	20,544,054.41	36,046,431.34
2 to 3 years	35,487,596.97	55,913,262.81
Over 3 years	55,913,262.81	
Subtotal	1,418,465,421.29	1,091,516,808.16
Less: Allowance for credit losses	78,193,202.61	38,644,229.07
Total	1,340,272,218.68	1,052,872,579.09

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**
(All amounts are stated in Renminbi unless otherwise specified)

2. Accounts Receivable by Loss Allowance Method

Category	Ending Balance				Ending Balance of Prior Year					
	Carrying Amount		Loss Allowance		Carrying Amount		Loss Allowance			
	Amount	Percentage	Amount	Provision Rate	Carrying Amount	Amount	Percentage	Amount	Provision Rate (%)	Carrying Amount
		(%)		(%)			(%)			
Loss allowance measured on an individual basis										
Loss allowance measured on a collective basis by credit risk characteristics	1,418,465,421.29	100.00	78,193,202.61	5.51	1,340,272,218.68	1,091,516,808.16	100.00	38,644,229.07	3.54	1,052,872,579.09
Including: amounts from related parties	1,239,922,217.13	87.41			1,239,922,217.13	914,755,258.07	83.81			914,755,258.07
Amounts by age portfolio	178,543,204.16	12.59	78,193,202.61	43.80	100,350,001.55	176,761,550.09	16.19	38,644,229.07	21.86	138,117,321.02
Total	1,418,465,421.29	100.00	78,193,202.61	/	1,340,272,218.68	1,091,516,808.16	100.00	38,644,229.07	/	1,052,872,579.09

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

Grouping Basis:

Name	Ending Balance		
	Accounts Receivable	Loss Allowance	Provision Rate (%)
Amounts from related parties	1,239,922,217.13		
Amounts by age portfolio	178,543,204.16	78,193,202.61	43.80
Total	1,418,465,421.29	78,193,202.61	/

3. Movements in Loss Allowance During the Reporting Period

Category	Ending Balance of Prior Year	Changes for the Period				Ending Balance
		Provision Recognized	Recovery or Reversal	Write-off	Other Changes	
Loss allowance	38,644,229.07	39,548,973.54				78,193,202.61
Total	38,644,229.07	39,548,973.54				78,193,202.61

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

4. *There was no actual write-off of accounts receivable during the reporting period*

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

Entity Name	Ending Balance of Accounts Receivable	Ending Balance of Contract Assets	Ending Balance of Accounts Receivable and Contract Assets	Percentage of Total Ending Balance of Accounts Receivable and Contract Assets (%)	Ending Balance of Loss Allowance for Accounts Receivable and Allowance for Contract Assets
No. 1	1,007,161,385.93		1,007,161,385.93	71.00	
No. 2	145,732,582.83		145,732,582.83	10.27	
No. 3	108,113,168.12		108,113,168.12	7.62	74,671,700.80
No. 4	69,517,011.41		69,517,011.41	4.90	
No. 5	22,960,066.52		22,960,066.52	1.62	1,148,003.33
Total	1,353,484,214.81		1,353,484,214.81	95.41	75,819,704.13

(2) **Other Receivables**

Item	Ending Balance	Ending Balance of Prior Year
Interest receivable		
Dividends receivable	703,241,850.00	644,676,330.48
Other receivables	1,906,164,269.67	3,706,908,916.54
Total	2,609,406,119.67	4,351,585,247.02

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

1. Interest Receivable: None

2. Dividends Receivable

(1) *Details of Dividends Receivable*

Item (or Investee)	Ending Balance	Ending Balance of Prior Year
Beijing Jinghongzhi Technology Co., Ltd.	48,600,000.00	32,000,000.00
Omnivision Technology (Beijing) Limited Corp.	54,946,710.00	28,107,333.33
Beijing Vision Source Technology Development Co., Ltd.	66,500,000.00	19,158,857.15
Zhejiang Will Equity Investment Co., Ltd.	94,300,000.00	94,300,000.00
Hunan Silicon Internet of Things Technology Co., Ltd.	100,000,000.00	28,000,000.00
Will Semiconductor Limited	306,595,140.00	443,110,140.00
Shaoxing Weihao Business Management Partnership (Limited Partnership)	32,300,000.00	
Total	703,241,850.00	644,676,330.48

3. Other Receivables

(1) *By Aging*

Aging	Ending Balance	Ending Balance of Prior Year
Within 1 year	673,273,211.14	276,564,159.47
1 to 2 years	198,654,373.76	615,686,257.64
2 to 3 years	477,486,675.61	2,433,937,998.90
Over 3 years	558,908,379.89	383,606,385.08
Subtotal	1,908,322,640.40	3,709,794,801.09
Less: Allowance for Credit Losses	2,158,370.73	2,885,884.55
Total	1,906,164,269.67	3,706,908,916.54

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(2) By Loss Allowance Method

Category	Ending Balance				Ending Balance of Prior Year					
	Carrying Amount		Loss Allowance		Carrying Amount	Loss Allowance		Provision Rate (%)	Carrying Amount	
	Amount	Percentage (%)	Amount	Provision Rate (%)		Amount	Percentage (%)			
		Amount		Amount	Amount					
Loss allowance measured on an individual basis										
Loss allowance measured on a collective basis by credit risk characteristics	1,908,322,640.40	100.00	2,158,370.73	0.11	1,906,164,269.67	3,709,794,801.09	100.00	2,885,884.55	0.08	3,706,908,916.54
Including: amounts from related parties	1,895,165,225.90	99.31			1,895,165,225.90	3,691,493,933.98	99.51			3,691,493,933.98
Other	13,157,414.50	0.69	2,158,370.73	16.40	10,999,043.77	18,300,867.11	0.49	2,885,884.55	15.77	15,414,982.56
Total	1,908,322,640.40	100.00	2,158,370.73	/	1,906,164,269.67	3,709,794,801.09	100.00	2,885,884.55	/	3,706,908,916.54

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

Grouping Basis:

Name	Ending Balance		
	Other Receivables	Loss Allowance	Provision Rate (%)
Amounts due from related parties	1,895,165,225.90		
Deposits	2,083,822.20	104,191.11	5.00
Tax receivable	7,575,529.65	378,776.48	5.00
Others	3,498,062.65	1,675,403.14	47.90
Total	1,908,322,640.40	2,158,370.73	/

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(All amounts are stated in Renminbi unless otherwise specified)

(3) *Loss Allowance*

Loss Allowance	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses (Not Credit- impaired)	Stage 3 Lifetime Expected Credit Losses (Credit- impaired)	Total
Ending Balance of Prior Year	2,885,884.55			2,885,884.55
Opening Balance				
Transferred During Reporting Period	2,885,884.55			2,885,884.55
— Transferred to Stage 2				
— Transferred to Stage 3				
— Transferred Back to Stage 2				
— Transferred Back to Stage 1				
Provision Recognized in Reporting Period				
Reversal in Reporting Period	727,513.82			727,513.82
Write-off in Reporting Period				
Write-off in Reporting Period				
Other Changes				
Ending Balance	2,158,370.73			2,158,370.73

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts are stated in Renminbi unless otherwise specified)

(4) *Movements in Loss Allowance During the Reporting Period*

Category	Ending Balance of Prior Year	Changes for the Period			Ending Balance
		Provision Recognized	Recovery or Reversal	Write-off	
Loss allowance	2,885,884.55		727,513.82		2,158,370.73
Total	2,885,884.55		727,513.82		2,158,370.73

(5) *There was no actual write-off of other receivables during the reporting period*

(6) *Classification by Nature of Amounts*

Nature of Receivable	Ending Carrying Amount	Carrying Amount at End of Prior Year
Amounts due from related parties	1,895,165,225.90	3,691,493,933.98
Deposits	2,083,822.20	2,078,585.20
Tax receivable	7,575,529.65	3,115,803.92
Others	3,498,062.65	13,106,477.99
Total	1,908,322,640.40	3,709,794,801.09

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(7) *Top Five Other Receivables by Debtor Based on Period-end Balances*

Entity Name	Nature of Receivable	Ending Balance	Aging	Percentage of Total Ending Balance of Other Receivables (%)	Loss Allowance at the End of the Reporting Period
Shaoxing Weihao Business Management Partnership (Limited Partnership)	Amounts from related parties	724,080,000.00	Within 3 years	37.94	
Zhejiang Will Equity Investment Co., Ltd.	Amounts from related parties	701,668,268.83	Within 3 years	36.77	
OmniVision IC Group Co., Ltd. Shanghai	Amounts from related parties	237,093,116.58	Within 3 years	12.42	
OmniVision Touch & Display Technology (Shenzhen) Co., Ltd.	Amounts from related parties	228,576,900.49	Within 3 years	11.98	
Tax bureau	Tax receivable	7,575,529.65	Within 1 years	0.40	378,776.48
Total	/	1,898,993,815.55	/	99.51	378,776.48

(3) Long-term Equity Investments

Item	Ending Balance		Ending Balance of Prior Year			
	Carrying Amount	Impairment Allowance	Carrying Amount	Carrying Amount	Impairment Allowance	Carrying Amount
Investments in subsidiaries	22,706,669,989.05		22,706,669,989.05	22,136,205,729.89		22,136,205,729.89
Investments in associates and joint ventures	1,886,748,524.50		1,886,748,524.50	1,442,025,581.99		1,442,025,581.99
Total	24,593,418,513.55		24,593,418,513.55	23,578,231,311.88		23,578,231,311.88

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

1. Investments in Subsidiaries

Investee	Closing Balance of Prior Year (Carrying Amount)	Closing Impairment Allowance of Prior Year	Changes for the Period			Ending Balance (Carrying Amount)	Ending Impairment Allowance
			Additional Investment	Reduction in Investment	Impairment allowance recognized during the reporting period Other		
Shanghai Weixi Microelectronics Co., Ltd.	100,000,000.00					100,000,000.00	
Will Semiconductor Limited	141,640,602.35				5,002,418.97	146,643,021.32	
Beijing Jinghongzhi Technology Co., Ltd.	662,710,328.09				7,210,816.22	669,921,144.31	
Shenzhen Dongyi Electronics Co., Ltd.	9,886,440.00					9,886,440.00	
Shanghai Wiz Semiconductor Ltd.	388,616,094.71		20,287,485.91			408,903,580.62	
Wuhan Will Semiconductor Co., Ltd.	20,008,865.40				1,233,166.13	21,242,031.53	
Shanghai Simpli Semiconductor Co., Ltd.	6,000,000.00		12,000,000.00			18,000,000.00	
Shanghai Heart Link Electronic Technology Co., Ltd.	10,816,916.58				-112,193.96	10,704,722.62	
Hefei Weihao Semiconductor Technology Co., Ltd.	257,264,112.81			190,000,000.00	127,215.79	67,391,328.60	
Beijing OmniVision Technologies Company Limited	13,840,082,714.17				150,663,335.61	13,990,746,049.78	
Shenzhen Xinneng Investment Co., Ltd.	1,009,191,890.00					1,009,191,890.00	
Shenzhen Xinli Investment Co., Ltd.	678,227,360.00					678,227,360.00	
Shaoxing Weihao Semiconductor Technology Co., Ltd.	143,294,057.57		24,900,000.00			168,194,057.57	
Beijing Vision Source Technology Development Co., Ltd.	337,364,761.62				5,025,534.41	342,390,296.03	
Omnivision Technology (Beijing) Limited Corp.	248,656,155.89				3,944,601.31	252,600,757.20	
Omnivision Analog Integrated Circuit (Beijing) Co., Ltd.	65,754,090.36				1,314,067.54	67,068,157.90	
Omnivision Integrated Circuit (Chengdu) Co., Ltd.	102,836,496.05				1,835,141.90	104,671,637.95	
Omnivision Celepixel Sensor (Shanghai) Co., Ltd.	434,000,000.00					434,000,000.00	
Zhejiang Will Equity Investment Co., Ltd.	500,000,000.00					500,000,000.00	
Shanghai Will Real Estate Co., Ltd.	23,800,000.00					23,800,000.00	
Omnivision Touch & Display Technology (Shenzhen) Co., Ltd.	327,950,248.98				140,326.55	328,090,575.53	
Omnivision IC Group Co., Ltd. Shanghai	617,013,397.73				35,518,843.01	652,532,240.74	
Shaoxing Weihao Business Management Partnership (Limited Partnership)	475,000,000.00					475,000,000.00	
Omnivision North Integrated Circuit Co., Ltd.	58,494,031.40				6,813,568.37	65,307,599.77	
Shaoxing OmniVision Micro Display Technology Co., Ltd.	515,703,166.18		484,273,100.00		286,831.40	1,000,263,097.58	
Hunan Silicon Internet of Things Technology Co., Ltd.	1,047,450,000.00					1,047,450,000.00	
Changsha Silicon IoT Project Management Consulting Partnership Enterprise (Limited Partnership)	114,444,000.00					114,444,000.00	
Total	22,136,205,729.89		541,460,585.91	190,000,000.00	219,003,673.25	22,706,669,989.05	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(All amounts are stated in Renminbi unless otherwise specified)

2. Investments in Associates and Joint Ventures

Investee	Closing Balance of Prior Year (Carrying Amount)	Closing Impairment Allowance of Prior Year	Changes for the Period					Ending Balance (Carrying Amount)	Ending Impairment Allowance
			Additional Investment	Investment Gains or Losses Recognized Under the Equity Method	Adjustments to Other Comprehensive Income	Other Changes in Equity	Cash Dividends or Profits Declared		
Associates									
Jiangsu Weida Semiconductor Co., Ltd.	21,163,735.54			-243,318.78				20,920,416.76	
OmniVision Semiconductor (Shanghai) Co., Ltd.	1,078,420,870.17		164,760,000.00	5,906,172.93		4,124,925.18		1,253,211,968.28	
Silicon Kaiser integrated circuit Co., Ltd.	28,491,492.42			-1,167,899.80				27,323,592.62	
Ningbo Siwave Electronics Co., Ltd.	15,264,293.87			817,770.10		-155,660.27		15,926,403.70	
Xinghao Communication Technologies (Zhejiang) Co., Ltd.	298,685,189.99			-33,010,395.73	261,479.53			265,936,273.79	
Chongqing Chuangyuan Zhihang Technology Co., Ltd.			300,000,000.00	-664,758.42				299,335,241.58	
Huahui OmniVision (Xi'an) Technology Co., Ltd.			6,000,000.00	-1,905,372.23				4,094,627.77	
Total	1,442,025,581.99		470,760,000.00	-30,267,801.93	261,479.53	3,969,264.91		1,886,748,524.50	

(4) Operating Revenue and Operating Costs

1. Operating Revenue and Operating Costs

Item	Reporting Period		Prior Period	
	Revenue	Cost	Revenue	Cost
Main business	1,623,786,337.00	1,179,332,944.13	1,541,070,319.44	1,108,665,414.15
Other business	1,598,510,642.17	154,306,465.00	18,625,229.85	9,386,270.61
Total	3,222,296,979.17	1,333,639,409.13	1,559,695,549.29	1,118,051,684.76

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(5) Investment Income

Item	Reporting Period	Prior Period
Dividend income from long-term equity investments accounted for cost method	322,346,710.00	676,422,330.48
Share of post-tax profits of equity accounted associates	-30,267,801.93	-25,775,164.88
Investment gain on disposal of long-term equity investments		50,091,104.89
Investment gain on disposal of financial assets held for trading	-268,639.41	382,007.73
investment income of other non-current financial assets	34,562,172.62	13,736,164.68
Investment gain on disposal of other non-current financial assets		76,501,622.13
Interest on discount of bill	-1,109,188.30	-548,926.96
Total	325,263,252.98	790,809,138.07

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(All amounts are stated in Renminbi unless otherwise specified)

XIX. Supplementary Information

(1) Breakdown of Non-recurring Profit or Loss for the Reporting Period

Item	Amount	Explanation
Gains or losses on disposal of non-current assets, including the portion attributable to reversal of previously recognized asset impairment allowances	-544,621.64	
Government grants recognized in current profit or loss, other than grants closely related to the Company's ordinary business, granted in accordance with government policies and standards, and having an ongoing impact on the Company's profit or loss	60,373,472.02	
Other than effective hedging activities related to the Company's ordinary business, gains or losses arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses on disposal of financial assets and financial liabilities	111,502,689.04	
Other non-operating income and expenses other than the items above	-5,327,704.49	
Other profit or loss items that meet the definition of non-recurring profit or loss		
Subtotal	166,003,834.93	
Income tax effect	30,066,217.73	
Effect on non-controlling interests (net of tax)	39,684.01	
Total	135,897,933.19	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(All amounts are stated in Renminbi unless otherwise specified)

(2) Return on Net Assets and Earnings per Share

Profit for the Reporting Period	Weighted Average Return On Net Assets (%)	Earnings Per Share (RMB)	
		Basic Earnings per Share	Diluted Earnings per Share
Net profit attributable to owners of the Company	15.39	3.37	3.36
Net profit attributable to owners of the Company after deducting non-recurring profit or loss	14.88	3.25	3.24

OmniVision Integrated Circuits Group, Inc.

March 30, 2026

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